

SENATE BILL No. 545

June 4, 2003, Introduced by Senator GARCIA and referred to the Committee on Local, Urban and State Affairs.

A bill to amend 1966 PA 346, entitled
"State housing development authority act of 1966,"
by amending the title and sections 1, 11, 15a, 22, 24b, 32, 32a,
32b, 44, 44c, 44d, 97, 97a, 97b, 97c, 97d, 97e, 97f, 98, 98a,
98b, 98c, 98d, 98e, 98f, and 99c (MCL 125.1401, 125.1411,
125.1415a, 125.1422, 125.1424b, 125.1432, 125.1432a, 125.1432b,
125.1444, 125.1444c, 125.1444d, 125.1497, 125.1497a, 125.1497b,
125.1497c, 125.1497d, 125.1497e, 125.1497f, 125.1498, 125.1498a,
125.1498b, 125.1498c, 125.1498d, 125.1498e, 125.1498f, and
125.1499c), the title and sections 97c and 98c as amended by 1984
PA 215, sections 1 and 44d as amended by 1998 PA 33, sections 11,
44c, and 98a as amended by 1996 PA 475, section 15a as amended by
1994 PA 363, section 22 as amended by 2002 PA 385, sections 24b,
97, 97a, 97b, 97d, 97e, 97f, 98, 98b, 98d, 98e, and 98f as
amended by 1983 PA 217, sections 32, 32a, 32b, and 44 as amended

by 2000 PA 257, and section 99c as added by 1989 PA 220.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

TITLE

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An act to create a state housing development authority; to define the powers and duties of the authority; to establish a housing development revolving fund; to establish a land acquisition and development fund; to establish a rehabilitation fund; to establish a conversion condominium fund; to authorize the making and purchase of loans, deferred payment loans, and grants to qualified developers, sponsors, individuals, mortgage lenders, and municipalities; to establish and provide acceleration and foreclosure procedures; to provide tax exemption; to authorize payments in lieu of taxes by nonprofit housing corporations, consumer housing cooperatives, limited dividend housing corporations, ~~mobile~~ **manufactured** home park corporations, and ~~mobile~~ **manufactured** home park associations; and to prescribe criminal penalties for violations of this act.

Sec. 1. (1) The legislature hereby determines that there exists in ~~the~~ **this** state a seriously inadequate supply of, and a pressing need for, safe and sanitary dwelling accommodations within the financial means of low income or moderate income families or persons, including those families and persons displaced by the clearing of slums and blighted areas or by other public programs; that there exists in this state a high incidence of residential real property occupied by persons of low and moderate income ~~which~~ **that** is not safe, sanitary, or adequate and that there is a pressing need for rehabilitation of that

1 property; that large areas in municipalities have become blighted
2 or, through programs to remove blight, have become vacant,
3 resulting in the impairment or loss of taxable values upon which
4 municipal revenue largely depends; that large numbers of middle
5 and upper income persons and families have left municipalities
6 ~~which~~ **that** have high concentrations of low income persons and
7 families resulting in a high demand for municipal services
8 notwithstanding a low potential for generating revenues necessary
9 to pay for those services; that the existence of blight, the
10 inability to redevelop cleared areas, and the lack of economic
11 integration is detrimental to the general welfare of the citizens
12 of this state and the economic welfare of municipalities in this
13 state; that the financing of housing for persons and families
14 without regard to income will assist in preserving existing
15 values of property within or adjacent to blighted or cleared
16 areas; that economic integration will promote the financial and
17 social stability of housing for families and persons of low and
18 moderate income; that in order to improve and maintain the
19 general character of municipalities having the aforesaid
20 characteristics, it is necessary to promote the development of
21 housing for persons and families without regard to income; that
22 to increase the availability of safe and sanitary housing
23 generally it is necessary to facilitate the purchase of existing
24 housing by making financing for the purchase of existing housing
25 available at affordable interest rates; that there are inadequate
26 social, recreational, commercial, and communal facilities in
27 residential areas inhabited by low income or moderate income

1 families or persons and in areas blighted or vacant because of
 2 slum clearance, and that housing financed pursuant to this act
 3 will not be viable without adequate social, recreational,
 4 commercial, and communal facilities in the surrounding area; and
 5 that it is a valid public purpose to finance the acquisition and
 6 rehabilitation of existing housing or the construction of
 7 additional housing for those low or moderate income families and
 8 persons who would otherwise be unable to obtain adequate and
 9 affordable dwellings, to finance the rehabilitation of
 10 residential real property occupied or to be occupied by persons
 11 and families of low and moderate income who would otherwise be
 12 unable to afford the purchase or rehabilitation of residential
 13 real property ~~which~~ **that** is safe, sanitary, or adequate, to
 14 finance housing for persons and families without regard to income
 15 in areas in municipalities ~~which~~ **that** are experiencing blight
 16 or inability to redevelop land cleared of blight ~~which~~ **that** are
 17 predominately populated by low and moderate income persons and
 18 families, to finance social, recreational, commercial, and
 19 communal facilities to serve those families or persons, to
 20 enhance authority-financed housing, to establish and provide
 21 acceleration and foreclosure procedures for authority-financed
 22 housing, and to acquire land for present or future development
 23 including that housing and social, recreational, commercial, and
 24 communal facilities; that it is a valid public purpose to finance
 25 safe, sanitary, and adequate ~~mobile~~ **manufactured** homes,
 26 ~~mobile~~ **manufactured** home parks, and ~~mobile~~ **manufactured** home
 27 condominium projects for persons and families of low and moderate

1 income in order to facilitate the provision of affordable housing
2 for ~~such~~ **those** persons, to finance ~~mobile~~ **manufactured** homes,
3 ~~mobile~~ **manufactured** home parks, and ~~mobile~~ **manufactured** home
4 condominium projects without regard to income in areas in
5 municipalities ~~which~~ **that** are experiencing blight or inability
6 to redevelop land cleared of blight ~~which~~ **that** are
7 predominately populated by low and moderate income persons and
8 families, and to finance social, recreational, commercial, and
9 communal facilities in ~~mobile~~ **manufactured** home parks and
10 ~~mobile~~ **manufactured** home condominium projects, the financing of
11 ~~mobile~~ **manufactured** homes, ~~mobile~~ **manufactured** home parks,
12 and ~~mobile~~ **manufactured** home condominium projects being
13 necessary to fill a gap in the housing market.

14 (2) It is further determined that the supply of low and
15 moderate cost housing available for occupancy by certain persons
16 with disabilities and certain elderly persons is being eroded
17 through greatly increasing rental rates, and the conversion of
18 low and moderate cost rental units into condominium units ~~which~~
19 **that** are then sold at prices and under financing terms ~~which~~
20 **that** are not affordable to those persons with disabilities and
21 elderly persons. It is further determined that it is a proper
22 public purpose to prevent the erosion of the supply of existing
23 low and moderate cost housing available for occupancy by certain
24 persons with disabilities and elderly persons by taking
25 appropriate action to prevent the displacement of those persons
26 with disabilities and elderly persons from existing low and
27 moderate cost housing, including the making of loans enabling

1 those persons with disabilities and elderly persons to continue
2 to rent the units in which they reside.

3 (3) It is further determined that to assure an adequate
4 supply of safe and sanitary housing for families of low and
5 moderate income within the financial means of those families, it
6 is necessary to facilitate the purchase of safe and sanitary
7 existing housing by those families; that, in addition, new
8 single-family housing construction is inhibited by the inability
9 of prospective purchasers to sell existing single-family
10 residences, and that those conditions result in the reduction of
11 the number of safe and sanitary dwellings ~~which~~ **that** would
12 otherwise be made available to persons of low and moderate
13 income; and that the depressed economy and decreased employment
14 in this state are detrimental to the general welfare of the
15 citizens of this state. It is further determined that it is
16 necessary in order to alleviate those conditions and is a valid
17 public purpose to provide for the financing, with the assistance
18 of the authority, of the purchase of existing single-family
19 residences for occupancy by low and moderate income families and
20 families without regard to income in areas in municipalities
21 ~~which~~ **that** are experiencing blight or inability to redevelop
22 land cleared of blight and ~~which~~ **that** are predominately
23 populated by low and moderate income persons and families.

24 (4) It is further determined that there exists in this state
25 a high incidence of residential rental property ~~which~~ **that** is
26 not safe, sanitary, adequate, or energy efficient, and that there
27 is a pressing need for the rehabilitation of residential rental

1 property in order to preserve and improve the state's existing
2 housing stock. It is further determined that it is necessary in
3 order to alleviate those conditions and is a valid public purpose
4 to provide for the financing, with the assistance of the
5 authority, of the rehabilitation of existing residential rental
6 property without regard to the income of the persons or entities
7 owning the property or of the tenants of the property.

8 (5) It is further determined that there is a statewide
9 pressing need for programs to alleviate and prevent conditions of
10 unemployment in the housing industry, to preserve existing jobs
11 and create new jobs to meet the employment demands of population
12 growth, to promote the development of construction related
13 business enterprises, to revitalize and diversify the Michigan
14 economy in general, and to achieve the goals of economic growth
15 and full employment.

16 (6) It is further determined that the construction and
17 rehabilitation of safe and sanitary dwellings are necessary to
18 the creation and retention of jobs in the state.

19 (7) It is further determined that the retention, promotion,
20 and development of the housing industry require additional means
21 of financing to help existing business enterprises expand more
22 rapidly, to promote the location of additional business
23 enterprises in this state, and to alleviate and prevent
24 conditions of unemployment.

25 (8) The legislature finds that the conditions described in
26 subsections (1) to (7) cannot be remedied by the ordinary
27 operation of private enterprise without supplementary public

1 participation and that the authority and powers conferred by this
2 act constitute a necessary program and serve a valid public
3 purpose.

4 Sec. 11. As used in this act:

5 (a) "Authority" means the Michigan state housing development
6 authority created in this act.

7 (b) "Development costs" means the costs that have been
8 approved by the authority as appropriate expenditures, and
9 includes:

10 (i) Payments for options to purchase properties on the
11 proposed housing project site, deposits on contracts of purchase,
12 or, with the prior approval of the authority, payments for the
13 purchases of those properties.

14 (ii) Legal, organizational, and marketing expenses, including
15 payment of attorneys' fees, project manager and clerical staff
16 salaries, office rent, and other incidental expenses.

17 (iii) Payment of fees for preliminary feasibility studies,
18 advances for planning, engineering, and architectural work.

19 (iv) Expenses for surveys as to need, and market analyses.

20 (v) Necessary application and other fees to federal and other
21 government agencies.

22 (vi) Other expenses incurred by the nonprofit housing
23 corporation, consumer housing cooperative, limited dividend
24 housing corporation, ~~mobile~~ **manufactured** home park corporation,
25 or ~~mobile~~ **manufactured** home park association that the authority
26 considers appropriate to effectuate the purposes of this act.

27 (c) "Federally-aided mortgage" means ~~any~~ **1 or more** of the

1 following:

2 (i) A below market interest rate mortgage insured, purchased,
3 or held by the secretary of the department of housing and urban
4 development.

5 (ii) A market interest rate mortgage insured by the secretary
6 of the department of housing and urban development and augmented
7 by a program of rent supplements.

8 (iii) A mortgage receiving interest reduction payments
9 provided by the secretary of the department of housing and urban
10 development.

11 (iv) A mortgage on a housing project to which the authority
12 allocates low income housing tax credits under section 22b.

13 (v) A mortgage receiving special benefits under other federal
14 law designated specifically to develop low and moderate income
15 housing, consistent with this act.

16 (d) "Fund" means the housing development fund created by
17 ~~this act~~ **section 23**.

18 (e) "Project cost" means the sum total of all reasonable or
19 necessary costs incurred by the nonprofit housing corporation,
20 consumer housing cooperative, limited dividend housing
21 corporation, ~~mobile~~ **manufactured** home park corporation, or
22 ~~mobile~~ **manufactured** home park association for carrying out all
23 works and undertakings for the completion of a housing project
24 and approved by the authority. In addition to other reasonable
25 and necessary costs, "project costs" includes costs for all of
26 the following: studies and surveys; plans, specifications, and
27 architectural and engineering services; legal, organization,

1 marketing, or other special services; financing, acquisition,
2 demolition, construction, equipment, and site development of new
3 and rehabilitated buildings; movement of existing buildings to
4 other sites; rehabilitation, reconstruction, repair, or
5 remodeling of existing buildings; carrying charges during
6 construction; the cost of placement of tenants or occupants, and
7 relocation services in connection with a housing project; and, to
8 the extent not already included, all development costs.

9 (f) "Housing project" means ~~any~~ **1 or more** of the
10 following:

11 (i) Residential real property developed or to be developed or
12 receiving benefits under this act.

13 (ii) A specific work or improvement either for rental or for
14 subsequent sale to an individual purchaser undertaken by a
15 nonprofit housing corporation, consumer housing cooperative,
16 limited dividend housing corporation, ~~mobile~~ **manufactured** home
17 park corporation, or ~~mobile~~ **manufactured** home park association
18 pursuant to or receiving benefits under this act to provide
19 dwelling accommodations, including the acquisition, construction,
20 or rehabilitation of lands, buildings, and improvements.

21 (iii) Social, recreational, commercial, and communal
22 facilities that the authority finds necessary to serve and
23 improve a residential area in which housing described in
24 subparagraph (i) or (ii) is located or is planned to be located,
25 thereby enhancing the viability of the housing.

26 (g) "Low income or moderate income persons" means families
27 and persons who cannot afford to pay the amounts at which private

1 enterprise, without federally-aided mortgages or loans from the
2 authority, is providing a substantial supply of decent, safe, and
3 sanitary housing and who fall within income limitations set in
4 this act or by the authority in its rules. Among low income or
5 moderate income persons, preference shall be given to the elderly
6 and those displaced by urban renewal, slum clearance, or other
7 governmental action.

8 (h) "Municipality" means a city, village, or township in this
9 state.

10 (i) "County" means a county within this state.

11 (j) "Governing body" means in the case of a city, the council
12 or commission of the city; in the case of a village, the council,
13 commission, or board of trustees of the village; in the case of a
14 township, the township board; and in the case of a county, the
15 county board of commissioners.

16 (k) "Nonprofit housing corporation" means a nonprofit
17 corporation incorporated under the corporation laws of this state
18 and chapter 4.

19 (l) "Consumer housing cooperative" means a nonprofit
20 corporation incorporated pursuant to the corporation laws of this
21 state and chapter 5.

22 (m) "Annual shelter rent" means the total collections during
23 an agreed annual period from all occupants of a housing project
24 representing rent or occupancy charges, exclusive of charges for
25 gas, electricity, heat, or other utilities furnished to the
26 occupants.

27 (n) "Taxing jurisdiction" means a municipality, county, or

1 district, including a school district or ~~any~~ a special district
2 having the power to levy or collect taxes upon real property or
3 in whose behalf taxes may be levied or collected.

4 (o) "Elderly" means a single person who is 55 years of age or
5 older or a household in which at least 1 member is 55 years of
6 age or older and all other members are 50 years of age or older.

7 (p) "Housing development" means a development that contains a
8 significant element of housing for persons of low or moderate
9 income and elements of other housing and commercial,
10 recreational, industrial, communal, and educational facilities
11 that the authority determines improve the quality of the
12 development as it relates to housing for persons of low or
13 moderate income.

14 (q) "Limited dividend housing corporation" means a
15 corporation incorporated or qualified pursuant to the corporation
16 laws of this state and chapter 6 and a limited dividend housing
17 association organized and qualified ~~pursuant~~ **according** to
18 chapter 7.

19 (r) "Residential real property" means real property located
20 in this state, used for residential purposes, and improved or to
21 be improved by a residential structure. Residential real
22 property includes a ~~mobile~~ **manufactured** home, a ~~mobile~~
23 **manufactured** home park, and a ~~mobile~~ **manufactured** home
24 condominium project. When the terms "rehabilitate" or
25 "rehabilitation" are used in conjunction with residential real
26 property, residential real property refers to property improved
27 by a residential structure.

1 (s) "Rehabilitation" means all or part of those repairs and
2 improvements necessary to make residential real property safe,
3 sanitary, or adequate.

4 (t) "Deferred payment loan" means a loan that is repayable or
5 partially repayable upon the occurrence of a specified event as
6 determined by the authority.

7 (u) "Eligible distressed area" means ~~any~~ **1 or more** of the
8 following:

9 (i) An area located in a city with a population of at least
10 10,000, which area is either designated as a "blighted area" by a
11 local legislative body ~~pursuant~~ **according** to ~~Act No. 344 of~~
12 ~~the Public Acts of 1945, being sections 125.71 to 125.84 of the~~
13 ~~Michigan Compiled Laws~~ **1945 PA 344, MCL 125.71 to 125.84**, or
14 which area is determined by the authority to be blighted or
15 largely vacant by reason of clearance of blight, if, with respect
16 to the area, the authority determines all of the following:

17 (A) That private enterprise has failed to provide a supply of
18 adequate, safe, and sanitary dwellings sufficient to meet market
19 demand.

20 (B) That approval of elimination of income limits applicable
21 in connection with authority loans has been received from the
22 city in the form of either a resolution adopted by the highest
23 legislative body of the city or, if the city charter provides for
24 the mayor to be elected at large with that office specifically
25 designated on the ballot, provides that the office of mayor is a
26 full-time position, and provides that the mayor has the power to
27 veto legislative actions of the legislative body of that city, a

1 written communication from the mayor of that city.

2 (ii) A municipality that meets all of the following
3 requirements:

4 (A) The municipality shows a negative population change from
5 1970 to the date of the most recent federal decennial census.

6 (B) The municipality shows an overall increase in the state
7 equalized value of real and personal property of less than the
8 statewide average increase since 1972.

9 (C) The municipality has a poverty rate, as defined by the
10 most recent federal decennial census, greater than the statewide
11 average.

12 (D) The municipality has had an unemployment rate higher than
13 the statewide average unemployment rate for 3 of the preceding 5
14 years.

15 (iii) An area located in a local unit of government certified
16 by the Michigan enterprise zone authority as meeting the criteria
17 prescribed in section 2(d) of the neighborhood enterprise zone
18 act, ~~Act No. 147 of the Public Acts of 1992, being section~~
19 ~~207.772 of the Michigan Compiled Laws~~ **1992 PA 147, MCL 207.772.**

20 (v) ~~"Mobile"~~ **"Manufactured** home" means a structure,
21 transportable in 1 or more sections, that is built on a chassis
22 and is designed to be used as a dwelling with or without
23 permanent foundation, when connected to the required utilities,
24 and includes the plumbing, heating, air conditioning, and
25 electrical systems contained in the structure. ~~"Mobile"~~
26 **Manufactured** home may, but need not, include the real property to
27 which the ~~mobile~~ **manufactured** home may be attached. ~~"Mobile"~~

1 **Manufactured** home does not include a recreational vehicle.
 2 **Manufactured home** includes a **manufactured home** as defined in
 3 section 603(6) of the national manufactured housing construction
 4 and safety standards act of 1974, title VI of the housing and
 5 community development act of 1974, Public Law 93-383, 42
 6 U.S.C. 5402.

7 (w) ~~"Mobile"~~ **"Manufactured** home condominium project" means a
 8 condominium project in which ~~mobile~~ **manufactured** homes are
 9 intended to be located upon separate sites that constitute
 10 individual condominium units and that complies with the
 11 condominium act, ~~Act No. 59 of the Public Acts of 1978, being~~
 12 ~~sections 559.101 to 559.275 of the Michigan Compiled Laws 1978~~
 13 **PA 59, MCL 559.101 to 559.276.**

14 (x) ~~"Mobile"~~ **"Manufactured** home park" means a parcel or
 15 tract of land under the control of a person or entity ~~upon~~
 16 ~~which~~ **where** 3 or more ~~mobile~~ **manufactured** homes are located on
 17 a continual, nonrecreational, residential basis and that is
 18 offered to the public for general public use for continual,
 19 nonrecreational, residential purposes regardless of whether a
 20 charge is made for that use, together with ~~any~~ social,
 21 recreational, commercial, and communal facilities used or
 22 intended for use incident to the occupancy of a ~~mobile~~
 23 **manufactured** home. ~~Mobile~~ **Manufactured** home park does not
 24 include a trailer ~~parks and courts~~ **park or court** for use on a
 25 transient basis.

26 (y) ~~"Mobile"~~ **"Manufactured** home park association" means a
 27 ~~mobile~~ **manufactured** home park association organized and

1 qualified in accordance with chapter 9.

2 (z) ~~"Mobile"~~ **"Manufactured** home park corporation" means a
3 corporation incorporated ~~pursuant~~ **according** to the corporation
4 laws of this state and qualified in accordance with chapter 8.

5 (aa) "Housing unit" means living accommodations that are
6 intended for occupancy by up to 4 families, with a separate
7 dwelling unit for each family, that may be site constructed or
8 may be a ~~mobile~~ **manufactured** home or other form of manufactured
9 housing, and with respect to which either of the following
10 applies:

11 (i) The owner of the housing occupies at least 1 of the
12 dwelling units.

13 (ii) A cooperative shareholder or member has a proprietary
14 lease of the housing unit.

15 (bb) "Moderate cost residential rental property" means
16 dwelling units for which the rental payments are equal to or less
17 than that established from time to time as the fair market rents
18 for existing housing in accordance with 1 of the following:

19 (i) The section 8 leased housing program established under
20 section 8 of **title I of** the United States housing act of 1937,
21 **chapter 896, 88 Stat. 662,** 42 U.S.C. 1437f, and the regulations
22 promulgated under that act, or a substantially equivalent
23 successor federal program.

24 (ii) A determination made by the authority of the average
25 fair market rent for existing rental property.

26 (cc) "Area of chronic economic distress" means an area that
27 qualifies as a "qualified census tract" or an "area of chronic

1 economic distress" as defined in former section 103A(k) of the
2 internal revenue code **of 1986**, or an eligible distressed area.

3 (dd) "Mortgage lender" means a state or national bank, state
4 or federal savings and loan association, mortgage company,
5 insurance company, state pension fund, or any other financial
6 institution, intermediary, or entity authorized to make mortgage
7 loans in this state.

8 (ee) "Authority-aided mortgage" means a mortgage made, held,
9 purchased, or assisted by the authority.

10 (ff) "Subsidiary nonprofit housing corporation" means an
11 entity created under section 22c.

12 (gg) "Family income" means all income that is included in a
13 determination of family income under section 143(f) of the
14 internal revenue code **of 1986** together with the income of all
15 adults who will reside in the residence, which income might
16 otherwise be excluded from consideration because the individual
17 was not expected to both live in the residence and be primarily
18 or secondarily liable on the mortgage note.

19 (hh) "Statewide median gross income" means the statewide
20 median gross income as determined under section 143(f) of the
21 internal revenue code **of 1986**.

22 (ii) "Mutual housing association" means a corporation
23 organized in accordance with chapter 10.

24 Sec. 15a. (1) If a housing project owned by a nonprofit
25 housing corporation, consumer housing cooperative, limited
26 dividend housing corporation, ~~mobile~~ **manufactured** home park
27 corporation, or ~~mobile~~ **manufactured** home park association is

1 financed with a federally-aided or authority-aided mortgage or
2 advance or grant from the authority, then, except as provided in
3 this section, the housing project is exempt from all ad valorem
4 property taxes imposed by this state or by ~~any~~ a political
5 subdivision, public body, or taxing district ~~in which~~ **where** the
6 project is located. The owner of a housing project eligible for
7 the exemption shall file with the local assessing officer a
8 notification of the exemption, ~~which~~ **that** shall be in an
9 affidavit form as provided by the authority. The completed
10 affidavit form first shall be submitted to the authority for
11 certification by the authority that the project is eligible for
12 the exemption. The owner then shall file the certified
13 notification of the exemption with the local assessing officer
14 before November 1 of the year preceding the tax year in which the
15 exemption is to begin.

16 (2) The owner of a housing project exempt from taxation under
17 this section shall pay to the municipality in which the project
18 is located an annual service charge for public services in lieu
19 of all taxes. Subject to subsection (6), the amount to be paid
20 as a service charge in lieu of taxes ~~shall be~~ **is** for new
21 construction projects the greater of, and for rehabilitation
22 projects the lesser of, the tax on the property on which the
23 project is located for the tax year before the date when
24 construction or rehabilitation of the project was commenced or
25 10% of the annual shelter rents obtained from the project. A
26 municipality, by ordinance, may establish or change, by any
27 amount it chooses, the service charge to be paid in lieu of taxes

1 by all or any class of housing projects exempt from taxation
 2 under this act. However, the service charge shall not exceed the
 3 taxes that would be paid but for this act.

4 (3) The exemption from taxation granted by this section
 5 ~~shall remain~~ **remains** in effect for as long as the
 6 federally-aided or authority-aided mortgage or advance or grant
 7 from the authority is outstanding, but not more than 50 years.
 8 The municipality may establish by ordinance a different period of
 9 time for the exemption to remain in effect.

10 (4) Except as otherwise provided in this subsection, ~~any~~
 11 payments for public services received by a municipality in lieu
 12 of taxes under this section shall be distributed by the
 13 municipality to the several units levying the general property
 14 tax in the same proportion as prevailed with the general property
 15 tax in the previous calendar year. For payments in lieu of taxes
 16 collected after June 30, 1994, the distribution to the several
 17 units shall be made as if the number of mills levied for local
 18 school district operating purposes were equal to the number of
 19 mills levied for those purposes in 1993 minus the number of mills
 20 levied under the state education tax act, ~~Act No. 331 of the~~
 21 ~~Public Acts of 1993, being sections 211.901 to 211.906 of the~~
 22 ~~Michigan Compiled Laws~~ **1993 PA 331, MCL 211.901 to 211.906**, for
 23 the year for which the distribution is calculated. For tax years
 24 after 1993, the amount of payments in lieu of taxes to be
 25 distributed to a local school district for operating purposes
 26 under this subsection shall not be distributed to the local
 27 school district but instead shall be paid to the state treasury

1 and credited to the state school aid fund established by section
2 11 of article IX of the state constitution of 1963.

3 (5) Notwithstanding subsection (1), a municipality may
4 provide by ordinance that the tax exemption established in
5 subsection (1) ~~shall~~ **does** not apply to all or any class of
6 housing projects within its boundaries to which subsection (1)
7 applies. If the municipality makes that provision, the tax
8 exemption established in subsection (1) ~~shall~~ **does** not apply to
9 the class of housing projects designated in the ordinance. If
10 the ordinance ~~so~~ provides, the ordinance ~~shall be~~ **is**
11 effective with respect to housing projects for which an exemption
12 has already been granted on December 31 of the year in which the
13 ordinance is adopted, but not before. A municipality that has
14 adopted an ordinance described in this subsection may repeal that
15 ordinance, and the repeal shall become effective on the date
16 designated in the repealing ordinance.

17 (6) Notwithstanding subsection (2), the service charge to be
18 paid each year in lieu of taxes for that part of a housing
19 project that is tax exempt under subsection (1) and that is
20 occupied by other than low income persons or families shall be
21 equal to the full amount of the taxes that would be paid on that
22 portion of the project if the project were not tax exempt. The
23 benefits of ~~any~~ **a** tax exemption granted under this section
24 shall be allocated by the owner of the housing project
25 exclusively to low income persons or families in the form of
26 reduced housing charges.

27 (7) For purposes of this section only, "low income persons

1 and families" means, with respect to ~~any~~ a housing project that
2 is tax exempt, persons and families eligible to move into that
3 project. For purposes of this subsection, the authority may
4 promulgate rules to redefine low income persons or families for
5 each municipality on the basis of conditions existing in that
6 municipality.

7 (8) This state shall not reimburse ~~any~~ a unit of government
8 for a tax exemption granted to ~~any~~ a housing project under this
9 section.

10 Sec. 22. The authority ~~shall possess~~ **possesses** all powers
11 necessary or convenient to carry out this act, including the
12 following powers in addition to other powers granted by other
13 provisions of this act:

14 (a) To sue and to be sued; to have a seal and to alter the
15 seal at pleasure; to have perpetual succession; to make and
16 execute contracts and other instruments necessary or convenient
17 to the exercise of the powers of the authority; and to make,
18 amend, and repeal bylaws and rules.

19 (b) To undertake and carry out studies and analyses of
20 housing needs within this state and ways of meeting those needs,
21 including data with respect to population and family groups, the
22 distribution of population and family groups according to income,
23 and the amount and quality of available housing and its
24 distribution according to rentals and sales prices, employment,
25 wages, and other factors affecting housing needs and the meeting
26 of housing needs; to make the results of those studies and
27 analyses available to the public and the housing and supply

1 industries; and to engage in research and disseminate information
2 on housing.

3 (c) To agree and comply with conditions attached to federal
4 financial assistance.

5 (d) To survey and investigate housing conditions and needs,
6 both urban and rural, throughout this state and make
7 recommendations to the governor and the legislature regarding
8 legislation and other measures necessary or advisable to
9 alleviate ~~any~~ **an** existing housing shortage in this state.

10 (e) To establish and collect fees and charges in connection
11 with the sale of the authority's publications and the authority's
12 loans, commitments, and servicing, including but not limited to,
13 the reimbursement of costs of financing by the authority, service
14 charges, and insurance premiums as the authority determines to be
15 reasonable and as approved by the authority. Fees and charges
16 shall be determined by the authority and shall not be considered
17 to be interest. The authority may use ~~any~~ accumulated fees and
18 charges and interest income for achieving ~~any of~~ the corporate
19 purposes of the authority, to the extent that the fees, charges,
20 and interest income are not pledged to the repayment of bonds and
21 notes of the authority or the interest on those bonds and notes.

22 (f) To encourage community organizations to assist in
23 initiating housing projects as provided in this act.

24 (g) To encourage the salvage of all possible usable housing
25 scheduled for demolition because of highway, school, urban
26 renewal, or other programs by seeking authority for the sponsors
27 of the programs to use funds provided for the demolition of the

1 buildings, to be allocated to those sponsors approved by the
2 authority to defray moving and rehabilitation costs of the
3 buildings.

4 (h) To engage and encourage research in, and to formulate
5 demonstration projects to develop, new and better techniques and
6 methods for increasing the supply of housing for persons eligible
7 for assistance as provided in this act; and to provide technical
8 assistance in the development of housing projects and in the
9 development of programs to improve the quality of life for all
10 the people of this state.

11 (i) To make or purchase loans, including loans for
12 condominium units as defined in section 4 of the condominium act,
13 1978 PA 59, MCL 559.104, and including loans to mortgage lenders,
14 ~~which~~ **that** are unsecured or the repayments of which are secured
15 by mortgages, security interests, or other forms of security; to
16 purchase and enter into commitments for the purchase of
17 securities, certificates of deposits, time deposits, or mortgage
18 loans from mortgage lenders; to participate in the making or
19 purchasing of unsecured or secured loans and undertake
20 commitments to make or purchase unsecured or secured loans; to
21 sell mortgages, security interests, notes, and other instruments
22 or obligations evidencing or securing loans, including
23 certificates evidencing interests in 1 or more loans, at public
24 or private sale; in connection with the sale of an instrument or
25 obligation evidencing or securing 1 or more loans, to service,
26 guarantee payment on, or repurchase the instrument or obligation,
27 whether or not it is in default; to modify or alter mortgages and

1 security interests; to foreclose on ~~any~~ a mortgage, security
2 interest, or other form of security; to finance housing units; to
3 commence an action to protect or enforce a right conferred upon
4 the authority by law, mortgage, security agreement, contract, or
5 other agreement; to bid for and purchase property that was the
6 subject of the mortgage, security interest, or other form of
7 security, at a foreclosure or at ~~any other~~ a sale, and to
8 acquire or take possession of the property. Upon acquiring or
9 taking possession of the property, the authority may complete,
10 administer, and pay the principal and interest of obligations
11 incurred in connection with the property, and may dispose of and
12 otherwise deal with the property in ~~any~~ a manner necessary or
13 desirable to protect the interests of the authority in the
14 property. If the authority or an entity that provides mortgage
15 insurance to the authority acquires property upon the default of
16 a borrower, the authority may make a mortgage loan to a
17 subsequent purchaser of that property even if the purchaser does
18 not meet otherwise applicable income limitations and purchase
19 price limits.

20 (j) To set standards for housing projects that receive loans
21 under this act and to provide for inspections to determine
22 compliance with those standards. The standards for construction
23 and rehabilitation of ~~mobile~~ **manufactured** homes, ~~mobile~~
24 **manufactured** home parks, and ~~mobile~~ **manufactured** home
25 condominium projects shall be established jointly by the
26 authority and the ~~mobile home~~ **manufactured housing** commission,
27 created in the ~~mobile home~~ **manufactured housing** commission act,

1 1987 PA 96, MCL 125.2301 to 125.2349. However, financing
2 standards shall be established solely by the authority.

3 (k) To accept gifts, grants, loans, appropriations, or other
4 aid from the federal, state, or local government, from a
5 subdivision, agency, or instrumentality of a federal, state, or
6 local government, or from a person, corporation, firm, or other
7 organization.

8 (l) To acquire or contract to acquire from a person, firm,
9 corporation, municipality, or federal or state agency, by grant,
10 purchase, or otherwise, leaseholds or real or personal property,
11 or ~~any~~ **an** interest in a leasehold or real or personal property;
12 to own, hold, clear, improve, and rehabilitate and to sell,
13 assign, exchange, transfer, convey, lease, mortgage, or otherwise
14 dispose of or encumber ~~any~~ **an** interest in a leasehold or real
15 or personal property. This act ~~shall~~ **does** not impede the
16 operation and effect of local zoning, building, and housing
17 ordinances, ordinances relating to subdivision control, land
18 development, or fire prevention, or other ordinances having to do
19 with housing or the development of housing.

20 (m) To procure insurance against ~~any~~ **a** loss in connection
21 with the property and other assets of the authority.

22 (n) To invest, at the discretion of the authority, funds held
23 in reserve or sinking funds, or money not required for immediate
24 use or disbursement, in obligations of this state or of the
25 United States, in obligations the principal and interest of which
26 are guaranteed by this state or the United States, or in other
27 obligations as may be approved by the state treasurer.

1 (o) To promulgate rules necessary to carry out the purposes
 2 of this act and to exercise the powers expressly granted in this
 3 act in accordance with the administrative procedures act of 1969,
 4 1969 PA 306, MCL 24.201 to 24.328.

5 (p) To enter into agreements with nonprofit housing
 6 corporations, consumer housing cooperatives, limited dividend
 7 housing corporations, ~~mobile~~ **manufactured** home park
 8 corporations, and ~~mobile~~ **manufactured** home park associations
 9 that provide for regulation by the authority of the planning,
 10 development, and management of ~~any~~ **a** housing project undertaken
 11 by nonprofit housing corporations, consumer housing cooperatives,
 12 limited dividend housing corporations, ~~mobile~~ **manufactured** home
 13 park corporations, and ~~mobile~~ **manufactured** home park
 14 associations and that provide for the disposition of the property
 15 and franchises of those corporations, cooperatives, and
 16 associations.

17 (q) To appoint to the board of directors of a nonprofit
 18 housing corporation, consumer housing cooperative, limited
 19 dividend housing corporation, ~~mobile~~ **manufactured** home park
 20 corporation, or ~~mobile~~ **manufactured** home park association, a
 21 number of new directors sufficient to constitute a majority of
 22 the board notwithstanding other provisions of the articles of
 23 incorporation or other provisions of law. ~~Directors~~ **A director**
 24 appointed under this subsection need not be ~~stockholders or~~
 25 ~~members~~ **a stockholder or member** or meet other qualifications
 26 that may be described by the certificate of incorporation or
 27 bylaws. In the absence of fraud or bad faith, ~~directors~~ **a**

1 **director** appointed under this subsection ~~shall~~ **is** not ~~be~~
2 personally liable for debts, obligations, or liabilities of the
3 corporation or association. The authority may appoint
4 ~~directors~~ **a director** under this subsection only if 1 or more of
5 the following occur:

6 (i) The nonprofit housing corporation, consumer housing
7 cooperative, limited dividend housing corporation, ~~mobile~~
8 **manufactured** home park corporation, or ~~mobile~~ **manufactured** home
9 park association has received a loan or advance, as provided for
10 in this act, and the authority determines that the loan or
11 advance is in jeopardy of not being repaid.

12 (ii) The nonprofit housing corporation, consumer housing
13 cooperative, limited dividend housing corporation, ~~mobile~~
14 **manufactured** home park corporation, or ~~mobile~~ **manufactured** home
15 park association received a loan or advance as provided for in
16 this act and the authority determines that the proposed housing
17 project for which the loan or advance was made is in jeopardy of
18 not being constructed.

19 (iii) The authority determines that some part of the net
20 income or net earnings of the nonprofit housing corporation is
21 inuring to the benefit of a private individual, firm,
22 corporation, partnership, or association; the authority
23 determines that an unreasonable part of the net income or net
24 earnings of the consumer housing cooperative is inuring to the
25 benefit of a private individual, firm, corporation, partnership,
26 or association; or the authority determines that some part of the
27 net income or net earnings of the limited dividend housing

1 corporation, in excess of that permitted by other provisions of
 2 this act, is inuring to the benefit of a private individual,
 3 firm, corporation, partnership, or association.

4 (iv) The authority determines that the nonprofit corporation
 5 or consumer housing cooperative is in some manner controlled by,
 6 under the direction of, or acting in the substantial interest of
 7 a private individual, firm, corporation, partnership, or
 8 association seeking to derive benefit or gain from, or seeking to
 9 eliminate or minimize losses in ~~any~~ dealings or transactions
 10 with, the nonprofit corporation or consumer housing cooperative.
 11 However, this subparagraph ~~shall apply~~ **applies** to **an** individual
 12 ~~cooperators~~ **cooperator** in **a** consumer housing ~~cooperatives~~
 13 **cooperative** only in circumstances defined by the authority in its
 14 rules.

15 (v) The authority determines that the nonprofit housing
 16 corporation, consumer housing cooperative, limited dividend
 17 housing corporation, ~~mobile~~ **manufactured** home park corporation,
 18 or ~~mobile~~ **manufactured** home park association is in violation of
 19 the rules promulgated under this section.

20 (vi) The authority determines that the nonprofit housing
 21 corporation, consumer housing cooperative, limited dividend
 22 housing corporation, ~~mobile~~ **manufactured** home park corporation,
 23 or ~~mobile~~ **manufactured** home park association is in violation of
 24 1 or more agreements entered into with the authority that provide
 25 for regulation by the authority of the planning, development, and
 26 management of a housing project undertaken by the nonprofit
 27 housing corporation, consumer housing cooperative, limited

1 dividend housing corporation, ~~mobile~~ **manufactured** home park
2 corporation, or ~~mobile~~ **manufactured** home park association or
3 that provide for the disposition of the property and franchises
4 of the corporation, or cooperative, or association.

5 (r) To give approval or consent to the articles of
6 incorporation submitted to the authority by a corporation seeking
7 approval as a nonprofit housing corporation, consumer housing
8 cooperative, limited dividend housing corporation, or ~~mobile~~
9 **manufactured** home park corporation under chapter 4, 5, 6, or 8;
10 to give approval or consent to the partnership agreement, joint
11 venture agreement, trust agreement, or other document of basic
12 organization of a limited dividend housing association under
13 chapter 7 or ~~mobile~~ **manufactured** home park association under
14 chapter 9.

15 (s) To engage the services of private consultants on a
16 contract basis for rendering professional and technical
17 assistance and advice.

18 (t) To lease real or personal property and to accept federal
19 funds for, and participate in, federal programs of housing
20 assistance.

21 (u) To review and approve rental charges for
22 authority-financed housing projects and require whatever changes
23 the authority determines to be necessary. The changes shall
24 become effective after not less than 30 days' written notice is
25 given to the residents of the affected authority-financed housing
26 projects.

27 (v) To set forth in the various loan documents of the

1 authority those restrictions on the sale, conveyance by land
2 contract, or transfer of residential real property, housing
3 projects, or housing units for which a note is held by the
4 authority and restrictions on the assumption by subsequent
5 purchasers of loans originated by and held by, or originated for
6 purchase by and held by, the authority as the authority
7 determines to be necessary in order to comply with requirements
8 of federal statutes, federal rules or regulations promulgated
9 under sections 551 to 559 of title 5 of the United States Code, 5
10 U.S.C. 551 to 559, state statutes, or state rules promulgated
11 under the administrative procedures act of 1969, 1969 PA 306, MCL
12 24.201 to 24.328, or to obtain and maintain the tax exempt status
13 of authority bonds and notes. However, the authority shall not
14 use a due on sale or acceleration clause solely for the purpose
15 of renegotiating the interest rate on a loan made with respect to
16 an owner-occupied single-family housing unit. Without limiting
17 the authority's power to establish other restrictions, as
18 provided in this section, on the sale, conveyance by land
19 contract, or transfer of residential real property, housing
20 projects, or housing units for which a note is held by the
21 authority and the assumption by subsequent purchasers of loans
22 made or purchased by the authority, the authority shall provide
23 in its loan documents relating to a single family loan that the
24 single family loan may be assumed by a new purchaser only when
25 the new purchaser qualifies under the authority income
26 limitations rules except where such a restriction diminishes or
27 precludes the insurance or a guarantee by an agency of the

1 federal government with respect to the single family loan. A
2 loan made for a ~~mobile~~ **manufactured** home that the borrower does
3 not intend to permanently affix to real property ~~shall become~~
4 **becomes** immediately due and payable in the event the ~~mobile~~
5 **manufactured** home is moved out of the state. Any ~~restrictions~~
6 **restriction** on conveyance by sale, conveyance by land contract,
7 or transfer that ~~are~~ **is** authorized in this section ~~shall~~
8 ~~apply~~ **applies** only to loans originated by and held by, or
9 originated for purchase by and held by, the authority and may, at
10 the option of the authority, be enforced by accelerating and
11 declaring immediately due and payable all sums evidenced by the
12 note held by the authority. An acceleration and declaration of
13 all sums to be due and payable on conveyance by sale, land
14 contract, or transfer is not an unreasonable restraint on
15 alienation. An acceleration and declaration, unless otherwise
16 prohibited in this subdivision, of all sums to be due and payable
17 under this subdivision is enforceable in any court of competent
18 jurisdiction. This subdivision is applicable to secured and
19 unsecured loans. This subdivision is also applicable to loan
20 documents utilized in conjunction with an authority-operated
21 program of residential rehabilitation by an entity cooperating or
22 participating with the authority under section 22a(4), which
23 loans are originated with the intent to sell those loans to the
24 authority.

25 (w) To set forth in the various loan documents of the
26 authority those remedies for the making of a false statement,
27 representation, or pretense or a material misstatement by a

1 borrower during the loan application process. Without limiting
2 the authority's power to pursue other remedies, the authority
3 shall provide in its loan documents that, if a borrower makes a
4 false statement, representation, or pretense or a material
5 misstatement during the loan application process, the authority,
6 at its option, may accelerate and declare immediately due and
7 payable all sums evidenced by the note held by the authority. An
8 acceleration and declaration of all sums to be due as authorized
9 under this subdivision and payable as provided in this
10 subdivision is enforceable in any court of competent
11 jurisdiction. This subdivision is applicable to secured and
12 unsecured loans.

13 (x) To collect interest on a real estate loan, the primary
14 security for which is not a first lien on real estate, at the
15 rate of 15% or less per annum on the unpaid balance. This
16 subdivision does not impair the validity of a transaction or rate
17 of interest that is lawful without regard to this subdivision.

18 (y) To encourage and engage or participate in programs to
19 accomplish the preservation of housing in this state available
20 for occupancy by persons and families of low or moderate income.

21 (z) To verify for the state treasurer statements submitted by
22 a city, village, township, or county as to exempt properties
23 under section 7d of the general property tax act, 1893 PA 206,
24 MCL 211.7d.

25 (aa) For the purpose of more effectively managing its debt
26 service, to enter into an interest rate exchange or swap, hedge,
27 or similar agreement with respect to its bonds or notes on the

1 terms and payable from the sources and with the security, if any,
2 as determined by a resolution of the authority.

3 (bb) To make working capital loans to contractors or
4 subcontractors on housing projects financed by the authority.
5 The authority shall submit an annual report to the legislature
6 containing the amount, recipient, duration, circumstance, and
7 other related statistics for each capital loan made to a
8 contractor or subcontractor under this subdivision. The
9 authority shall include in the report statistics related to the
10 cost of improvements made to adapt property for use by disabled
11 individuals as provided in section 32b(5) or (6) or section
12 44(2)(a).

13 (cc) Subject to rules of the civil service commission, to
14 adopt a code of ethics with respect to its employees that
15 requires disclosure of financial interests, defines and precludes
16 conflicts of interest, and establishes reasonable post-employment
17 restrictions for a period of up to 1 year after an employee
18 terminates employment with the authority.

19 (dd) To impose covenants running with the land in order to
20 satisfy requirements of applicable federal law with respect to
21 housing assisted or to be assisted through federal programs such
22 as the low income housing tax credit program or the home
23 investment partnerships program by executing and recording
24 regulatory agreements between the authority or ~~such~~
25 municipality or other entity as may be designated by the
26 authority and the person or entity to be bound. These covenants
27 shall run with the land and be effective with respect to the

1 parties making the covenants and other intended beneficiaries of
2 the covenants, even though there is no privity of estate or
3 privity of contract between the authority and the persons or
4 entities to be bound.

5 (ee) To impose covenants running with the land in order to
6 satisfy requirements of applicable state or federal law with
7 respect to housing financed by the authority by executing and
8 recording regulatory agreements between the authority and the
9 person or entity to be bound. These covenants shall run with the
10 land and be effective with respect to the parties making the
11 covenants and other intended beneficiaries of the covenants, even
12 though there is no privity of estate or privity of contract
13 between the authority and the persons or entities to be bound.
14 With respect to the application of any applicable environmental
15 laws, this subdivision shall not be construed to grant to the
16 authority any additional rights, privileges, or immunities not
17 otherwise afforded to a private lender that is not in the chain
18 of title for the land.

19 (ff) To participate in programs designed to assist persons
20 and families whose incomes do not exceed 115% of the greater of
21 statewide median gross income or the area median gross income
22 become homeowners where loans are made by private lenders for
23 purchase by the government national mortgage association, federal
24 national mortgage association, federal home loan mortgage
25 corporation, or other federally chartered organizations.
26 Participation may include providing or funding homeownership
27 counseling and providing some or all of a reserve fund to be used

1 to pay for losses in excess of insurance coverage.

2 (gg) To invest up to 20% of funds held by or for the
3 authority in escrow accounts for the benefit of the authority or
4 mortgagors of authority-financed housing in loans originated or
5 purchased by the authority, under the conditions prescribed in
6 this subdivision and without the consent of the escrow
7 depositors. In connection with loans described in this
8 subdivision, the authority may charge and retain fees in amounts
9 similar to those charged with respect to similar loans for which
10 the source of funding does not come from escrow funds. The
11 investment authorized by this subdivision shall not be made
12 unless both of the following requirements are met:

13 (i) The return on the loan is approximately equivalent to
14 that which could be obtained from investments of substantially
15 similar credit quality and maturity, as determined by the
16 authority.

17 (ii) The authority agrees to repurchase from its own funds
18 and at the same prices ~~at which~~ **that** the loans were sold to the
19 escrow funds, as adjusted for the accretion of discount or
20 amortization of premium, plus accrued interest, any loans that
21 become delinquent in excess of 30 days. This subdivision does
22 not obligate the authority to purchase a delinquent loan so long
23 as with respect to that loan the authority advances money from
24 its own funds in the amount of the delinquent payments. The
25 authority's election to advance payments does not ~~in any manner~~
26 abate or cure the delinquency of the loan and the authority may
27 resort to any remedies that would exist in the absence of that

1 payment.

2 (hh) To acquire, develop, rehabilitate, own, operate, and
3 enter into contracts with respect to the management and operation
4 of real and personal property to use as office facilities by the
5 authority and to enter into leases with respect to facilities not
6 immediately necessary for the activities of the authority.

7 (ii) To make loans to certain qualified buyers and resident
8 organizations and to make grants to resident organizations as
9 provided in the following:

10 (i) The urban homestead act, 1999 PA 127, MCL 125.2701 to
11 125.2709.

12 (ii) The urban homesteading on vacant land act, 1999 PA 129,
13 MCL 125.2741 to 125.2748.

14 (iii) The urban homesteading in single-family public housing
15 act, 1999 PA 128, MCL 125.2761 to 125.2770.

16 (iv) The urban homesteading in multifamily public housing
17 act, 1999 PA 84, MCL 125.2721 to 125.2734.

18 Sec. 24b. (1) The authority may use the money held in the
19 land acquisition and development fund to lease, acquire, or
20 contract to acquire real property by grant, purchase, or
21 otherwise from ~~any~~ a person, firm, partnership, corporation,
22 municipality, county, or federal or state agency, upon
23 determining that the real property may be suitable for a future
24 housing development or housing project; or is located in a
25 residential area where the authority has financed or has planned
26 to finance housing and the proposed use of the real property will
27 improve the quality of the residential area by eliminating blight

1 or provide needed public or commercial facilities; or is so
2 situated that the present or future use of the real property, if
3 not acquired by the authority, will adversely affect the value or
4 marketability of the authority financed housing project. The
5 authority may acquire real property in its own name or through
6 and in the name of an agent by means of land contract, option, or
7 other form of deferred payment agreement, or subject to mortgages
8 or other encumbrances, if the authority reserves money in this
9 fund or authorization to issue notes and bonds, the aggregate
10 amount of which equals the unpaid principal balance on the land
11 contracts, options, mortgages, or other encumbrances or deferred
12 payment agreements plus ~~any~~ anticipated carrying charges,
13 including insurance premiums, interest, maintenance expenses, and
14 property taxes. The authority may exchange real property
15 purchased with money from this fund for other real property, if
16 the authority determines that the real property will be acquired
17 for a purpose for which real property can be purchased with money
18 from this fund. Money received by the authority in connection
19 with the exchange and ~~any~~ money received from the sale or
20 rental of the real property shall be deposited in the land
21 acquisition and development fund.

22 (2) The authority may contract for and use money held in the
23 land acquisition and development fund for the following types of
24 improvements to real property purchased or otherwise acquired for
25 the purposes of this fund:

26 (a) Improvements that are necessary to place the real
27 property in a safe, sanitary, and decent condition, including

1 demolition, excavation, and landscaping.

2 (b) Improvements to real property ~~which~~ **that** is to be
3 dedicated for the public use and enjoyment, including the
4 installation of recreational facilities, benches, shelters,
5 lighting, and walkways.

6 (c) Improvements that are necessary to ~~insure~~ **ensure** the
7 planned development of the real property, including the
8 installation of roads, sidewalks, sewers, and utilities. The
9 authority may contract for and use money held in the land
10 acquisition and development fund for services needed in
11 connection with the acquisition, disposition, planning,
12 development, and maintenance of real property.

13 (3) The authority may use the money held in the land
14 acquisition and development fund to pay the following costs on
15 real property purchased or being purchased with money from this
16 fund or acquired by gift, grant, or exchange for the purposes of
17 this fund:

18 (a) The costs of property taxes, insurance premiums,
19 interest, maintenance expenses, and other carrying charges on
20 real property notwithstanding the provisions of section 42,
21 during the period when real property is owned or is being
22 purchased by the authority or its agent, the authority shall pay
23 all property taxes levied against the real property unless a
24 taxing jurisdiction exempts the real property from property
25 taxes. The assessed valuation of the real property while it is
26 owned or being purchased by the authority or its agent shall not
27 be increased by ~~any~~ **a** taxing jurisdiction, except to reflect

1 the state equalization valuation process.

2 (b) The costs of planning the development of the real
3 property, including, but not limited to, the costs of economic
4 feasibility studies, land use studies, site development planning,
5 architectural and engineering design, market analysis and all
6 related analyses, studies and planning services.

7 (c) The costs incurred in the transfer of real property,
8 including brokerage and appraisal fees, recording expenses, and
9 the costs of surveys and title insurance.

10 (d) The costs of the improvements to real property permitted
11 by subsection (2).

12 (4) Real property may be conveyed by the authority to a
13 nonprofit housing corporation, consumer housing cooperative,
14 limited dividend housing corporation, limited dividend housing
15 association, ~~mobile~~ **manufactured** home park corporation,
16 ~~mobile~~ **manufactured** home park association, or municipality for
17 the purpose of constructing housing projects at ~~such~~ a price
18 and on ~~such~~ terms and conditions as ~~shall be determined by~~
19 the authority **determines**. Real property may be conveyed by the
20 authority to the state or federal government, or ~~any~~ a county
21 or municipality for the use and enjoyment of the public upon
22 ~~such~~ **the** terms and conditions as ~~shall be determined by~~ the
23 authority **determines**. Real property may be sold by the authority
24 to an individual, firm, partnership, corporation, county,
25 municipality, authority, or federal or state agency for any
26 purpose at a price, equal to or greater than the lesser of the
27 fair market value of the property at the time of sale or the

1 price paid by the authority to acquire, hold, and improve the
2 real property. ~~—, which~~ **The** conveyance ~~—shall be—~~ **is** subject to
3 terms and conditions determined by the authority. In conjunction
4 with a sale or conveyance of real property, the authority may
5 enter into agreements ~~—which—~~ **that** regulate all aspects of the
6 development of the real property, including, but not limited to,
7 land use planning, site development, construction, architectural
8 and engineering design, marketing, management, occupancy,
9 operation, and all factors related to the foregoing.

10 Sec. 32. (1) The authority may create and establish 1 or
11 more special funds called capital reserve funds to secure notes
12 and bonds of the authority. The authority shall pay into a
13 capital reserve fund money appropriated and made available by
14 this state for the purposes of the fund, the proceeds of the sale
15 of notes or bonds to the extent provided in the resolution of the
16 authority authorizing the issuance of the notes or bonds, and
17 other money that is made available to the authority for the
18 purpose of a fund from any other source. In addition to, or in
19 lieu of, depositing money in a capital reserve fund, the
20 authority may obtain and pledge letters of credit and, effective
21 retroactively as of June 1, 1993, insurance policies, surety
22 bonds, guarantees, or other security arrangements if those other
23 security arrangements are approved by the state treasurer, for
24 the purposes of the capital reserve fund. The amount available
25 under letters of credit, insurance policies, surety bonds,
26 guarantees, or other security arrangements pledged to a capital
27 reserve fund shall be credited toward the satisfaction of a

1 capital reserve fund requirement. All money and proceeds under
2 letters of credit, insurance policies, surety bonds, guarantees,
3 or other security arrangements held in a capital reserve fund,
4 except as specifically provided, shall be used as required solely
5 for the payment of the principal of notes or bonds of the
6 authority secured in whole or in part by the capital reserve
7 fund, for the purchase or redemption of notes or bonds, for the
8 payment of interest on the notes or bonds, or for the payment of
9 a redemption premium required to be paid when the notes or bonds
10 are redeemed prior to maturity. However, the authority shall not
11 use the capital reserve fund for an optional purchase or optional
12 redemption of notes or bonds if the use would reduce the total of
13 the money on deposit in the capital reserve fund and amounts
14 available under a letter of credit, insurance policy, surety
15 bond, guarantee, or other security arrangement pledged to a
16 capital reserve fund to less than the capital reserve fund
17 requirement established for the fund. Income or interest earned
18 by, or increment to, a capital reserve fund due to the investment
19 of the money in the capital reserve fund may be transferred by
20 the authority to other funds or accounts of the authority to the
21 extent that the transfer does not reduce the total of the amount
22 of money in a capital reserve fund and amounts available under a
23 letter of credit, insurance policy, surety bond, guarantee, or
24 other security arrangement pledged to the capital reserve fund
25 below the capital reserve fund requirement for a fund.

26 (2) The authority shall not ~~at any time~~ issue notes or
27 bonds secured in whole or in part by a capital reserve fund if,

1 upon the issuance of the notes or bonds, the amount in the
2 capital reserve fund, including the amounts available under a
3 letter of credit, insurance policy, surety bond, guarantee, or
4 other security arrangement pledged to the capital reserve fund,
5 would be less than the capital reserve fund requirement for the
6 fund, unless the authority, at the time of issuance of the notes
7 or bonds, deposits in the fund from the proceeds of the notes or
8 bonds to be issued, or from other sources, an amount that,
9 together with the amount then in the fund, is not less than the
10 capital reserve fund requirement for the fund, or obtains a
11 letter of credit, insurance policy, surety bond, guarantee, or
12 other security arrangement in an amount that, together with the
13 amount then in the fund, is not less than the capital reserve
14 fund requirement for the fund. For the purposes of this section,
15 "capital reserve fund requirement" means the requirement provided
16 in the resolution of the authority authorizing the notes or bonds
17 with respect to which the fund is established. ~~—, which—~~ **The**
18 amount shall not exceed the maximum amount of principal and
19 interest maturing and becoming due in a succeeding calendar year
20 on the notes or bonds of the authority secured in whole or part
21 by the fund.

22 (3) The authority has, before January 9, 1977, in connection
23 with its housing development bonds issued ~~pursuant~~ **according** to
24 a bond resolution dated June 10, 1971, established within the
25 capital reserve fund relating to housing development bonds, a
26 capital reserve account and a capital reserve capital account.
27 This capital reserve account constitutes a capital reserve fund

1 under this act. Money in this capital reserve account shall
2 secure only housing development bonds issued ~~pursuant~~ **according**
3 to the June 10, 1971 bond resolution. Unless otherwise provided
4 by the authority, money in the capital reserve capital account
5 shall secure all bonds and notes of the authority. In
6 determining whether the capital reserve fund requirement
7 established for a capital reserve fund has been met, the
8 authority shall not include or take into account money in the
9 capital reserve capital account.

10 (4) The authority has, before January 9, 1977, in connection
11 with its insured mortgage revenue bonds issued pursuant to a bond
12 resolution dated May 11, 1976, established a bond reserve fund.
13 This bond reserve fund constitutes a capital reserve fund under
14 this act.

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

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

21 (i) The principal amount of bonds and notes issued to refund
22 outstanding bonds and notes.

23 (ii) The principal amount of bonds and notes that appreciate
24 in principal amount, except to the extent of the principal amount
25 of these bonds and notes payable at ~~such~~ **that** time.

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

1 (b) After November 1, 2002, the limitation on the aggregate
2 principal amount of notes and bonds provided in subdivision (a)
3 is reduced to \$3,000,000,000.00.

4 (6) Subject to the limitation in subsection (5), that portion
5 of the state ceiling to be used for qualified mortgage bonds,
6 mortgage credit certificates, or bonds to finance qualified
7 residential rental projects shall be allocated to the authority
8 unless the authority elects by resolution to allow another issuer
9 to issue qualified mortgage bonds, mortgage credit certificates,
10 or bonds to finance qualified residential rental projects. As
11 used in this subsection:

12 (a) "State ceiling" means the aggregate amount of certain
13 private activity bonds, including qualified mortgage bonds, that
14 may be issued in any calendar year in this state pursuant to
15 section 146 of the internal revenue code of 1986.

16 (b) "Qualified mortgage bond", "mortgage credit certificate",
17 and "qualified residential rental project" mean those terms as
18 defined in the internal revenue code of 1986.

19 (7) To assure the continued operation and solvency of the
20 authority for the carrying out of the public purposes of this
21 act, the authority shall accumulate in each capital reserve fund
22 an amount equal to the capital reserve fund requirement for that
23 fund. If at any time the capital reserve fund requirement for a
24 capital reserve fund exceeds the amount of the capital reserve
25 fund, the authority shall transfer to this fund from the capital
26 reserve capital account established by the authority's June 10,
27 1971 bond resolution the amount necessary to restore the capital

1 reserve fund to an amount equal to the capital reserve fund
2 requirement. If a deficiency exists in more than 1 capital
3 reserve fund and the amount in the capital reserve capital
4 account is not sufficient to fully restore the capital reserve
5 funds, the money in the capital reserve capital account shall be
6 allocated between the deficient capital reserve funds pro rata
7 according to the amounts of the deficiencies. If at any time the
8 capital reserve capital account has been exhausted and the
9 capital reserve fund requirement for a capital reserve fund
10 exceeds the amount of the capital reserve fund, the chairperson
11 of the authority on or before September 1 shall certify to the
12 governor and budget director the amount, if any, necessary to
13 restore a capital reserve fund to an amount equal to the capital
14 reserve fund requirement. The governor and the budget director
15 shall include in the annual budget the amount certified by the
16 chairperson of the authority.

17 (8) In computing the amount of a capital reserve fund for the
18 purposes of this section, securities in which all or a portion of
19 the fund is invested shall be valued at par. If the securities
20 are purchased at other than par, the securities may be valued at
21 their cost to the authority, as adjusted by amortization of the
22 discount or premium paid upon purchase of the securities on a pro
23 rata basis to the maturity date of the securities.

24 (9) To the extent possible and consistent with sound fiscal
25 management and good housing development planning, the authority
26 shall make full use of available federal housing subsidy
27 programs. The authority shall recommend programs and legislation

1 to better maintain and improve existing housing stock.

2 (10) The authority shall require that not less than 15% of
3 the multifamily dwelling units financed by mortgage loans from
4 the authority in a calendar year under federal government subsidy
5 programs, subject to applicable federal regulations, be offered
6 on a priority basis to low income families and persons receiving
7 their primary incomes from social security programs or state and
8 federal public assistance programs.

9 (11) The authority shall implement a program of loans for
10 ~~mobile~~ **manufactured** homes as soon as is reasonably feasible.
11 The authority shall develop a program for financing the
12 construction or rehabilitation of ~~mobile~~ **manufactured** home
13 parks and ~~mobile~~ **manufactured** home condominium projects within
14 24 months after December 31, 1982, subject to a determination of
15 feasibility by the authority and the authority's ability to sell
16 bonds.

17 (12) The authority shall implement a program of loans for
18 consumer housing cooperatives as soon as is reasonably feasible.
19 The authority shall develop a program for financing the
20 construction or rehabilitation of consumer housing cooperative
21 projects within 12 months after July 10, 1984, subject to a
22 determination of feasibility by the authority and the authority's
23 ability to sell bonds.

24 (13) In addition to the powers granted the authority in this
25 act to promulgate rules in accordance with the administrative
26 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, the
27 authority shall furnish to each member of the legislature a copy

1 of notice of a public hearing or proposed rule change at least 10
2 days before the public hearing and at least 20 days before the
3 adoption of the rule.

4 (14) Before October 1 of each year, the authority shall
5 identify housing production goals for housing projects financed
6 with bonds and notes issued under the limitations provided in
7 section 32a. The authority shall identify a goal for the
8 authority as a whole and a specific goal for each program. The
9 authority shall submit those goals in an annual report to the
10 governor and to the house committee on urban affairs and the
11 senate committee on finance, or their successor committees.

12 (15) Within 6 months after the legislature enacts or the
13 authority adopts a new program, the authority shall submit an
14 interim report to the same persons to whom an annual report is
15 submitted. If both the legislature and the authority establish a
16 program, the authority shall submit the interim report within 6
17 months after the effective date of the act establishing the
18 program. The authority shall include in an interim report all of
19 the information required in an annual report that is specific to
20 that program.

21 (16) After the initial or an interim report, the authority
22 shall include in an annual report all of the following for each
23 program:

24 (a) Whether the production goals for the previous 12-month
25 period have been met. If those production goals have not been
26 met, the authority shall explain in the report the reasons why
27 those production goals have not been met.

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

4 (c) The estimated economic and social benefits of these
5 housing projects to the immediate neighborhoods in which the
6 housing projects have been constructed.

7 (d) The estimated economic and social benefits of these
8 housing projects to the municipalities in which the housing
9 projects have been constructed.

10 (e) The extent of displacement, direct and indirect, of lower
11 income persons caused by these housing projects, and steps taken
12 by the authority and other governmental and private parties to
13 ameliorate the displacement, and the results of those efforts.

14 (f) The estimated extent of additional reinvestment
15 activities by private lenders attributable to the authority's
16 financing of these housing projects.

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

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

22 (i) The progress in developing ~~mobile~~ **manufactured** home
23 parks and ~~mobile~~ **manufactured** home condominium projects, in
24 financing the construction or rehabilitation of consumer housing
25 cooperative projects, and in financing the construction or
26 rehabilitation of nonprofit housing corporation projects.

27 (j) A report on the neighborhood preservation program under

1 section 44f shall include information about the progress in
2 developing the program, the neighborhoods identified as being
3 eligible for the program, the neighborhoods or municipalities
4 that have applied for the program, the neighborhoods that have
5 received funds from the program, and the reasons that
6 neighborhoods or municipalities have been denied funds from the
7 program.

8 (k) A report on the status of federal programs that provide
9 assistance to low income tenants displaced as the result of
10 prepayments of federally and authority assisted loans. If the
11 authority determines that federal programs are inadequate for
12 tenants of authority-financed housing projects, the authority
13 will provide recommendations to the legislature as to how to
14 address this problem on or before May 1, 1989.

15 (l) A report on the low income housing tax credit program
16 under section 22b, that shall include information regarding the
17 amount of tax credits allocated to the state under each of the
18 subdivisions of section 22b(2); the projects that have received
19 tax credits; and the reasons why projects have been denied tax
20 credits under the program; a geographical description of the
21 distribution of those tax credits; and a description of
22 amendments to the allocation plan made during that year.

23 (m) A report on education and training opportunities provided
24 by the authority under section 17 that will indicate the types of
25 education and training opportunities made available and the
26 amount of funding committed to these activities.

27 (17) The authority shall ~~insure~~ **ensure** that the income

1 characteristics of individuals served by an authority program are
2 provided in a manner that ~~insures~~ **ensures** each individual's
3 confidentiality. The authority shall also ~~insure~~ **ensure** that
4 proprietary information in its reports under this section
5 concerning an individual, corporation, cooperative, or
6 association is not released without the permission of that
7 individual, corporation, cooperative, or association.

8 Sec. 32a. With respect to bonds, other than refunding
9 bonds, issued to finance single family homes after November 1,
10 1989, for the first 120 days following the announcement of a
11 program funded by the proceeds of those bonds, 50% of the
12 proceeds of those bonds available to make loans, as determined by
13 the preliminary information obtained by originating lenders at
14 the time a reservation is submitted, shall be reserved for
15 applicants with gross annual incomes at or below 60% of the
16 statewide median gross income. The authority may, by resolution,
17 waive this requirement. The authority shall advise the house of
18 representatives and senate standing committees with jurisdiction
19 over housing issues 5 days prior to adopting a resolution waiving
20 this requirement. With respect to bonds, other than refunding
21 bonds, issued to finance single family homes after November 1,
22 1989, not more than 50% of the proceeds of those bonds may be
23 used to finance single family homes for homebuyers who previously
24 have had an ownership interest in a residence. For purposes of
25 this section, a previous ownership interest in a ~~mobile~~
26 **manufactured** home shall not be considered to be an ownership
27 interest in a residence. The authority may rely on the

1 applicant's affidavit to determine whether or not the applicant
2 has had a prior ownership interest in a residence. The authority
3 shall publicize the programs funded under this section by using
4 all reasonable means available, including, but not limited to,
5 public interest announcements in the media, and announcements to
6 lending institutions, community groups, and real estate
7 organizations. The authority shall submit a report annually to
8 the legislature containing all statistics necessary to indicate
9 its compliance with this section.

10 Sec. 32b. (1) The authority is designated as the
11 administrator of the **qualified** mortgage credit certificate
12 program for this state permitted under section 25 of the internal
13 revenue code of 1986. The authority shall elect under section 25
14 of the internal revenue code of 1986 to convert at least
15 \$59,000,000.00 of 1985 federal mortgage revenue bond authority
16 into mortgage credit certificate authority.

17 (2) The authority shall prepare guidelines that would allow
18 for the implementation of a mortgage credit certificate program
19 through mortgage lenders.

20 (3) To qualify for receipt of a mortgage credit certificate
21 with respect to the acquisition of an existing housing unit,
22 including a residential condominium or ~~mobile~~ **manufactured**
23 home, both of the following apply:

24 (a) The purchase price with respect to the unit shall not
25 exceed **any of** the following:

26 (i) \$99,000.00 until November 1, 2001.

27 (ii) \$102,000.00 until November 1, 2002.

(iii) On and after November 1, 2002, \$105,000.00.

(b) The borrower's family income does not exceed either of the following:

(i) If the housing unit is located in a metropolitan area, \$52,900.00 on or before November 1, 2001, \$54,750.00 from November 2, 2001 until November 1, 2002, and \$56,650.00 on and after November 1, 2002.

(ii) If the housing unit is located in a nonmetropolitan area, \$43,575.00 on or before November 1, 2002. After November 1, 2002, the family income limit increases to the lesser of the HUD nonmetropolitan median income or \$44,000.00.

(4) To qualify for receipt of a mortgage credit certificate with respect to the acquisition of a new housing unit, including a residential condominium or ~~mobile~~ **manufactured** home, both of the following apply:

(a) The purchase price with respect to the unit shall not exceed **any of** the following:

(i) \$120,000.00 until November 1, 2001.

(ii) \$124,000.00 until November 1, 2002.

(iii) On and after November 1, 2002, \$128,000.00.

(b) The borrower's family income does not exceed either of the following:

(i) If the housing unit is located in a metropolitan area, \$52,900.00 on or before November 1, 2001, \$54,750.00 from November 2, 2001 until November 1, 2002, and \$56,650.00 on and after November 1, 2002.

(ii) If the housing unit is located in a nonmetropolitan

1 area, \$43,575.00 on or before November 1, 2002. ~~—(iii)—~~ After
2 November 1, 2002, the family income limit increases to the lesser
3 of the HUD nonmetropolitan median income or \$44,000.00.

4 (5) The authority may increase the purchase price limit in
5 subsection (3) to cover the cost of improvements to adapt the
6 property for use by disabled individuals or unexpected cost
7 increases during construction. The amount of the increase shall
8 be the amount of the costs described in this subsection or the
9 sum of \$3,500.00, whichever is less.

10 (6) To qualify for receipt of a mortgage credit certificate
11 with respect to the improvement or rehabilitation of an existing
12 housing unit, including a residential condominium or ~~mobile~~
13 **manufactured** home, the borrower's family income shall not exceed
14 the following:

15 (a) For a unit located in a metropolitan county, \$52,900.00
16 on or before November 1, 2001, \$54,750.00 from November 2, 2001
17 until November 1, 2002, and \$56,650.00 on and after November 1,
18 2002.

19 (b) For a unit located in a nonmetropolitan county,
20 \$43,575.00 on or before November 1, 2002. After November 1,
21 2002, the family income limit increases to the lesser of the HUD
22 nonmetropolitan median income or \$44,000.00.

23 (7) If an income or purchase price limit prescribed by
24 subsection (3), (4), (5), or (6) exceeds an applicable limit
25 prescribed by the internal revenue code of 1986, the internal
26 revenue code of 1986 limit applies. Except with respect to newly
27 constructed housing units, the authority may at any time by

1 resolution establish, for a length of time it considers
2 appropriate, maximum borrower income or purchase price limits
3 more restrictive than those maximum limitations set forth in this
4 section. The authority shall advise the appropriate house and
5 senate standing committees 5 days prior to the adoption of a
6 resolution establishing more restrictive income or purchase price
7 limits.

8 (8) The changes made by 1995 PA 186 to purchase price limits
9 in the subsections that at the time were designated
10 subsections (3) and (4) were retroactive, effective as of
11 October 29, 1993.

12 Sec. 44. (1) (a) The authority may make loans to a
13 nonprofit housing corporation, consumer housing cooperative,
14 limited dividend housing corporation, limited dividend housing
15 association, ~~mobile~~ **manufactured** home park corporation, or
16 ~~mobile~~ **manufactured** home park association or to a public body
17 or agency for the construction or rehabilitation, and for the
18 long-term financing, of the following:

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

20 (ii) For the period of time beginning May 1, 1984, and ending
21 November 1, 1987, housing projects in which not less than 20% of
22 the dwelling units are allotted to individuals of low or moderate
23 income within the meaning of former section 103(b)(4)(A) of the
24 internal revenue code of 1986; not less than 60% of the dwelling
25 units are available to persons and families whose gross household
26 income does not exceed 125% of the higher of either the median
27 income for a family in this state or the median income for a

1 family within the nonmetropolitan county or metropolitan
2 statistical area in which the housing project is located, as
3 determined by the authority; and not more than 20% of the
4 dwelling units are available for occupancy without regard to
5 income. The enactment of this subparagraph or the expiration of
6 the authority granted by it does not affect rules in effect
7 before July 10, 1984, or promulgated after July 9, 1984, to
8 define low or moderate income persons.

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

22 (iv) Beginning November 1, 1987, multifamily housing projects
23 that meet the 20-50 or 40-60 test established in section 142 of
24 the internal revenue code of 1986 and, in addition, in which not
25 less than 15% of the dwelling units are allotted to persons and
26 families whose gross household income does not exceed 125% of the
27 higher of either the median income for a family in this state or

1 the median income for a family within the nonmetropolitan county
2 or metropolitan statistical area in which the housing project is
3 located, as determined by the authority, or to the elderly; not
4 less than 15% of the dwelling units are allotted to persons and
5 families whose gross household income does not exceed 150% of the
6 median income for a family in this state or the median income for
7 a family within the nonmetropolitan county or metropolitan
8 statistical area in which the housing project is located, as
9 determined by the authority, or to the elderly; and not more than
10 50% of the dwelling units are available for occupancy without
11 regard to income.

12 (v) Beginning November 1, 1987, multifamily housing projects
13 in eligible distressed areas that meet the 20-50 or 40-60 test
14 established in section 142 of the internal revenue code of 1986
15 and, in addition, in which the remaining dwelling units are
16 available for occupancy without regard to income.

17 (vi) Social, recreational, commercial, or communal facilities
18 necessary to serve and improve the residential area in which an
19 authority-financed housing project is located or is planned to be
20 located thereby enhancing the viability of the housing.

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

26 (i) The owner of the housing project exercised reasonable
27 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 an annual period after the first tenant has occupied
4 the housing project, the owner of the housing project has been
5 unable to attain and sustain at least a 95% occupancy level at
6 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
22 proceeds of bonds or notes issued before November 2, 1987, for
23 that purpose, including the proceeds of prepayments or recovery
24 payments 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 that are financed by
27 proceeds of notes or bonds issued before June 30, 1984, and that

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

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

12 (f) For purposes of this subsection:

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

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

19 (2) (a) The authority may make loans to a nonprofit housing
20 corporation, limited dividend housing corporation, ~~mobile~~
21 **manufactured** home park corporation, or ~~mobile~~ **manufactured** home
22 park association for the construction or rehabilitation of
23 housing units, including residential condominium units as defined
24 in section 4 of the condominium act, 1978 PA 59, MCL 559.104, for
25 sale to individual purchasers of low or moderate income or to
26 individual purchasers without regard to income ~~when~~ **if** the
27 housing units are located in an eligible distressed area. A loan

1 under this section may be in an amount not to exceed 100% of the
2 project cost as approved by the authority in the case of a
3 nonprofit housing corporation or individual purchaser, and in an
4 amount not to exceed 90% of the project cost as approved by the
5 authority in the case of a limited dividend housing corporation,
6 ~~mobile~~ **manufactured** home park corporation, or ~~mobile~~
7 **manufactured** home park association.

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

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

1 regard to income if the housing unit is located in an eligible
2 distressed area.

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

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

24 (f) In the construction of housing units to be sold to the
25 individual purchasers of low or moderate income at a price not to
26 exceed \$12,000.00, the individual purchasers may be required to
27 perform, in a manner and under conditions to be specified by the

1 authority in its rules, a minimum number of hours of labor. The
2 value of the labor shall be credited to the purchase price.

3 (3) The authority may make or purchase loans made to an
4 individual purchaser for long-term financing of a newly
5 rehabilitated, newly constructed, or existing housing unit,
6 including a residential condominium unit as defined in section 4
7 of the condominium act, 1978 PA 59, MCL 559.104. To qualify, all
8 of the following apply:

9 (a) The borrower's family income shall not exceed either of
10 the following:

11 (i) If the housing unit is located in a metropolitan area,
12 \$52,900.00 on or before November 1, 2001, \$54,750.00 from
13 November 2, 2001 until November 1, 2002, and \$56,650.00 on and
14 after November 1, 2002.

15 (ii) If the housing unit is located in a nonmetropolitan
16 area, \$43,575.00 on or before November 1, 2002. After November
17 1, 2002, the family income limit increases to the lesser of the
18 HUD nonmetropolitan median income or \$44,000.00.

19 (b) The purchase price with respect to the unit does not
20 exceed the following:

21 (i) For an existing housing unit, \$99,000.00 on or before
22 November 1, 2001, \$102,000.00 from November 2, 2001 until
23 November 1, 2002, and \$105,000.00 on and after November 1, 2002.

24 (ii) For a newly rehabilitated or a newly constructed housing
25 unit, \$120,000.00 on or before November 1, 2001, \$124,000.00 from
26 November 2, 2001 until November 1, 2002, and \$128,000.00 on and
27 after November 1, 2002.

1 (c) For unexpected cost increases during construction or
2 improvements to adapt new or existing property for use by
3 disabled individuals, the authority may increase the purchase
4 price limit by an amount sufficient to cover these cost
5 increases, but not to exceed \$3,500.00.

6 (d) If an income or purchase price limit prescribed by this
7 subsection exceeds an application limit prescribed by the
8 internal revenue code of 1986, the internal revenue code of 1986
9 limit applies.

10 (e) Except with respect to newly constructed housing units,
11 the authority may by resolution establish, for a length of time
12 the authority considers appropriate, maximum borrower income or
13 purchase price limits more restrictive than those maximum
14 limitations set forth in this section. The authority shall
15 advise the appropriate house and senate standing committees 5
16 days prior to adopting a resolution establishing more restrictive
17 maximum borrower income or purchase price limits.

18 (f) Before making a loan under this section, authority staff
19 shall determine that the borrower has the ability to repay the
20 loan.

21 (g) A loan made or purchased to finance the acquisition of an
22 existing housing unit may include funds for rehabilitation.

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

27 (5) A person who, for purposes of securing a loan under this

1 act, misrepresents his or her income, including taking a leave of
 2 absence from his or her employment for purposes of diminishing
 3 his or her income, is not to be eligible for a loan under this
 4 act.

5 Sec. 44c. (1) If the resolution authorizing the issuance of
 6 notes or bonds provides that the notes or bonds are limited and
 7 not general obligations of the authority, are not secured by the
 8 capital reserve capital account, and are secured solely by
 9 revenues and property derived from or obtained in connection with
 10 the housing project, the authority shall use the proceeds of
 11 those notes or bonds to make loans directly, or indirectly by a
 12 loan through a mortgage lender, to a nonprofit housing
 13 corporation, consumer housing cooperative, limited dividend
 14 housing corporation, limited dividend housing association,
 15 ~~mobile~~ **manufactured** home park corporation, ~~mobile~~
 16 **manufactured** home park association, or public body or agency for
 17 the construction, rehabilitation, long-term financing or ~~any~~
 18 combination of construction, rehabilitation, or long-term
 19 financing of ~~any~~ **1 or more** of the following:

20 (a) Multifamily housing projects for low income or moderate
 21 income persons.

22 (b) Beginning May 1, 1984, multifamily housing projects in
 23 which not less than 20% of the dwelling units are allotted to
 24 individuals of low or moderate income within the meaning of
 25 former section 103(b)(4)(A) of the internal revenue code **of 1986**;
 26 not less than 15% of the dwelling units are allotted to persons
 27 and families whose gross household income does not exceed 125% of

1 the higher of either the median income for a family in this state
2 or the median income for a family within the nonmetropolitan
3 county or metropolitan statistical area in which the housing
4 project is located, as determined by the authority, or to the
5 elderly; not less than 15% of the dwelling units are allotted to
6 persons and families whose gross household income does not exceed
7 150% of the median income for a family in this state or the
8 median income for a family within the nonmetropolitan county or
9 metropolitan statistical area in which the housing project is
10 located, as determined by the authority, or to the elderly; and
11 not more than 50% of the dwelling units are available for
12 occupancy without regard to income.

13 (c) Beginning May 1, 1984, multifamily housing projects in
14 eligible distressed areas in which not less than 20% of the
15 dwelling units are allotted to individuals of low or moderate
16 income within the meaning of former section 103(b)(4)(A) of the
17 internal revenue code **of 1986** and in which not more than 80% of
18 the dwelling units are available for occupancy without regard to
19 income.

20 (d) Social, recreational, commercial, or communal facilities
21 to serve and improve the residential area in which an
22 authority-financed multifamily housing project is located or is
23 planned to be located, thereby enhancing the viability of such
24 housing.

25 (2) To qualify as rehabilitation under this section, the
26 rehabilitation expenditures with respect to the project must
27 equal or exceed 30% of the portion of the cost of acquiring the

1 building and equipment financed with the proceeds of the notes or
2 bonds issued to acquire and rehabilitate the project. For a
3 project located in an eligible distressed area, the amount of
4 rehabilitation may be less than the 30% requirement if the
5 authority determines and expresses by resolution that the likely
6 benefit to the community or the proposed residents of the project
7 merits the use of this financing source. This subsection does
8 not apply to a project for which the authority has authorized a
9 loan commitment under this section before December 18, 1985. The
10 authority shall not provide long-term financing for a project
11 under this section unless the project is constructed or
12 rehabilitated in anticipation of authority financing, the
13 construction or rehabilitation is undertaken with authority
14 financing, or long-term financing is being provided with respect
15 to a housing project for which regulatory or contractual
16 restrictions assuring occupancy of some or all of the units by
17 families or persons of low or moderate income are subject to
18 termination within a 2-year period following the acquisition of
19 the housing project.

20 (3) Notwithstanding the provisions of this section, the
21 authority shall establish by resolution higher income limits for
22 a housing project financed under either subsection (1)(a) or (b)
23 equal to the income limits of subsection (1)(c) if the authority
24 determines all of the following:

25 (a) The owner of the housing project exercised reasonable
26 efforts to rent the dwelling units to persons and families whose
27 incomes did not exceed the originally applicable income

1 limitations.

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

6 (4) Notwithstanding the expiration of lending authority under
7 this section, multifamily housing projects financed under this
8 section may continue to remain eligible for occupancy by persons
9 and families whose incomes do not exceed the limits provided in
10 subsection (1) or (3).

11 (5) A borrower seeking to qualify for a loan under this
12 section shall file an application with the authority ~~which~~ **that**
13 includes **all of** the following:

14 (a) A description of the proposed credit enhancement. The
15 proposed credit enhancement may be in the form of a letter of
16 credit, bonding, guarantee, mortgage insurance, or other
17 appropriate security in an amount sufficient to assure the
18 authority that repayment of notes or bonds issued by the
19 authority is reasonably secure.

20 (b) An undertaking to pay all costs of issuing the notes or
21 bonds and to provide compensation for, as considered appropriate
22 by the borrower and at no cost to the authority, ~~any~~
23 underwriters, trustees, counsel, and other professionals as are
24 necessary to complete the financing.

25 (c) An application fee equal to the greater of \$4,000.00 or
26 0.0005 multiplied by the principal amount of notes or bonds for
27 which issuance is requested. For a project located in an

1 eligible distressed area, the fee required by this subdivision
2 shall be refundable if the notes or bonds are not delivered or
3 may be waived by the authority in the event the owner of the
4 housing project is or will be a nonprofit housing corporation
5 qualified under section 501(c)(3) of the internal revenue code **of**
6 **1986**. In all other cases the fee is nonrefundable.

7 (6) So long as there is uncommitted bonding capability under
8 the limitations of section 32, the authority shall issue a
9 6-month commitment to loan funds, subject to sale by the
10 authority of its notes and bonds in compliance with applicable
11 law and pursuant to terms and conditions ~~which~~ **that** permit the
12 funding of ~~such~~ **the** loan, either directly or indirectly by a
13 loan through a mortgage lender, to the borrower in the amount of
14 the total development cost of the proposed multifamily housing
15 project or \$25,000,000.00, whichever is less, or if the proposed
16 multifamily housing project is located in an eligible distressed
17 area, in the amount of the total development cost of the proposed
18 project or \$50,000,000.00, whichever is less, upon the
19 determination by the authority of all of the following:

20 (a) The housing project is eligible for financing under this
21 section.

22 (b) The borrower is an eligible borrower under this act.

23 (c) The requirements of subsection (5) have been met.

24 (d) The borrower has provided evidence of a commitment to
25 issue a credit enhancement in the form of a letter of credit,
26 bonding, guarantee, mortgage insurance, or other appropriate
27 security in a form and amount sufficient to assure the authority

1 that the repayment of notes or bonds issued by the authority for
2 purposes of making a loan to the borrower is reasonably secure.
3 If the authority determines that repayment of the notes or bonds
4 will be reasonably secure, the authority's review of the credit
5 enhancement shall take the place of the authority's normal
6 underwriting and feasibility review.

7 (e) If the loan is made indirectly by a loan through a
8 mortgage lender, the requirements of section 44b have been met.

9 (7) Unless a borrower is a nonprofit housing corporation
10 qualified under section 501(c)(3) of the internal revenue code **of**
11 **1986**, a borrower and ~~any~~ a person who is a related person to
12 the borrower as defined in section 144(a)(3) of the internal
13 revenue code **of 1986** shall not have outstanding loan commitments
14 under this section ~~which~~ **that** total more than the greater of
15 \$25,000,000.00 or the amount of financing approved for a single
16 project under subsection (6). Once a loan has been made under
17 this section, the commitment made with respect to the loan shall
18 no longer be considered to be outstanding.

19 (8) Simultaneously with the issuance of the loan commitment
20 by the authority, the borrower shall pay a commitment fee in the
21 amount of not more than 0.1% of the principal amount of notes or
22 bonds to be issued. The authority shall credit the amount paid
23 by the borrower as an application fee under subsection (5)
24 against this commitment fee. The authority shall extend a
25 6-month loan commitment issued under subsection (6) for an
26 additional 6 months upon payment by the borrower of a
27 nonrefundable extension fee of \$5,000.00 which fee shall not be

1 credited against any other fee or payment to the authority.

2 (9) Within the period during which the commitment is
3 effective, the authority, upon a determination that the terms and
4 conditions of the commitment have been satisfied, shall make its
5 loan directly, or indirectly through a loan to a mortgage lender,
6 to the borrower.

7 (10) Except as otherwise provided in this subsection, upon
8 issuance of ~~any~~ notes or bonds to finance a housing project
9 under this section, the borrower shall pay at the time the notes
10 or bonds are issued, in addition to ~~any~~ a commitment or
11 extension fee paid under subsection (8), a fee of either not more
12 than 0.9% of the principal amount of the notes or bonds for a
13 loan made for a project located in an eligible distressed area or
14 not more than 1.9% of the principal amount of the notes or bonds
15 for a loan made for a project located in other than an eligible
16 distressed area. If notes or bonds have been issued under this
17 section for a project owned by the borrower located in an
18 eligible distressed area within 180 days before the issuance of
19 notes or bonds for the next project financed by that borrower,
20 which next project is located in other than an eligible
21 distressed area, the fee under this subsection shall be not more
22 than 0.9% of the principal amount of the notes or bonds. If
23 notes or bonds have been issued under this section for a project
24 located in other than an eligible distressed area and the
25 borrower has paid the 1.9% fee, the authority shall not charge a
26 fee under this subsection for the next project financed by that
27 borrower if that next project is located in an eligible

1 distressed area and if the notes or bonds are issued within 180
2 days after the notes or bonds were issued for the project located
3 in other than an eligible distressed area.

4 (11) Subject to any rights of the holders of ~~any~~ notes or
5 bonds issued to finance a multifamily housing project under this
6 section, if the owner of a multifamily housing project financed
7 under this section provides evidence satisfactory to the
8 authority that the new owner of the multifamily housing project
9 is an eligible borrower under this act and the exemption from
10 federal income taxation of interest on the notes or bonds issued
11 to finance the multifamily housing project will not be impaired
12 as a result of a sale, refinancing, or resyndication, the
13 borrower may sell, refinance from a source other than the
14 authority, or resyndicate that housing project at any time.
15 There shall not be a prepayment penalty or fee required for the
16 sale, refinancing, or resyndication in addition to ~~any~~ a
17 prepayment penalty or fee owing to the holders of notes or bonds
18 issued to finance a housing project under this section.

19 (12) A borrower is allowed distributions equal to a 12%
20 return on the borrower's investment in a multifamily housing
21 project financed under this section for the first 12 months of
22 operation of the housing project following substantial
23 completion. The allowable return shall be increased by 1% for
24 each 12-month period after the first 12 months. The maximum
25 allowable return for a housing project located in other than an
26 eligible distressed area is 25%. ~~Any~~ A return less than the
27 allowable rate in ~~any~~ a preceding period may be received in

1 ~~any~~ a subsequent period on a cumulative basis.

2 (13) Before September 1 of each year after 1984, the owner of
3 a housing project financed under this section shall report to the
4 authority all of the following ~~which~~ **that** the authority shall
5 include in the report required by section 32(14):

6 (a) The incomes of the tenants residing in that housing
7 project in a manner that preserves the anonymity of those
8 tenants.

9 (b) The estimated economic and social benefits of that
10 housing project to the immediate neighborhoods in which it has
11 been constructed.

12 (c) The estimated economic and social benefits of that
13 housing project to the city in which it has been constructed.

14 (d) Information requested by the authority about that housing
15 project that is needed so that the authority can report the
16 extent of displacement, direct and indirect, of lower income
17 persons caused by housing projects financed under this section,
18 the steps taken by governmental and private parties to ameliorate
19 the displacement, and the results of those efforts.

20 (e) Information requested by the authority about that housing
21 project that is needed so that the authority can report the
22 estimated extent of additional reinvestment activities by private
23 lenders attributable to the authority's financing of housing
24 projects financed under this section.

25 (f) The age, race, family size, and average income of the
26 tenants of these housing projects.

27 (g) The estimated economic impact of these housing projects,

1 including the number of construction jobs created, wages paid,
2 and taxes and payments in lieu of taxes paid.

3 (14) Mortgages securing loans made under this section are
4 authority-aided mortgages.

5 (15) The authority may inspect and audit projects and records
6 of projects financed under this section in order to monitor
7 compliance with the requirements of this section. If there is
8 noncompliance, the authority, pursuant to the provisions of the
9 financing and organizational documents applicable to the
10 transaction, may pursue the remedies that the authority considers
11 appropriate. Except as is required to assure compliance with
12 this section or section 46 or otherwise required by purchasers
13 of, or a third party credit enhancement provider with respect to,
14 notes or bonds issued to finance a multifamily housing project
15 under this section, the authority shall not regulate, in any
16 manner, a multifamily housing project financed under this
17 section. This section does not preclude the authority from
18 regulating a multifamily housing project in consideration for
19 other types of program benefits, incentives, or concessions
20 provided by the authority over and above the financing made
21 available under this section.

22 (16) Notwithstanding any other provision of this section,
23 there shall not be ~~any~~ liability on the part of the authority
24 or its members, officers, employees, or agents, and the assets of
25 the authority shall not be subject to ~~any~~ liability, as a
26 result of ~~any~~ **an** act or failure to act under this section on
27 the part of the authority or its members, officers, employees, or

1 agents.

2 (17) If notes or bonds have been issued under this section
3 for a project located in an eligible distressed area within 180
4 days before the submission, by the same borrower or a borrower
5 having the same general partners, of a commitment for credit
6 enhancement, that borrower's application shall be given priority
7 over the other applications submitted under this section to
8 finance projects located in other than eligible distressed areas,
9 except for projects for which the authority has authorized loan
10 commitments. The principal amount of notes or bonds issued to
11 finance a project given priority under this subsection shall not
12 exceed 10 times the principal amount of the notes or bonds issued
13 to finance the distressed area project that qualifies the
14 borrower for priority consideration.

15 (18) Except for housing projects for which the authority has
16 adopted an inducement resolution on or before April 1, 1991,
17 loans shall not be made under this section unless the authority
18 determines that use of the state's unified volume cap for a
19 project will not impair the ability of the authority to carry out
20 programs or finance housing developments or housing units which
21 are targeted to lower income persons.

22 Sec. 44d. (1) The authority may make loans to ~~any~~ a
23 nonprofit housing corporation, consumer housing cooperative,
24 limited dividend housing corporation, limited dividend housing
25 association, ~~mobile~~ **manufactured** home park association, or
26 ~~mobile~~ **manufactured** home park corporation, or to ~~any~~ a public
27 body or agency for the construction or rehabilitation, and for

1 the long-term financing, of housing projects that meet **all of** the
2 following criteria:

3 (a) The housing project provides a system of support
4 services that promote and preserve the independent living of
5 persons with disabilities, the elderly, or other persons at risk
6 of institutionalization.

7 (b) Social, recreational, medical, and shopping facilities
8 are readily accessible to the residents who cannot provide their
9 own transportation.

10 (c) An affordable, daily demand actuated transportation
11 system is integrated into the project for elderly and residents
12 with disabilities who are unable to transport themselves.

13 Sec. 97. This chapter shall ~~apply~~ **applies** to ~~mobile~~
14 **manufactured** home park corporations receiving benefits under this
15 act.

16 Sec. 97a. A ~~mobile~~ **manufactured** home park corporation
17 shall be incorporated and qualified pursuant to the provisions of
18 the corporation laws of this state and this chapter.

19 Sec. 97b. The term ~~"mobile"~~ **"manufactured** home park
20 corporation" shall be included as part of the corporate name set
21 forth in the certificate of incorporation or certificate of
22 authority.

23 Sec. 97c. In addition to other requirements of law, the
24 articles of incorporation of ~~any mobile~~ **a manufactured** home
25 park corporation shall provide all of the following:

26 (a) That the ~~mobile~~ **manufactured** home park corporation has
27 been organized exclusively to provide housing facilities for

1 persons of low and moderate income, or for persons whose income
2 does not exceed limits established in this act, and for social,
3 recreational, commercial, and communal facilities as may be
4 necessary to serve and improve a residential area in which
5 authority-aided or federally-aided housing is located or planned
6 to be located, thereby enhancing the viability of the housing.

7 (b) That every stockholder of the ~~mobile~~ **manufactured** home
8 park corporation ~~shall be deemed~~ **is considered**, by the
9 subscription to or receipt of stock in the corporation, to have
10 agreed that he or she at no time shall receive from the
11 corporation in repayment of his or her investment ~~any~~ sums in
12 excess of the face value of the investment plus cumulative
13 dividends at a rate ~~which~~ **that** the authority determines to be
14 reasonable and proper, computed from the initial date on which
15 money was paid or property delivered in consideration for the
16 proprietary interest of the stockholders; and that upon the
17 dissolution of the ~~mobile~~ **manufactured** home park corporation,
18 any surplus in excess of those amounts shall be paid to the
19 authority or to ~~any~~ other regulating governmental body as the
20 authority directs.

21 (c) That the operations of the ~~mobile~~ **manufactured** home
22 park corporation may be supervised by the authority or by ~~any~~
23 other governmental body as the authority directs, and that the
24 ~~mobile~~ **manufactured** home park corporation shall enter into
25 agreements with the authority or with the governmental body as
26 the authority from time to time requires. These agreements shall
27 provide for regulation by the authority or the governmental body

1 of the planning, development, and management of ~~any~~ a housing
2 project undertaken by the ~~mobile~~ **manufactured** home park
3 corporation and the disposition of the property and franchises of
4 the corporation.

5 Sec. 97d. The articles of incorporation shall provide that
6 the authority may appoint to the board of directors of the
7 ~~mobile~~ **manufactured** home park corporation a number of new
8 directors, which number shall be sufficient to constitute a
9 majority of the board, notwithstanding any other provisions of
10 the articles or any other provisions of law, if any 1 of the
11 following occurs:

12 (a) The ~~mobile~~ **manufactured** home park corporation has
13 received a loan or advance as provided for in this act and the
14 authority determines that the loan or advance is in jeopardy of
15 not being repaid.

16 (b) The ~~mobile~~ **manufactured** home park corporation has
17 received a loan or advance as provided for in this act and the
18 authority determines that the proposed housing project for which
19 the loan or advance was made is in jeopardy of not being
20 constructed.

21 (c) The authority determines that a portion of the net
22 income or net earnings of the ~~mobile~~ **manufactured** home park
23 corporation, in excess of that permitted by other provisions of
24 this act, shall inure to the benefit of ~~any~~ a private
25 individual, firm, corporation, partnership, or association.

26 (d) The authority determines that the ~~mobile~~ **manufactured**
27 home park corporation is in violation of the rules promulgated

1 under section 22.

2 (e) The authority determines that the ~~mobile~~ **manufactured**
3 home park corporation is in violation of ~~any~~ agreements entered
4 into with the authority providing for regulation by the authority
5 of the planning, development, and management of ~~any~~ a housing
6 project undertaken by the ~~mobile~~ **manufactured** home park
7 corporation or the disposition of the property and ~~franchises~~ a
8 **franchise** of the corporation.

9 Sec. 97e. Before ~~any mobile~~ **A manufactured** home park
10 corporation can receive ~~any~~ benefits under this act, the
11 authority must approve the terms of the articles of
12 incorporation.

13 Sec. 97f. As used in this chapter, the term "surplus"
14 ~~shall~~ **does** not ~~be deemed to~~ include ~~any~~ **an** increase in
15 assets of ~~any mobile~~ **a manufactured** home park corporation
16 organized in accordance with the provisions of this chapter, by
17 reason of reduction of mortgage, by amortization or similar
18 payments, or realized from the sale or disposition of ~~any~~
19 assets of a ~~mobile~~ **manufactured** home park corporation to the
20 extent ~~such~~ **the** surplus can be attributed to ~~any~~ **an** increase
21 in market value of ~~any~~ real property or tangible personal
22 property accruing during the period the assets were owned and
23 held by the ~~mobile~~ **manufactured** home park corporation.

24 Sec. 98. This chapter ~~shall apply~~ **applies** to ~~mobile~~
25 **manufactured** home park associations receiving benefits under this
26 act.

27 Sec. 98a. A ~~mobile~~ **manufactured** home park association

1 includes general or limited partnerships, limited liability
2 companies, joint ventures, or trusts, as ~~any such~~ **those**
3 entities may be approved by resolution of the authority. Members
4 of a ~~mobile~~ **manufactured** home park association shall include
5 each and all persons with a legal or beneficial interest of any
6 kind in a ~~mobile~~ **manufactured** home park association or its
7 assets.

8 Sec. 98b. The term ~~"mobile"~~ **"manufactured** home park
9 association" shall be included as part of the name of ~~any~~
10 ~~mobile~~ **a manufactured** home park association.

11 Sec. 98c. In addition to other requirements of law, the
12 partnership agreement, joint venture agreement, trust agreement,
13 or other document of basic organization of the ~~mobile~~
14 **manufactured** home park association shall provide all of the
15 following:

16 (a) That the ~~mobile~~ **manufactured** home park association has
17 been organized exclusively to provide housing facilities for
18 persons of low and moderate income, or for persons whose income
19 does not exceed limits established in this act, and for social,
20 recreational, commercial, and communal facilities as may be
21 necessary to serve and improve a residential area in which
22 authority-aided or federally-aided housing is located or is
23 planned to be located, thereby enhancing the viability of such
24 housing.

25 (b) That every member of the ~~mobile~~ **manufactured** home park
26 association ~~shall be deemed~~ **is considered**, by acceptance of a
27 beneficial interest in the ~~mobile~~ **manufactured** home park

1 association or by executing the document of basic organization,
2 to have agreed that he or she at no time shall receive from the
3 ~~mobile~~ **manufactured** home park association ~~any~~ a return in
4 excess of the face value of the investment attributable to his or
5 her respective interest plus cumulative dividend payments at a
6 rate ~~which~~ **that** the authority determines to be reasonable and
7 proper, computed from the initial date on which money was paid or
8 property delivered in consideration for the interest; and that
9 upon the dissolution of the ~~mobile~~ **manufactured** home park
10 association, any surplus in excess of those amounts shall be paid
11 to the authority or to any other regulating governmental body as
12 the authority directs.

13 (c) That the operations of the ~~mobile~~ **manufactured** home
14 park association may be supervised by the authority or by any
15 other governmental body the authority directs, and that the
16 ~~mobile~~ **manufactured** home park association shall enter into
17 agreements with the authority or with the governmental body as
18 the authority from time to time requires ~~pursuant~~ **according** to
19 rules promulgated under section 22. The agreements shall provide
20 for regulation by the authority or the governmental body of the
21 planning, development, and management of ~~any~~ a housing project
22 undertaken by the ~~mobile~~ **manufactured** home park association and
23 the disposition of the property and franchises of the ~~mobile~~
24 **manufactured** home park association.

25 Sec. 98d. The partnership agreement, joint venture
26 agreement, trust agreement, or other document of basic
27 organization shall provide that the authority may appoint a

1 managing agent of the ~~mobile~~ **manufactured** home park association
2 and its members, who may be an officer, employee, or agent of the
3 authority. The managing agent appointed shall have complete
4 power to act as agent and attorney-in-fact for the ~~mobile~~
5 **manufactured** home park association and its members, in connection
6 with ~~any~~ assets or liability of the ~~mobile~~ **manufactured** home
7 park association, to fulfill ~~any~~ obligations the ~~mobile~~
8 **manufactured** home park association may have to the authority, if
9 any 1 of the following occurs:

10 (a) The ~~mobile~~ **manufactured** home park association has
11 received a loan or advance as provided for in this act and the
12 authority determines that the loan or advance is in jeopardy of
13 not being repaid.

14 (b) The ~~mobile~~ **manufactured** home park association has
15 received a loan or advance as provided for in this act and the
16 authority determines that the proposed housing project for which
17 the loan or advance was made is in jeopardy of not being
18 constructed.

19 (c) The authority determines that a portion of the net income
20 or net earnings of the ~~mobile~~ **manufactured** home park
21 association, in excess of that permitted by other provisions of
22 this act, shall inure to the benefit of ~~any~~ a private
23 individual, firm, corporation, partnership, trust, or
24 association.

25 (d) The authority determines that the ~~mobile~~ **manufactured**
26 home park association is in violation of the rules promulgated
27 under section 22.

1 (e) The authority determines that the ~~mobile~~ **manufactured**
 2 home park association is in violation of ~~any~~ agreements entered
 3 into with the authority providing for regulation by the authority
 4 of the planning, development, and management of ~~any~~ **a** housing
 5 project undertaken by the ~~mobile~~ **manufactured** home park
 6 association or the disposition of the property and ~~franchises~~ **a**
 7 **franchise** of the ~~mobile~~ **manufactured** home park association.

8 Sec. 98e. Before ~~any mobile~~ **a manufactured** home park
 9 association can receive ~~any~~ benefits as a result of qualifying
 10 under this act, the authority must approve the terms of the
 11 partnership agreement, joint venture agreement, trust agreement,
 12 or other document of basic organization.

13 Sec. 98f. As used in this chapter, the term "surplus"
 14 ~~shall~~ **does** not ~~be deemed to~~ include ~~any~~ **an** increase in
 15 assets of ~~any mobile~~ **a manufactured** home park association
 16 organized in accordance with the provisions of this chapter, by
 17 reason of reduction of mortgage, by amortization or similar
 18 payments, or realized from the sale or disposition of ~~any~~
 19 assets of a ~~mobile~~ **manufactured** home park association to the
 20 extent ~~such~~ **the** surplus can be attributed to ~~any~~ **an** increase
 21 in market value of ~~any such~~ **the** real property or tangible
 22 personal property accruing during the period the assets were
 23 owned and held by the ~~mobile~~ **manufactured** home park
 24 association.

25 Sec. 99c. The authority may make a loan or grant to a
 26 nonprofit housing corporation or association, ~~mobile~~
 27 **manufactured** home park corporation or association, or limited

1 dividend housing corporation or association that is established
2 and controlled by a mutual housing association on the same basis
3 as a loan or grant may be made to such an organization not
4 established and controlled by a mutual housing association.

5 Enacting section 1. This amendatory act does not take
6 effect unless Senate Bill No. 544
7 of the 92nd Legislature is enacted into
8 law.