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Senate Bill 1243 (Substitute S-2 as reported)
Sponsor: Senator Mark C. Jansen
Committee: Economic Development and Regulatory Reform

CONTENT

The bill would amend the State Housing Development Authority Act, which would be renamed the "Community and Housing Development Authority Act", to do the following:

- Replace the Michigan State Housing Development Authority (MSHDA) with the Michigan Community and Housing Development Authority (MCHDA).
- Move the Michigan Housing and Community Development Fund from the Department of Treasury to MCHDA.
- Require the Authority to develop a biennial, rather than annual, Fund allocation plan.
- Expand the Housing and Community Development Program to include the financing of development in a downtown area or adjacent neighborhood.
- Expand uses of the Fund to include foreclosure prevention and assistance, ending homelessness, individual development accounts, and predatory lending prevention.
- Include municipalities and land bank fast track authorities among the entities that may receive grants or loans from the Fund to finance activities under the Act.
- Establish an advisory committee to recommend allocations for the Fund and monitor the process of awarding grants from it.
- Repeal the Michigan Housing and Community Development Fund Act.

MCL 125.1402 et al.

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bill would increase the operational costs of the Michigan State Housing Development Authority by an unknown amount. Changing the name of the Authority would require one-time expenditures to convert its forms and stationery. The Authority also would incur minimal additional costs to staff and pay the necessary expenses of the proposed Michigan Community and Housing Development Fund Advisory Committee. The administrative expenses of the Authority are paid entirely by State restricted funds generated by the Authority during the course of its regular operations.

Under the bill, the Michigan Housing and Community Development Fund could gain access to new sources of funds, including gifts, grants, labor, and loans, potentially increasing the revenue available to the Fund. The bill would permit the Authority to use the Fund in any manner that would achieve its objectives and purposes. The bill also would include municipalities and land bank fast track authorities as eligible applicants for funding from the Michigan Community and Housing Development Fund, allowing them to seek grants and loans from the Fund for many types of housing and community development projects. The Michigan Community and Housing Development Fund was funded for the first time in FY 2007-08 with a General Fund appropriation of \$2,163,400.

Date Completed: 5-1-08

Fiscal Analyst: Elizabeth Pratt
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