

SUBSTITUTE FOR
SENATE BILL NO. 1243

A bill to amend 1966 PA 346, entitled "State housing development authority act of 1966," by amending the title and sections 2, 11, 22, 58, 58a, 58b, and 58c (MCL 125.1402, 125.1411, 125.1422, 125.1458, 125.1458a, 125.1458b, and 125.1458c), the title as amended and sections 58, 58a, 58b, and 58c as added by 2004 PA 480, section 11 as amended by 2004 PA 549, and section 22 as amended by 2002 PA 385, and by adding sections 58e and 58f; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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TITLE

An act to create a ~~state~~**COMMUNITY AND** 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

1 fund; to establish a conversion condominium fund; to create certain
2 other funds and provide for the expenditure of certain funds; to
3 authorize the making and purchase of loans, deferred payment loans,
4 and grants to qualified developers, sponsors, individuals, mortgage
5 lenders, and municipalities; to establish and provide acceleration
6 and foreclosure procedures; to provide tax exemption; to authorize
7 payments instead of taxes by nonprofit housing corporations,
8 consumer housing cooperatives, limited dividend housing
9 corporations, mobile home park corporations, and mobile home park
10 associations; and to prescribe criminal penalties for violations of
11 this act.

12 Sec. 2. This act shall be known and may be cited as the "~~state~~
13 **COMMUNITY AND** housing development authority act of 1966".

14 Sec. 11. As used in this act:

15 (a) "Authority" means the Michigan ~~state~~**COMMUNITY AND** housing
16 development authority created in this act.

17 (b) "Development costs" means the costs that have been
18 approved by the authority as appropriate expenditures, and
19 includes:

20 (i) Payments for options to purchase properties on the proposed
21 housing project site, deposits on contracts of purchase, or, with
22 the prior approval of the authority, payments for the purchases of
23 those properties.

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

27 (iii) Payment of fees for preliminary feasibility studies,

1 advances for planning, engineering, and architectural work.

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

3 (v) Necessary application and other fees to federal and other
4 government agencies.

5 (vi) Other expenses incurred by the nonprofit housing
6 corporation, consumer housing cooperative, limited dividend housing
7 corporation, mobile home park corporation, or mobile home park
8 association that the authority considers appropriate to effectuate
9 the purposes of this act.

10 (c) "Federally-aided mortgage" means any of the following:

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

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

17 (iii) A mortgage receiving interest reduction payments provided
18 by the secretary of the department of housing and urban
19 development.

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

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

25 (d) "Fund" means the housing development fund created by this
26 act.

27 (e) "Project cost" means the sum total of all reasonable or

1 necessary costs incurred by the nonprofit housing corporation,
2 consumer housing cooperative, limited dividend housing corporation,
3 mobile home park corporation, or mobile home park association for
4 carrying out all works and undertakings for the completion of a
5 housing project and approved by the authority. In addition to other
6 reasonable and necessary costs, "project costs" includes costs for
7 all of the following: studies and surveys; plans, specifications,
8 and architectural and engineering services; legal, organization,
9 marketing, or other special services; financing, acquisition,
10 demolition, construction, equipment, and site development of new
11 and rehabilitated buildings; movement of existing buildings to
12 other sites; rehabilitation, reconstruction, repair, or remodeling
13 of existing buildings; carrying charges during construction; the
14 cost of placement of tenants or occupants, and relocation services
15 in connection with a housing project; and, to the extent not
16 already included, all development costs.

17 (f) "Housing project" means any of the following:

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

20 (ii) A specific work or improvement either for rental or for
21 subsequent sale to an individual purchaser undertaken by a
22 nonprofit housing corporation, consumer housing cooperative,
23 limited dividend housing corporation, mobile home park corporation,
24 or mobile home park association pursuant to or receiving benefits
25 under this act to provide dwelling accommodations, including the
26 acquisition, construction, or rehabilitation of lands, buildings,
27 and improvements.

1 (iii) Social, recreational, commercial, and communal facilities
2 that the authority finds necessary to serve and improve a
3 residential area in which housing described in subparagraph (i) or
4 (ii) is located or is planned to be located, thereby enhancing the
5 viability of the housing.

6 (g) "Low income or moderate income persons" means families and
7 persons who cannot afford to pay the amounts at which private
8 enterprise, without federally-aided mortgages or loans from the
9 authority, is providing a substantial supply of decent, safe, and
10 sanitary housing and who fall within income limitations set in this
11 act or by the authority in its rules. Among low income or moderate
12 income persons, preference shall be given to the elderly and those
13 displaced by urban renewal, slum clearance, or other governmental
14 action.

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

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

18 (j) "Governing body" means in the case of a city, the council
19 or commission of the city; in the case of a village, the council,
20 commission, or board of trustees of the village; in the case of a
21 township, the township board; and in the case of a county, the
22 county board of commissioners.

23 (k) "Nonprofit housing corporation" means a nonprofit
24 corporation incorporated under the corporation laws of this state
25 and chapter 4.

26 (l) "Consumer housing cooperative" means a nonprofit
27 corporation incorporated pursuant to the corporation laws of this

1 state and chapter 5.

2 (m) "Annual shelter rent" means the total collections during
3 an agreed annual period from all occupants of a housing project
4 representing rent or occupancy charges, exclusive of charges for
5 gas, electricity, heat, or other utilities furnished to the
6 occupants.

7 (n) "Taxing jurisdiction" means a municipality, county, or
8 district, including a school district or any special district
9 having the power to levy or collect taxes upon real property or in
10 whose behalf taxes may be levied or collected.

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

14 (p) "Housing development" means a development that contains a
15 significant element of housing for persons of low or moderate
16 income and elements of other housing and commercial, recreational,
17 industrial, communal, and educational facilities that the authority
18 determines improve the quality of the development as it relates to
19 housing for persons of low or moderate income.

20 (q) "Limited dividend housing corporation" means a corporation
21 incorporated or qualified pursuant to the corporation laws of this
22 state and chapter 6 and a limited dividend housing association
23 organized and qualified pursuant to chapter 7.

24 (r) "Residential real property" means real property located in
25 this state, used for residential purposes, and improved or to be
26 improved by a residential structure. Residential real property
27 includes a mobile home, a mobile home park, and a mobile home

1 condominium project. When the terms "rehabilitate" or
2 "rehabilitation" are used in conjunction with residential real
3 property, residential real property refers to property improved by
4 a residential structure.

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

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

11 (u) "Eligible distressed area" means any of the following:

12 (i) An area located in a city with a population of at least
13 10,000, which area is either designated as a "blighted area" by a
14 local legislative body pursuant to 1945 PA 344, MCL 125.71 to
15 125.84, or which area is determined by the authority to be blighted
16 or largely vacant by reason of clearance of blight, if, with
17 respect to the area, the authority determines all of the following:

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

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

1 veto legislative actions of the legislative body of that city, a
2 written communication from the mayor of that city.

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

5 (A) The municipality shows a negative population change from
6 1970 to the date of the most recent federal decennial census.

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

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

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

16 (iii) An area located in a local unit of government certified by
17 the Michigan enterprise zone authority as meeting the criteria
18 prescribed in section 2(d) of the neighborhood enterprise zone act,
19 1992 PA 147, MCL 207.772.

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

1 (w) "Mobile home condominium project" means a condominium
2 project in which mobile homes are intended to be located upon
3 separate sites that constitute individual condominium units and
4 that complies with the condominium act, 1978 PA 59, MCL 559.101 to
5 559.276.

6 (x) "Mobile home park" means a parcel or tract of land under
7 the control of a person or entity upon which 3 or more mobile homes
8 are located on a continual, nonrecreational, residential basis and
9 that is offered to the public for general public use for continual,
10 nonrecreational, residential purposes regardless of whether a
11 charge is made for that use, together with any social,
12 recreational, commercial, and communal facilities used or intended
13 for use incident to the occupancy of a mobile home. Mobile home
14 park does not include trailer parks and courts for use on a
15 transient basis.

16 (y) "Mobile home park association" means a mobile home park
17 association organized and qualified in accordance with chapter 9.

18 (z) "Mobile home park corporation" means a corporation
19 incorporated pursuant to the corporation laws of this state and
20 qualified in accordance with chapter 8.

21 (aa) "Housing unit" means living accommodations that are
22 intended for occupancy by up to 4 families, with a separate
23 dwelling unit for each family, that may be site constructed or may
24 be a mobile home or other form of manufactured housing, and with
25 respect to which either of the following applies:

26 (i) The owner of the housing occupies at least 1 of the
27 dwelling units.

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

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

7 (i) The section 8 leased housing program established under
8 section 8 of the United States housing act of 1937, 42 USC 1437f,
9 and the regulations promulgated under that act, or a substantially
10 equivalent successor federal program.

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

13 (cc) "Area of chronic economic distress" means an area that
14 qualifies as a "qualified census tract" or an "area of chronic
15 economic distress" as defined in former section 103A(k) of the
16 internal revenue code, or an eligible distressed area.

17 (dd) "Mortgage lender" means a state or national bank, state
18 or federal savings and loan association, mortgage company,
19 insurance company, state pension fund, or any other financial
20 institution, intermediary, or entity authorized to make mortgage
21 loans in this state.

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

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

26 (gg) "Family income" means all income that is included in a
27 determination of family income under section 143(f) of the internal

1 revenue code, 26 USC 143(f), together with the income of all adults
2 who will reside in the residence, which income might otherwise be
3 excluded from consideration because the individual was not expected
4 to both live in the residence and be primarily or secondarily
5 liable on the mortgage note.

6 (hh) "Statewide median gross income" means the statewide
7 median gross income as determined under section 143(f) of the
8 internal revenue code, 26 USC 143(f).

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

11 (jj) "Internal revenue code" means the United States internal
12 revenue code of 1986.

13 (kk) "Internal revenue code of 1954" means the United States
14 internal revenue code of 1954 as in effect on the day immediately
15 before the effective date of the internal revenue code of 1986.

16 Sec. 22. The authority shall possess all powers necessary or
17 convenient to carry out this act, including the following powers in
18 addition to other powers granted by other provisions of this act:

19 (a) To sue and to be sued; to have a seal and to alter the
20 seal at pleasure; to have perpetual succession; to make and execute
21 contracts and other instruments necessary or convenient to the
22 exercise of the powers of the authority; and to make, amend, and
23 repeal bylaws and rules.

24 (b) To undertake and carry out studies and analyses of housing
25 needs within this state and ways of meeting those needs, including
26 data with respect to population and family groups, the distribution
27 of population and family groups according to income, and the amount

1 and quality of available housing and its distribution according to
2 rentals and sales prices, employment, wages, and other factors
3 affecting housing needs and the meeting of housing needs; to make
4 the results of those studies and analyses available to the public
5 and the housing and supply industries; and to engage in research
6 and disseminate information on housing.

7 (c) To agree and comply with conditions attached to federal
8 financial assistance.

9 (d) To survey and investigate housing conditions and needs,
10 both urban and rural, throughout this state and make
11 recommendations to the governor and the legislature regarding
12 legislation and other measures necessary or advisable to alleviate
13 any existing housing shortage in this state.

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

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

1 (g) To encourage the salvage of all possible usable housing
2 scheduled for demolition because of highway, school, urban renewal,
3 or other programs by seeking authority for the sponsors of the
4 programs to use funds provided for the demolition of the buildings,
5 to be allocated to those sponsors approved by the authority to
6 defray moving and rehabilitation costs of the buildings.

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

14 (i) To make or purchase loans, including loans for condominium
15 units as defined in section 4 of the condominium act, 1978 PA 59,
16 MCL 559.104, and including loans to mortgage lenders, which are
17 unsecured or the repayments of which are secured by mortgages,
18 security interests, or other forms of security; to purchase and
19 enter into commitments for the purchase of securities, certificates
20 of deposits, time deposits, or mortgage loans from mortgage
21 lenders; to participate in the making or purchasing of unsecured or
22 secured loans and undertake commitments to make or purchase
23 unsecured or secured loans; to sell mortgages, security interests,
24 notes, and other instruments or obligations evidencing or securing
25 loans, including certificates evidencing interests in 1 or more
26 loans, at public or private sale; in connection with the sale of an
27 instrument or obligation evidencing or securing 1 or more loans, to

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

21 (j) To set standards for housing projects that receive loans
22 under this act and to provide for inspections to determine
23 compliance with those standards. The standards for construction and
24 rehabilitation of mobile homes, mobile home parks, and mobile home
25 condominium projects shall be established jointly by the authority
26 and the mobile home commission, created in the mobile home
27 commission act, 1987 PA 96, MCL 125.2301 to 125.2349. However,

1 financing standards shall be established solely by the authority.

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

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

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

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

27 (o) To promulgate rules necessary to carry out the purposes of

1 this act and to exercise the powers expressly granted in this act
2 in accordance with the administrative procedures act of 1969, 1969
3 PA 306, MCL 24.201 to 24.328.

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

14 (q) To appoint to the board of directors of a nonprofit
15 housing corporation, consumer housing cooperative, limited dividend
16 housing corporation, mobile home park corporation, or mobile home
17 park association, a number of new directors sufficient to
18 constitute a majority of the board notwithstanding other provisions
19 of the articles of incorporation or other provisions of law.
20 Directors appointed under this subsection need not be stockholders
21 or members or meet other qualifications that may be described by
22 the certificate of incorporation or bylaws. In the absence of fraud
23 or bad faith, directors appointed under this subsection shall not
24 be personally liable for debts, obligations, or liabilities of the
25 corporation or association. The authority may appoint directors
26 under this subsection only if 1 or more of the following occur:

27 (i) The nonprofit housing corporation, consumer housing

1 cooperative, limited dividend housing corporation, mobile home park
2 corporation, or mobile home park association has received a loan or
3 advance, as provided for in this act, and the authority determines
4 that the loan or advance is in jeopardy of not being repaid.

5 (ii) The nonprofit housing corporation, consumer housing
6 cooperative, limited dividend housing corporation, mobile home park
7 corporation, or mobile home park association received a loan or
8 advance as provided for in this act and the authority determines
9 that the proposed housing project for which the loan or advance was
10 made is in jeopardy of not being constructed.

11 (iii) The authority determines that some part of the net income
12 or net earnings of the nonprofit housing corporation is inuring to
13 the benefit of a private individual, firm, corporation,
14 partnership, or association; the authority determines that an
15 unreasonable part of the net income or net earnings of the consumer
16 housing cooperative is inuring to the benefit of a private
17 individual, firm, corporation, partnership, or association; or the
18 authority determines that some part of the net income or net
19 earnings of the limited dividend housing corporation, in excess of
20 that permitted by other provisions of this act, is inuring to the
21 benefit of a private individual, firm, corporation, partnership, or
22 association.

23 (iv) The authority determines that the nonprofit corporation or
24 consumer housing cooperative is in some manner controlled by, under
25 the direction of, or acting in the substantial interest of a
26 private individual, firm, corporation, partnership, or association
27 seeking to derive benefit or gain from, or seeking to eliminate or

1 minimize losses in any dealings or transactions with, the nonprofit
2 corporation or consumer housing cooperative. However, this
3 subparagraph shall apply to individual cooperators in consumer
4 housing cooperatives only in circumstances defined by the authority
5 in its rules.

6 (v) The authority determines that the nonprofit housing
7 corporation, consumer housing cooperative, limited dividend housing
8 corporation, mobile home park corporation, or mobile home park
9 association is in violation of the rules promulgated under this
10 section.

11 (vi) The authority determines that the nonprofit housing
12 corporation, consumer housing cooperative, limited dividend housing
13 corporation, mobile home park corporation, or mobile home park
14 association is in violation of 1 or more agreements entered into
15 with the authority that provide for regulation by the authority of
16 the planning, development, and management of a housing project
17 undertaken by the nonprofit housing corporation, consumer housing
18 cooperative, limited dividend housing corporation, mobile home park
19 corporation, or mobile home park association or that provide for
20 the disposition of the property and franchises of the corporation,
21 or cooperative, or association.

22 (r) To give approval or consent to the articles of
23 incorporation submitted to the authority by a corporation seeking
24 approval as a nonprofit housing corporation, consumer housing
25 cooperative, limited dividend housing corporation, or mobile home
26 park corporation under chapter 4, 5, 6, or 8; to give approval or
27 consent to the partnership agreement, joint venture agreement,

1 trust agreement, or other document of basic organization of a
2 limited dividend housing association under chapter 7 or mobile home
3 park association under chapter 9.

4 (s) To engage the services of private consultants on a
5 contract basis for rendering professional and technical assistance
6 and advice.

7 (t) To lease real or personal property and to accept federal
8 funds for, and participate in, federal programs of housing
9 assistance.

10 (u) To review and approve rental charges for authority-
11 financed housing projects and require whatever changes the
12 authority determines to be necessary. The changes shall become
13 effective after not less than 30 days' written notice is given to
14 the residents of the affected authority-financed housing projects.

15 (v) To set forth in the various loan documents of the
16 authority those restrictions on the sale, conveyance by land
17 contract, or transfer of residential real property, housing
18 projects, or housing units for which a note is held by the
19 authority and restrictions on the assumption by subsequent
20 purchasers of loans originated by and held by, or originated for
21 purchase by and held by, the authority as the authority determines
22 to be necessary in order to comply with requirements of federal
23 statutes, federal rules or regulations promulgated under sections
24 551 to 559 of title 5 of the United States Code, 5 ~~U.S.C.~~ **USC** 551
25 to 559, state statutes, or state rules promulgated under the
26 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
27 24.328, or to obtain and maintain the tax exempt status of

1 authority bonds and notes. However, the authority shall not use a
2 due on sale or acceleration clause solely for the purpose of
3 renegotiating the interest rate on a loan made with respect to an
4 owner-occupied single-family housing unit. Without limiting the
5 authority's power to establish other restrictions, as provided in
6 this section, on the sale, conveyance by land contract, or transfer
7 of residential real property, housing projects, or housing units
8 for which a note is held by the authority and the assumption by
9 subsequent purchasers of loans made or purchased by the authority,
10 the authority shall provide in its loan documents relating to a
11 single family loan that the single family loan may be assumed by a
12 new purchaser only when the new purchaser qualifies under the
13 authority income limitations rules except where such a restriction
14 diminishes or precludes the insurance or a guarantee by an agency
15 of the federal government with respect to the single family loan. A
16 loan made for a mobile home that the borrower does not intend to
17 permanently affix to real property shall become immediately due and
18 payable in the event the mobile home is moved out of the state. Any
19 restrictions on conveyance by sale, conveyance by land contract, or
20 transfer that are authorized in this section shall apply only to
21 loans originated by and held by, or originated for purchase by and
22 held by, the authority and may, at the option of the authority, be
23 enforced by accelerating and declaring immediately due and payable
24 all sums evidenced by the note held by the authority. An
25 acceleration and declaration of all sums to be due and payable on
26 conveyance by sale, land contract, or transfer is not an
27 unreasonable restraint on alienation. An acceleration and

1 declaration, unless otherwise prohibited in this subdivision, of
2 all sums to be due and payable under this subdivision is
3 enforceable in any court of competent jurisdiction. This
4 subdivision is applicable to secured and unsecured loans. This
5 subdivision is also applicable to loan documents utilized in
6 conjunction with an authority-operated program of residential
7 rehabilitation by an entity cooperating or participating with the
8 authority under section 22a(4), which loans are originated with the
9 intent to sell those loans to the authority.

10 (w) To set forth in the various loan documents of the
11 authority those remedies for the making of a false statement,
12 representation, or pretense or a material misstatement by a
13 borrower during the loan application process. Without limiting the
14 authority's power to pursue other remedies, the authority shall
15 provide in its loan documents that, if a borrower makes a false
16 statement, representation, or pretense or a material misstatement
17 during the loan application process, the authority, at its option,
18 may accelerate and declare immediately due and payable all sums
19 evidenced by the note held by the authority. An acceleration and
20 declaration of all sums to be due as authorized under this
21 subdivision and payable as provided in this subdivision is
22 enforceable in any court of competent jurisdiction. This
23 subdivision is applicable to secured and unsecured loans.

24 (x) To collect interest on a real estate loan, the primary
25 security for which is not a first lien on real estate, at the rate
26 of 15% or less per annum on the unpaid balance. This subdivision
27 does not impair the validity of a transaction or rate of interest

1 that is lawful without regard to this subdivision.

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

5 (z) To verify for the state treasurer statements submitted by
6 a city, village, township, or county as to exempt properties under
7 section 7d of the general property tax act, 1893 PA 206, MCL
8 211.7d.

9 (aa) For the purpose of more effectively managing its debt
10 service, to enter into an interest rate exchange or swap, hedge, or
11 similar agreement with respect to its bonds or notes on the terms
12 and payable from the sources and with the security, if any, as
13 determined by a resolution of the authority.

14 (bb) To make working capital loans to contractors or
15 subcontractors on housing projects financed by the authority. The
16 authority shall submit an annual report to the legislature
17 containing the amount, recipient, duration, circumstance, and other
18 related statistics for each capital loan made to a contractor or
19 subcontractor under this subdivision. The authority shall include
20 in the report statistics related to the cost of improvements made
21 to adapt property for use by disabled individuals as provided in
22 section 32b(5) or (6) or section 44(2)(a).

23 (cc) Subject to rules of the civil service commission, to
24 adopt a code of ethics with respect to its employees that requires
25 disclosure of financial interests, defines and precludes conflicts
26 of interest, and establishes reasonable post-employment
27 restrictions for a period of up to 1 year after an employee

1 terminates employment with the authority.

2 (dd) To impose covenants running with the land in order to
3 satisfy requirements of applicable federal law with respect to
4 housing assisted or to be assisted through federal programs such as
5 the low income housing tax credit program or the home investment
6 partnerships program by executing and recording regulatory
7 agreements between the authority or such municipality or other
8 entity as may be designated by the authority and the person or
9 entity to be bound. These covenants shall run with the land and be
10 effective with respect to the parties making the covenants and
11 other intended beneficiaries of the covenants, even though there is
12 no privity of estate or privity of contract between the authority
13 and the persons or entities to be bound.

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

27 (ff) To participate in programs designed to assist persons and

1 families whose incomes do not exceed 115% of the greater of
2 statewide median gross income or the area median gross income
3 become homeowners where loans are made by private lenders for
4 purchase by the government national mortgage association, federal
5 national mortgage association, federal home loan mortgage
6 corporation, or other federally chartered organizations.

7 Participation may include providing or funding homeownership
8 counseling and providing some or all of a reserve fund to be used
9 to pay for losses in excess of insurance coverage.

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

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

23 (ii) The authority agrees to repurchase from its own funds and
24 at the same prices at which the loans were sold to the escrow
25 funds, as adjusted for the accretion of discount or amortization of
26 premium, plus accrued interest, any loans that become delinquent in
27 excess of 30 days. This subdivision does not obligate the authority

1 to purchase a delinquent loan so long as with respect to that loan
2 the authority advances money from its own funds in the amount of
3 the delinquent payments. The authority's election to advance
4 payments does not in any manner abate or cure the delinquency of
5 the loan and the authority may resort to any remedies that would
6 exist in the absence of that payment.

7 (hh) To acquire, develop, rehabilitate, own, operate, and
8 enter into contracts with respect to the management and operation
9 of real and personal property to use as office facilities by the
10 authority and to enter into leases with respect to facilities not
11 immediately necessary for the activities of the authority.

12 (ii) To make loans to certain qualified buyers and resident
13 organizations and to make grants to resident organizations as
14 provided in the following:

15 (i) The urban homestead act, 1999 PA 127, MCL 125.2701 to
16 125.2709.

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

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

21 (iv) The urban homesteading in multifamily public housing act,
22 1999 PA 84, MCL 125.2721 to 125.2734.

23 **(JJ) TO IMPLEMENT AND ADMINISTER A HOUSING AND COMMUNITY**
24 **DEVELOPMENT PROGRAM AS DESCRIBED IN THIS ACT.**

25 Sec. 58. (1) The definitions in section 11 apply to this
26 chapter unless otherwise provided in this chapter.

27 (2) As used in this chapter:

1 (A) "ADJACENT NEIGHBORHOOD" MEANS A RESIDENTIAL AREA AS
2 DETERMINED BY THE AUTHORITY IMMEDIATELY ADJOINING OR NEAR A
3 DOWNTOWN AREA WITHIN THE SAME MUNICIPALITY.

4 (B) ~~(a)~~-"Adjusted household income" means that term as defined
5 in rules of the authority.

6 ~~(b) "Affordable housing" means residential housing that is~~
7 ~~occupied by low income, very low income, or extremely low income~~
8 ~~households, and results in monthly housing costs equal to no more~~
9 ~~than approximately 1/3 of the adjusted household income of the~~
10 ~~occupying household.~~

11 (C) "DOWNTOWN AREA" MEANS AN AREA WHERE 20 OR MORE CONTIGUOUS
12 PROPERTIES HAVE BEEN PLANNED, ZONED, OR USED FOR COMMERCIAL
13 PURPOSES FOR 50 OR MORE YEARS AND WHERE A MAJORITY OF THE BUILDINGS
14 ARE BUILT ADJACENT TO EACH OTHER AS DETERMINED BY THE AUTHORITY AND
15 UP TO THE PUBLIC RIGHT-OF-WAY. IN ORDER TO BE A DOWNTOWN AREA, THE
16 AREA SHALL CONTAIN A SIGNIFICANT NUMBER OF MULTILEVEL, MIXED USE
17 BUILDINGS AND PROPERTY IN THE DOWNTOWN AREA MUST BE OWNED BY MORE
18 THAN 3 PRIVATE OWNERS.

19 (D) ~~(e)~~-"Eligible applicant" means a not-for-profit
20 corporation, a for-profit corporation, A MUNICIPALITY, A LAND BANK
21 FAST TRACK AUTHORITY ORGANIZED UNDER THE LAND BANK FAST TRACK ACT,
22 2003 PA 258, MCL 124.751 TO 124.774, or a partnership that is
23 approved by the authority and that is organized for the purpose of
24 developing and supporting affordable housing for low income, very
25 low income, or extremely low income households OR PROJECTS LOCATED
26 IN A DOWNTOWN AREA OR ADJACENT NEIGHBORHOOD.

27 (E) ~~(d)~~-"Extremely low income household" means a person, a

1 family, or unrelated persons living together whose adjusted
2 household income is not more than ~~25%~~30% of the **AREA** median
3 income, as determined by the authority.

4 (F) ~~(e)~~"Fund" means the Michigan housing and community
5 development fund created in section 58a.

6 (G) ~~(f)~~"Low income household" means a person, a family, or
7 unrelated persons living together whose adjusted household income
8 is more than 50% but not more than 60% of the **AREA** median income,
9 as determined by the authority.

10 (H) "MIXED USE BUILDINGS" MEANS BUILDINGS THAT CAN BE USED FOR
11 MORE THAN 1 PURPOSE, AND IN ANY COMBINATION, INCLUDING, BUT NOT
12 LIMITED TO, RESIDENTIAL HOUSING COMBINED WITH EITHER COMMERCIAL OR
13 RETAIL SPACE.

14 (I) ~~(g)~~"Multifamily housing" means a building or buildings
15 providing housing to 2 or more households, none of which is owner
16 occupied.

17 (J) "PROJECT" MEANS THOSE ACTIVITIES DEFINED UNDER SECTION
18 58C.

19 (K) "SUPPORTIVE HOUSING" MEANS A RENTAL HOUSING PROJECT IN
20 WHICH SOME OR ALL OF THE UNITS ARE TARGETED TO PEOPLE WITH
21 HOUSEHOLD INCOMES AT OR BELOW 30% OF AREA MEDIAN INCOME AND THAT
22 PROVIDE SERVICES, EITHER DIRECTLY OR CONTRACTED FOR, TO THOSE
23 PEOPLE THAT INCLUDE, BUT ARE NOT LIMITED TO, MENTAL HEALTH,
24 SUBSTANCE ABUSE, COUNSELING, AND ASSISTANCE WITH DAILY LIVING.

25 (L) ~~(h)~~"Very low income household" means a person, a family,
26 or unrelated persons living together whose adjusted household
27 income is **NOT** more than ~~25% but not more than~~50% of the **AREA**

1 median income, as determined by the authority.

2 ~~Sec. 58a. (1) The Michigan housing and community development~~
 3 ~~fund is created in the department of treasury. The fund shall be~~
 4 ~~administered by the authority and shall be expended only as~~
 5 ~~provided in this chapter.~~

6 ~~(2) The state treasurer shall credit to the fund all of the~~
 7 ~~following:~~

8 ~~(a) All receipts, including, but not limited to, dividends and~~
 9 ~~interest on the investment of money in the fund and principal and~~
 10 ~~interest payments from loans or agreements made from the fund.~~

11 ~~(b) All proceeds of assets received by the authority as a~~
 12 ~~result of the default of loans or agreements made under this~~
 13 ~~chapter.~~

14 ~~(c) All appropriations, grants, or gifts of money or property~~
 15 ~~made to the fund.~~

16 ~~(d) All fees or charges collected by the authority pursuant to~~
 17 ~~activities authorized under this chapter.~~

18 ~~(e) Other revenue as provided by law.~~

19 ~~(3) All balances in the fund at the end of a fiscal year shall~~
 20 ~~be carried over as a part of the fund and shall not revert to the~~
 21 ~~general fund of the state.~~

22 **(1) THE MICHIGAN HOUSING AND COMMUNITY DEVELOPMENT FUND IS**
 23 **CREATED AS A SEPARATE FUND IN THE AUTHORITY.**

24 **(2) THE FUND SHALL BE ADMINISTERED BY THE AUTHORITY, AND MONEY**
 25 **IN THE FUND SHALL BE EXPENDED ONLY AS PROVIDED IN THIS ACT.**

26 **(3) THE AUTHORITY SHALL CREDIT TO THE FUND ALL AMOUNTS**
 27 **APPROPRIATED TO THE FUND OR TO THE AUTHORITY FOR THE FUND AND ANY**

1 OTHER MONEY MADE AVAILABLE TO THE AUTHORITY FOR THE FUND FROM ANY
2 OTHER SOURCE FOR THE PURPOSES UNDER THIS ACT. THE AUTHORITY, ON
3 BEHALF OF THE FUND, MAY SOLICIT AND ACCEPT GIFTS, GRANTS, LABOR,
4 LOANS, AND OTHER AID FROM ANY PERSON, GOVERNMENT, OR ENTITY. THE
5 AUTHORITY MAY RECEIVE MONEY OR OTHER ASSETS FROM ANY SOURCE FOR
6 DEPOSIT INTO THE FUND, INCLUDING, BUT NOT LIMITED TO, FEDERAL
7 FUNDS, GIFTS, BEQUESTS, AND DONATIONS.

8 (4) THE AUTHORITY SHALL INVEST THE MONEY AND CREDIT THE
9 EARNINGS FROM THE INVESTMENTS TO THE FUND IN ACCORDANCE WITH
10 SECTION 22.

11 (5) MONEY APPROPRIATED TO THE FUND OR TO THE AUTHORITY FOR THE
12 FUND SHALL BE AVAILABLE FOR DISBURSEMENT BY THE AUTHORITY UPON
13 APPROPRIATION.

14 (6) MONEY IN THE FUND AT THE CLOSE OF A FISCAL YEAR SHALL
15 REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.

16 Sec. 58b. (1) The authority shall create and implement the
17 Michigan housing and community development program for the purpose
18 of developing and coordinating public and private resources to meet
19 the ~~affordable~~-housing needs of low income, very low income, and
20 extremely low income households **AND TO FINANCE PROJECTS LOCATED IN**
21 **A DOWNTOWN AREA OR ADJACENT NEIGHBORHOOD** in this state.

22 (2) The authority shall identify, select, and make financing
23 available to eligible applicants from money in the fund or from
24 money secured by the fund for ~~affordable~~-housing for low income,
25 very low income, and extremely low income households **AND FOR**
26 **PROJECTS LOCATED IN A DOWNTOWN AREA OR ADJACENT NEIGHBORHOOD**. This
27 subsection does not preclude the authority from using other

1 resources in conjunction with the fund for a purpose authorized
2 under this chapter.

3 ~~— (3) The authority shall promulgate rules according to the~~
4 ~~administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to~~
5 ~~24.328, providing for the terms and conditions under which~~
6 ~~assistance made under this chapter shall be recaptured.~~

7 (3) ~~(4)~~ The authority shall develop an annual **A BIENNIAL**
8 **ALLOCATION** plan providing for the allocation of money from the
9 fund, according to all of the following:

10 (a) The allocation plan shall contain a formula for
11 distributing money throughout the state based on the number of
12 persons experiencing poverty, **ECONOMIC**, and housing distress in
13 various regions of the state.

14 (b) The allocation plan shall ~~identify eligible applicants,~~
15 **INCLUDE A** preference for special population groups described in
16 section 58c(2). ~~, and preference for geographic targeting in~~
17 ~~designated revitalization areas including, but not limited to,~~
18 ~~neighborhood preservation areas, state renaissance zones, core~~
19 ~~communities, and federally designated enterprise community or~~
20 ~~homeownership zones.~~

21 (c) Not less than 25% of the fund shall be earmarked for
22 rental housing projects that do not qualify under preferences for
23 special population groups ~~, geographic preferences,~~ or other
24 preferences contained in the allocation plan.

25 (d) Not less than 30% of the fund shall be earmarked for
26 projects that target extremely low income households and include at
27 a minimum ~~both of the following activities:~~

1 ~~—— (i) Developing~~ **DEVELOPING** housing for the homeless, **SUPPORTIVE**
2 **HOUSING**, transitional housing, and permanent housing.

3 ~~—— (ii) Providing security deposits, supportive services, and~~
4 ~~technical assistance to eligible applicants.~~

5 (e) A rental housing project assisted by the fund must ~~provide~~
6 ~~affordable housing for households earning no more than 60% of the~~
7 ~~median income~~ **SET ASIDE AT LEAST 20% OF THE RENTAL UNITS INCLUDED**
8 **IN THE PROJECT FOR HOUSEHOLDS EARNING NO MORE THAN 60% OF THE AREA**
9 **MEDIAN INCOME.**

10 (f) A home ownership project assisted by the fund must ~~provide~~
11 ~~affordable housing for households earning no more than 60% of the~~
12 ~~median income~~ **SET ASIDE AT LEAST 20% OF THE HOUSING UNITS IN THE**
13 **PROJECT FOR HOUSEHOLDS EARNING NO MORE THAN 60% OF THE AREA MEDIAN**
14 **INCOME.**

15 (g) Money that has not been committed at the end of a fiscal
16 year shall not be carried over in the category to which the money
17 had been allocated during that fiscal year, but shall be
18 reallocated for the next fiscal year according to the next fiscal
19 year's allocation plan.

20 (5) ~~Each year, the authority shall hold public hearings in at~~
21 ~~least 3 separate locations throughout this state on the priorities~~
22 ~~and draft allocation plan for the upcoming year. After the public~~
23 ~~hearings, the authority may make minor modifications to the~~
24 ~~allocation plan necessary to facilitate the administration of the~~
25 ~~Michigan housing and community development program or to address~~
26 ~~unforeseen circumstances.~~ **PRIOR TO DEVELOPING THE BIENNIAL**
27 **ALLOCATION PLAN, THE AUTHORITY SHALL HOLD PUBLIC HEARINGS IN AT**

1 LEAST 3 SEPARATE LOCATIONS IN THIS STATE REGARDING THE CONTENT OF
2 THE BIENNIAL ALLOCATION PLAN. THE AUTHORITY MAY MAKE MODIFICATIONS
3 TO THE ALLOCATION PLAN NECESSARY TO FACILITATE THE ADMINISTRATION
4 OF THE MICHIGAN HOUSING AND COMMUNITY DEVELOPMENT PROGRAM OR TO
5 ADDRESS UNFORESEEN CIRCUMSTANCES.

6 (6) The authority shall issue an annual report to the governor
7 and the legislature summarizing the expenditures of the fund for
8 the prior fiscal year including at a minimum a description of the
9 eligible applicants that received funding, the number of housing
10 units that were produced, ~~and~~ the income levels of the households
11 that were served, **THE NUMBER OF HOMELESS PERSONS SERVED, AND THE**
12 **NUMBER OF DOWNTOWN AREAS AND ADJACENT NEIGHBORHOODS THAT RECEIVE**
13 **FINANCING.**

14 ~~(7) In addition to the rules promulgated under subsection (3),~~
15 ~~the authority shall promulgate rules according to~~ **THE AUTHORITY MAY**
16 **PROMULGATE RULES UNDER** the administrative procedures act of 1969,
17 1969 PA 306, MCL 24.201 to 24.328, to implement this chapter.

18 Sec. 58c. (1) The authority shall expend money in the fund to
19 make grants, mortgage loans, or other loans to eligible applicants
20 as provided in this section to enable eligible applicants to
21 finance any of the following with respect to housing or home
22 ownership for low income, very low income, and extremely low income
23 households **AND WITH RESPECT TO PROJECTS LOCATED IN A DOWNTOWN AREA**
24 **OR ADJACENT NEIGHBORHOOD:**

25 (a) Acquisition of land and buildings.

26 (b) Rehabilitation.

27 (c) New construction.

1 (d) Development and predevelopment costs.

2 (e) Preservation of existing housing.

3 (f) ~~Infrastructure~~ **COMMUNITY DEVELOPMENT PROJECTS, INCLUDING,**
 4 **BUT NOT LIMITED TO, INFRASTRUCTURE** improvements, economic
 5 development projects, **BLIGHT ELIMINATION**, or community facilities.
 6 ~~that support housing development.~~

7 (g) Insurance.

8 (h) Operating and replacement reserves.

9 (i) Down payment assistance.

10 (j) Security deposit assistance.

11 (k) ~~Supportive services~~ **FORECLOSURE PREVENTION AND ASSISTANCE.**

12 **(l) INDIVIDUAL DEVELOPMENT ACCOUNTS ESTABLISHED UNDER THE**
 13 **INDIVIDUAL OR FAMILY DEVELOPMENT ACCOUNT PROGRAM ACT, 2006 PA 513,**
 14 **MCL 206.701 TO 206.711.**

15 **(M) ACTIVITIES RELATED TO ENDING HOMELESSNESS.**

16 **(N) ASSISTANCE TO NONPROFIT ORGANIZATIONS, MUNICIPALITIES, AND**
 17 **LAND BANK FAST TRACK AUTHORITIES ORGANIZED UNDER THE LAND BANK FAST**
 18 **TRACK ACT, 2003 PA 258, MCL 124.751 TO 124.774.**

19 **(O) PREDATORY LENDING PREVENTION OR RELIEF.**

20 (2) The authority shall expend a portion of the fund for
 21 housing for ~~special needs populations including, but not limited~~
 22 ~~to, the homeless,~~ persons with physical or mental handicaps ~~and~~
 23 persons living in ~~rural or~~ **ELIGIBLE** distressed areas.

24 (3) The authority may make a loan to an eligible applicant
 25 from the fund at no interest or at below market interest rates,
 26 with or without security, and may make a loan for predevelopment
 27 financing.

1 (4) The authority may provide assistance **TO ELIGIBLE**
 2 **APPLICANTS** for housing units for very low income or extremely low
 3 income households within multifamily housing that is occupied
 4 partly by very low income or extremely low income households and
 5 partly by households that do not qualify as very low income or
 6 extremely low income households, subject to the rules promulgated
 7 by the authority.

8 (5) The authority may ~~provide funding for projects with 50~~
 9 ~~units or less and provide incentives to encourage project~~
 10 ~~feasibility and mixed income housing projects that respond to~~
 11 ~~community priorities~~ **EXPEND MONEY IN THE FUND FOR ALL OTHER THINGS**
 12 **NECESSARY TO ACHIEVE THE OBJECTIVES AND PURPOSES OF THE FUND OR**
 13 **THIS CHAPTER.**

14 (6) **WHEN PERFORMING FUNCTIONS UNDER THIS CHAPTER, THE**
 15 **AUTHORITY SHALL CONSIDER ADVICE PROVIDED BY THE COMMITTEE CREATED**
 16 **UNDER SECTION 58E.**

17 **SEC. 58E. (1) THE MICHIGAN HOUSING AND COMMUNITY DEVELOPMENT**
 18 **FUND ADVISORY COMMITTEE IS CREATED IN THE AUTHORITY. THE COMMITTEE**
 19 **SHALL HAVE 10 MEMBERS. MEMBERS OF THE COMMITTEE SHALL INCLUDE THE**
 20 **EXECUTIVE DIRECTOR OF THE AUTHORITY, WHO SHALL SERVE AS A NONVOTING**
 21 **EX OFFICIO MEMBER, AND THE FOLLOWING 9 MEMBERS APPOINTED BY THE**
 22 **GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE:**

23 **(A) AN INDIVIDUAL REPRESENTING HOUSING LENDERS, DEVELOPERS, OR**
 24 **BUILDERS APPOINTED BY THE GOVERNOR FROM A LIST OF 3 OR MORE**
 25 **INDIVIDUALS NOMINATED BY THE SPEAKER OF THE HOUSE OF**
 26 **REPRESENTATIVES.**

27 **(B) AN INDIVIDUAL REPRESENTING HOUSING LENDERS, DEVELOPERS, OR**

1 BUILDERS APPOINTED BY THE GOVERNOR FROM A LIST OF 3 OR MORE
2 INDIVIDUALS NOMINATED BY THE MAJORITY LEADER OF THE SENATE.

3 (C) AN INDIVIDUAL REPRESENTING CITIES, VILLAGES, OR TOWNSHIPS.

4 (D) AN INDIVIDUAL REPRESENTING LOCAL HOUSING ORGANIZATIONS.

5 (E) AN INDIVIDUAL REPRESENTING NONPROFIT ORGANIZATIONS.

6 (F) AN INDIVIDUAL REPRESENTING A LOCAL ECONOMIC DEVELOPMENT
7 CORPORATION, A DOWNTOWN DEVELOPMENT AUTHORITY, A CORRIDOR
8 IMPROVEMENT AUTHORITY, A BUSINESS IMPROVEMENT DISTRICT, OR A
9 PRINCIPAL SHOPPING DISTRICT.

10 (G) AN INDIVIDUAL REPRESENTING A LOCAL NEIGHBORHOOD
11 ASSOCIATION OR NEIGHBORHOOD IMPROVEMENT AUTHORITY.

12 (H) TWO OTHER RESIDENTS OF THIS STATE.

13 (2) EXCEPT AS PROVIDED IN SUBSECTION (3), THE TERM OF A MEMBER
14 OF THE COMMITTEE APPOINTED BY THE GOVERNOR UNDER SUBSECTION (1)
15 SHALL BE 4 YEARS.

16 (3) OF THE MEMBERS INITIALLY APPOINTED BY THE GOVERNOR UNDER
17 SUBSECTION (1), 2 MEMBERS SHALL BE APPOINTED FOR A TERM EXPIRING ON
18 NOVEMBER 30, 2008, 2 MEMBERS SHALL BE APPOINTED FOR A TERM EXPIRING
19 ON NOVEMBER 30, 2009, 3 MEMBERS SHALL BE APPOINTED FOR A TERM
20 EXPIRING ON NOVEMBER 30, 2010, AND 2 MEMBERS SHALL BE APPOINTED FOR
21 A TERM EXPIRING ON NOVEMBER 30, 2011.

22 (4) A VACANCY ON THE COMMITTEE ARISING FOR A REASON OTHER THAN
23 THE EXPIRATION OF A TERM SHALL BE FILLED IN THE SAME MANNER AS THE
24 ORIGINAL APPOINTMENT FOR THE REMAINDER OF THE UNEXPIRED TERM.

25 (5) MEMBERS OF THE COMMITTEE SHALL SERVE WITHOUT COMPENSATION
26 BUT, SUBJECT TO AVAILABLE FUNDING, MAY RECEIVE REIMBURSEMENT FOR
27 THEIR ACTUAL AND NECESSARY EXPENSES WHILE ATTENDING MEETINGS OR

1 PERFORMING OTHER AUTHORIZED OFFICIAL BUSINESS OF THE COMMITTEE.

2 (6) THE GOVERNOR SHALL DESIGNATE 1 MEMBER OF THE COMMITTEE TO
3 SERVE AS CHAIRPERSON OF THE COMMITTEE AT THE PLEASURE OF THE
4 GOVERNOR. THE MEMBERS OF THE COMMITTEE MAY ELECT A MEMBER OF THE
5 COMMITTEE TO SERVE AS VICE-CHAIRPERSON OF THE COMMITTEE AND MAY
6 ELECT OTHER MEMBERS OF THE COMMITTEE AS OFFICERS OF THE COMMITTEE
7 AS THE COMMITTEE CONSIDERS APPROPRIATE.

8 (7) THE COMMITTEE MAY ADVISE THE AUTHORITY ON ALL OF THE
9 FOLLOWING:

10 (A) RECOMMENDATIONS FOR THE BIENNIAL ALLOCATION PLAN REQUIRED
11 UNDER SECTION 58B.

12 (B) EXPENDITURES FROM THE FUND UNDER THIS CHAPTER, INCLUDING
13 ALL OF THE FOLLOWING:

14 (i) WHETHER EXPENDITURES ARE DISTRIBUTED FAIRLY AND EQUITABLY.

15 (ii) WHETHER EXPENDITURES SATISFY HOUSING NEEDS AND PRIORITIES
16 IN THIS STATE.

17 (iii) WHETHER EXPENDITURES SATISFY THE ECONOMIC NEEDS AND
18 PRIORITIES OF COMMUNITIES BENEFITING FROM THE EXPENDITURES.

19 (8) THE COMMITTEE MAY MEET WITH REPRESENTATIVES OF THE
20 AUTHORITY, INCLUDING AUTHORITY EMPLOYEES AND MEMBERS OF THE BOARD
21 OF DIRECTORS OF THE AUTHORITY, TO DISCUSS AND PROVIDE ADVICE ON
22 MATTERS RELATING TO THE FUND.

23 (9) THE AUTHORITY MAY PROVIDE THE COMMITTEE WITH MEETING
24 SPACE, SUPPLIES, AND STAFF TO SUPPORT THE FUNCTIONS OF THE
25 COMMITTEE UNDER THIS SECTION.

26 (10) A MEETING OF THE COMMITTEE SHALL BE CONDUCTED AS A PUBLIC
27 MEETING HELD IN COMPLIANCE WITH THE OPEN MEETINGS ACT, 1976 PA 267,

1 MCL 15.261 TO 15.275. NOTICE OF THE DATE, TIME, AND PLACE OF A
2 PUBLIC MEETING OF THE COMMITTEE SHALL BE GIVEN AS PRESCRIBED IN THE
3 OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275. A MAJORITY OF
4 THE MEMBERS OF THE COMMITTEE SERVING CONSTITUTE A QUORUM FOR THE
5 TRANSACTION OF THE COMMITTEE'S BUSINESS. THE COMMITTEE SHALL ACT BY
6 A MAJORITY VOTE OF ITS SERVING MEMBERS.

7 (11) A MEMBER OF THE COMMITTEE SHALL NOT USE FOR PERSONAL GAIN
8 INFORMATION OBTAINED BY THE MEMBER WHILE PERFORMING BUSINESS OF THE
9 COMMITTEE, NOR SHALL A MEMBER OF THE COMMITTEE DISCLOSE
10 CONFIDENTIAL INFORMATION OBTAINED BY THE MEMBER WHILE CONDUCTING
11 COMMITTEE BUSINESS, EXCEPT AS NECESSARY TO PERFORM COMMITTEE
12 BUSINESS. THE COMMITTEE SHALL ADOPT A CODE OF ETHICS FOR ITS
13 MEMBERS AND ESTABLISH POLICIES AND PROCEDURES REQUIRING THE
14 DISCLOSURE OF RELATIONSHIPS THAT MAY GIVE RISE TO A CONFLICT OF
15 INTEREST. THE COMMITTEE SHALL REQUIRE THAT ANY MEMBER OF THE
16 COMMITTEE WITH A DIRECT OR INDIRECT INTEREST IN ANY MATTER BEFORE
17 THE COMMITTEE DISCLOSE THE MEMBER'S INTEREST TO THE COMMITTEE
18 BEFORE THE COMMITTEE TAKES ANY ACTION ON THE MATTER.

19 SEC. 58F. (1) WHEN PERFORMING DUTIES UNDER THIS CHAPTER, THE
20 AUTHORITY AND THE COMMITTEE CREATED UNDER SECTION 58E SHALL REMAIN
21 COGNIZANT OF THE RIGHTS OF THE HOLDERS OF AUTHORITY BONDS OR NOTES
22 AND THE EXTENT TO WHICH CERTAIN AUTHORITY BOND AND NOTE CONTRACTS
23 MAY REQUIRE THE AUTHORITY TO EITHER MAINTAIN SUFFICIENT PERSONNEL
24 OR CONTRACT FOR SERVICES TO PLAN AUTHORITY PROGRAMS AND TO
25 SUPERVISE ENFORCEMENT AND, WHERE NECESSARY, FORECLOSURE OF
26 AUTHORITY MORTGAGE AGREEMENTS.

27 (2) NOTHING IN THIS CHAPTER SHALL BE CONSTRUED TO AFFECT THE

1 STATUS OF MONEY OF THE AUTHORITY CONTROLLED BY THE AUTHORITY AS
2 STATE FUNDS APPROPRIATED TO THE AUTHORITY LOSE THEIR IDENTITY AS
3 STATE FUNDS UPON PAYMENT TO THE AUTHORITY AND BECOME PUBLIC FUNDS
4 OF THE AUTHORITY SOLELY UNDER THE CONTROL OF THE AUTHORITY AND
5 FUNDS ESTABLISHED BY OR WITHIN THE AUTHORITY AND ARE PUBLIC TRUST
6 FUNDS ADMINISTERED BY THE AUTHORITY. NOTHING IN THIS CHAPTER SHALL
7 BE CONSTRUED TO IMPAIR THE OBLIGATION OF ANY BOND OR NOTE ISSUED BY
8 THE AUTHORITY. BONDS AND NOTES ISSUED BY THE AUTHORITY ARE
9 OBLIGATIONS OF THE AUTHORITY AND NOT OBLIGATIONS OF THIS STATE.

10 Enacting section 1. The Michigan housing and community
11 development fund act, 2004 PA 479, MCL 125.2821 to 125.2829, is
12 repealed.