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Senate Bills 1327 through 1334 (as introduced 5-12-10)

Sponsor: Senator Jason E. Allen (S.B. 1327 & 1330)

Senator John Pappageorge (S.B. 1328)

Senator Raymond E. Basham (S.B. 1329)

Senator Alan L. Cropsey (S.B. 1331)

Senator Jim Barcia (S.B. 1332)

Senator Gilda Z. Jacobs (S.B. 1333)

Senator Dennis Olshove (S.B. 1334)

Committee: Senior Citizens and Veterans Affairs

Date Completed: 6-9-10

CONTENT

Senate Bills 1327 through 1334 would amend various statutes to do all of the following:

- **Allow the board of a downtown development authority (DDA) to develop and promote elder-friendly communities.**
- **Include heated sidewalks in the definition of "public facility" in the DDA Act and the Corridor Improvement Authority Act.**
- **Allow the Director of the Department of Energy, Labor, and Economic Growth (DELEG) to promulgate rules to establish an "elderly friendly" designation for the construction and renovation of residential buildings, and specify minimum criteria for the rules.**
- **Mandate that at least 10% of all housing projects funded under the State Housing Development Authority Act and located in qualified local governmental units be dedicated for the elderly.**
- **Require planning commissions' master plans and zoning ordinance plans for townships with a population of at least 20,000, cities, and villages to consider the needs of senior citizens.**
- **Include an elder-friendly dwelling that met certain criteria in the Neighborhood Enterprise Zone Act's definition of "rehabilitated facility", and define "elder-friendly dwelling".**

Senate Bills 1327 and 1330 would amend the downtown development authority Act; Senate Bill 1328 would amend the Single State Construction Code Act; Senate Bill 1329 would amend the State Housing Development Authority Act; Senate Bill 1331 would amend the Michigan Planning Enabling Act; Senate Bill 1332 would amend the Michigan Zoning Enabling Act; Senate Bill 1333 would amend the Corridor Improvement Authority Act; and Senate Bill 1334 would amend the Neighborhood Enterprise Zone Act.

Senate Bills 1327 and 1330

The DDA Act allows municipalities (cities, villages, and townships) to form downtown development authorities in order to fund improvements to their business districts, and

provides for the powers and duties of DDA boards. An authority may finance its activities by various methods, including tax increment financing (which "captures" tax revenue on the incremental increase in property values in the district).

Among other things, a DDA board may plan and propose the construction, renovation, or rehabilitation of a public facility that may aid in the economic growth of the downtown district. The definition of "public facility" includes such items as a street, plaza, park, recreational facility, and structure dedicated to the public use or used by a public agency.

Under Senate Bill 1327, a DDA board also could create, operate, and fund marketing incentives and a loan program to fund the development of elder-friendly communities in the downtown district. The board could make loans, with interest, at a below-market rate, as it determined. "Elder-friendly community" would mean mixed use and residential housing that is designed and developed to be desirable to senior citizens, as determined by the DDA board.

Senate Bill 1330 specifies that "public facility" would include heated sidewalks.

Senate Bill 1328

The Single State Construction Code Act requires the DELEG Director to prepare and promulgate the State Construction Code. The bill would allow the DELEG Director to promulgate rules to establish an "elderly friendly" designation regarding the construction and renovation of residential buildings. The rules could adopt all or part of any design standards developed by a private or public entity, would have to provide for the use of the designation by certain people, and would have to contain provisions meeting at least the following:

- One-story barrier-free living, regarding the location of the primary sleeping, eating, and bathroom areas.
- Doorways and hallways at least 32 inches wide, as determined by the Director, in order to accommodate any wheelchairs or motorized handicapper conveyance.
- Flush entryways and thresholds, nonslip floors and bathing facilities, and lever door handles and rocker light switches.

Senate Bill 1329

The bill would require that at least 10% of all housing projects financed under the State Housing Development Authority Act and located in qualified local governmental units be dedicated to housing for the elderly. "Qualified local governmental unit" would mean that term as defined in the Obsolete Property Rehabilitation Act (MCL 125.2782).

Senate Bill 1331

The Michigan Planning Enabling Act requires a planning commission to make and approve a master plan as a guide for development within the commission's planning jurisdiction, and includes requirements for a planning commission to follow in the preparation of a master plan. Under the bill, those requirements would apply to the preparation of a master plan or substantive amendment to a master plan.

Also, under the bill, a master plan or substantive amendment to a master plan would have to consider specifically the needs of senior citizens. This requirement would apply to townships with a population of 20,000 or more, cities, and villages. "Senior citizen" would mean an individual who is at least 65 years old.

Senate Bill 1332

The Michigan Zoning Enabling Act requires a zoning ordinance to be based upon a plan designed to meet criteria specified in the Act.

The bill would require a township with a population of 20,000 or more, a city, or a village to consider specifically the needs of senior citizens before adopting a plan or substantive amendment to a plan. "Senior citizen" would mean an individual who is at least 65 years old.

Senate Bill 1333

The Corridor Improvement Authority Act allows a municipality to form a corridor improvement authority to "capture" the incremental growth in tax revenue from property located in a development area (similar to the method by which municipalities may fund improvements in DDAs).

Among other things, an authority board may plan and propose the construction, renovation, or rehabilitation of a public facility that may aid in the economic growth of the development area. The definition of "public facility" includes such items as a street, plaza, park, recreational facility, and structure dedicated to the public use or used by a public agency. The bill would include heated sidewalks in the definition of "public facility".

Senate Bill 1334

The Neighborhood Enterprise Zone Act allows eligible local governmental units to designate neighborhood enterprise zones. The owner of a homestead facility, the owner or developer of a proposed new facility, or an owner or developer wishing to rehabilitate property located in a neighborhood enterprise zone may apply for a certificate that will entitle the owner or developer to reduced taxes on the structure. A "rehabilitated facility" is an existing structure that meets certain criteria; the term includes an individual condominium unit, in a structure with one or more condominium units that has as its primary purpose residential housing, whose owner proposes improvements specified in the Act.

Under the bill, "rehabilitated facility" also would include an elder-friendly dwelling that has as its primary purpose residential housing, whose owner proposes the improvements specified in the Act. "Elder-friendly dwelling" would mean a residential dwelling that includes one or more of the following:

- No-step entries.
- One-level living.
- Door widths that are at least 32 inches.
- Hallways that are at least 36 inches in width.
- Door thresholds that are flush with the floor.
- Use of lever door handles and rocker-type light switches.

MCL 125.1657 (S.B. 1327)

125.1504 (S.B. 1328)

Proposed MCL 125.1422d (S.B. 1329)

MCL 125.1651 (S.B. 1330)

125.3803 & 125.3831 (S.B. 1331)

125.3102 & 125.3203 (S.B. 1332)

125.2873 (S.B. 1333)

207.772 (S.B. 1334)

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

Senate Bill 1327

To the extent that the bill led to a higher level of investment in elder friendly facilities than would otherwise have occurred, the taxes captured by a downtown development authority would represent a potential revenue loss to the general government jurisdictions in that district. Potential lost revenue would include all local property taxes as well as school operating taxes. The State also would potentially incur increased expenditures due to the need to replace lost school operating property taxes.

Senate Bill 1328

The bill would have a minimal fiscal impact on State government. If the Bureau of Construction Codes within the Department of Energy, Labor, and Economic Growth promulgated rules under the permissive authority that would be provided by the bill, the Department would incur increased costs of approximately \$2,000 for expenses, including public notices, public hearings, and publication of rules. These costs, and related staffing costs, could be absorbed within existing departmental resources.

Senate Bill 1329

The fiscal impact of this bill is indeterminate. The language would require 10% of all housing projects financed by the Michigan State Housing Development Authority (MSHDA) in "qualified local governmental units", or core communities, to be dedicated to housing for the elderly. There are currently 135 eligible communities as established by the Obsolete Property Rehabilitation Act (listed in the table below). It is not known at this time what percentage of projects in these communities is targeted for this population. Should the number be much lower than 10%, then funding could be diverted from other nonelderly affordable housing projects, or diverted from noncore communities. The elderly are currently eligible for all of MSHDA's housing programs. According to the FY 2009 Housing Production Goals Report prepared by MSHDA and submitted to the Legislature, 32% of units receiving the Federal low-income housing tax credits established under Section 42 of the Internal Revenue Code, and 27% of tax-exempt projects were characterized as projects for the elderly.

ELIGIBLE COMMUNITIES

| | | | |
|------------------|------------------|--------------|---------------|
| Adrian | Carson City | Ferndale | Hastings |
| Albion | Caspian | Flint | Hazel Park |
| Allegan | Centerline | Gaastra | Highland Park |
| Alma | Charlevoix | Gaylord | Hillsdale |
| Alpena | Charlotte | Genesee Twp. | Holland |
| Ann Arbor | Cheboygan | Gibraltar | Houghton |
| Baldwin | Coldwater | Gladstone | Howell |
| Bangor | Coleman | Gladwin | Inkster |
| Battle Creek | Corunna | Grand Haven | Ionia |
| Bay City | Crystal Falls | Grand Rapids | Iron Mountain |
| Benton Harbor | Dearborn | Grayling | Iron River |
| Benton Twp. | Dearborn Heights | Hamtramck | Ironwood |
| Bessemer | Detroit | Harbor Beach | Ishpeming |
| Big Rapids | Dowagiac | Harper Woods | Ithaca |
| Bronson | East Lansing | Harrison | Jackson |
| Buena Vista Twp. | Eastpointe | Harisville | Kalamazoo |
| Burton | Ecorse | Hart | Lake City |
| Cadillac | Escanaba | Hartford | Lansing |

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|----------------|----------------|-------------------|---------------|
| LaPeer | Mount Pleasant | Portage | Sturgis |
| Lincoln park | Munising | Redford Twp. | Tawas City |
| Livonia | Muskegon | Reed City | Taylor |
| Ludington | Muskegon | River Rouge | Three Rivers |
| Manistee | Heights | Rogers City | Traverse City |
| Manistique | Niles | Royal Oak Twp. | Trenton |
| Marquette | Norton Shores | Saginaw | Vassar |
| Marshall | Norway | St. Ignace | Wakefield |
| Mason | Oak Park | St. Johns | Warren |
| Melvindale | Omer | St. Joseph | Wayne |
| Menominee | Onaway | St. Louis | West Branch |
| Midland | Owosso | Sandusky | White Cloud |
| Monroe | Petoskey | Sault Saint Marie | Wyandotte |
| Mt. Clemens | Pinconning | Southfield | Wyoming |
| Mount Morris | Pontiac | Standish | Ypsilanti |
| Mt. Morris Twp | Port Huron | Stanton | |

Senate Bills 1330 and 1333

The bills would have no fiscal impact on State or local government.

Senate Bills 1331 and 1332

The bills would likely have no impact on State or local revenue or expenses. Planning commissions already must develop plans and consider various factors. Given that local units already are allowed to consider the factors the bills would require to be considered, and that the bills would not mandate any specific actions subsequent to consideration as part of the master plan, the bills would likely have a limited fiscal impact, if any.

Senate Bill 1334

To the extent that the bill led to a higher level of investment in elder friendly facilities and dwellings than would otherwise have occurred in neighborhood enterprise zones, the additional activity would represent a potential revenue loss to the general government jurisdictions comprising the zones. Given that the designation of the tax rate is one half of the statewide average for residential or nonresidential property, respectively, potential lost revenue would include some portion of local property taxes as well as school operating taxes. The State also would potentially incur increased expenditures due to the need to replace lost school operating property taxes.

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