



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL



ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 347 (as reported without amendment)
Sponsor: Senator Mark C. Jansen
Committee: Economic Development

CONTENT

The bill would amend the State Housing Development Authority Act to authorize the Michigan State Housing Development Authority (MSHDA) to invest in entities whose primary purpose is to acquire ownership interests in, or make loans with respect to, multifamily housing projects in Michigan.

Specifically, MSHDA could invest money held in reserve or sinking funds, or money not required for immediate use or disbursement, in entities whose primary purpose is to acquire ownership interests in multifamily housing projects in Michigan and/or to make loans with respect to such projects. These entities could include limited partnerships and limited liability companies. The Authority could not make an investment authorized by the bill unless it determined that the return on the investment was reasonably expected to be at least the return MSHDA was then receiving on certain other investments authorized under the Act.

The Authority would possess all powers necessary or incidental to make investments authorized under the bill, including the power to establish limited partnerships, limited liability companies, profit and nonprofit corporations, and other entities, and the conditions under which those entities could acquire ownership interests in or make loans with respect to multifamily housing projects.

"Multifamily housing project" would mean a housing project that includes multiple dwellings and in which at least 50% of the square footage of floor space is used primarily for residential purposes.

Proposed MCL 125.1422d

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no fiscal impact on the State. The bill would expand the operating authority for the Michigan State Housing Development Authority to permit the investment of its operating reserves in limited liability partnerships and companies to own or finance projects with a multifamily housing component that is at least 50% of the project. These investments would be from MSHDA reserves, which are not appropriated. Activities of MSHDA are financed by Federal revenue and State Restricted revenue from operating income and fees. The Authority does not receive any appropriations from General Fund/General Purpose revenue.

Date Completed: 5-16-13

Fiscal Analyst: Elizabeth Pratt