



**Senate Fiscal Agency**  
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BILL



ANALYSIS

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Senate Bill 347 (as introduced 5-1-13)  
Sponsor: Senator Mark C. Jansen  
Committee: Economic Development

Date Completed: 5-15-13

### **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.**

Under Section 22(n) of the Act, MSHDA has the authority to invest funds held in reserve or sinking funds, or money not required for immediate use or disbursement, in obligations of the State or of the United States, in obligations whose the principal and interest are guaranteed by the State or the United States, or in other obligations as the State Treasurer may approve.

Under the bill, MSHDA also 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 investments authorized under Section 22(n).

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.

Fiscal Analyst: Elizabeth Pratt

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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.