

HOUSE BILL NO. 4539

June 03, 2025, Introduced by Reps. Wooden and Meerman and referred to Committee on Economic Competitiveness.

A bill to amend 1966 PA 346, entitled
"State housing development authority act of 1966,"
by amending sections 58 and 58b (MCL 125.1458 and 125.1458b),
section 58 as amended by 2008 PA 216 and section 58b as amended by
2008 PA 244.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

3 (2) As used in this chapter:

4 ~~(a) "Adjacent neighborhood" means a residential area as~~
5 ~~determined by the authority immediately adjoining or near a~~

1 ~~downtown area within the same municipality.~~

2 (a) ~~(b)~~ "Adjusted household income" means that term as defined
3 in rules of the authority.

4 (b) ~~(c)~~ "Downtown area" means an area where 20 or more
5 contiguous properties have been planned, zoned, or used for
6 commercial purposes for 50 or more years and where a majority of
7 the buildings are built adjacent to each other as determined by the
8 authority and up to the public right-of-way. In order to be a
9 downtown area, the area ~~shall~~**must** contain a significant number of
10 multilevel, mixed use buildings, and property in the downtown area
11 must be owned by more than 3 private owners.

12 (c) ~~(d)~~ "Eligible applicant" means a not-for-profit
13 corporation, a for-profit corporation, a municipality, a land bank
14 fast track authority organized under the land bank fast track act,
15 2003 PA 258, MCL 124.751 to 124.774, or a partnership that is
16 approved by the authority and ~~that~~ is organized for the purpose of
17 developing and supporting affordable housing for ~~low income, low-~~
18 **income**, very ~~low income, or low-income~~, extremely ~~low income~~**low-**
19 **income, or middle-income** households or projects located in a
20 ~~downtown area or adjacent neighborhood.~~**this state.**

21 (d) ~~(e)~~ ~~"Extremely low income household"~~**"Extremely low-income**
22 **household"** means ~~a person, an individual~~, a family, or unrelated
23 ~~persons~~**individuals** living together whose adjusted household income
24 is not more than 30% of the area median income, as determined by
25 the authority.

26 (e) ~~(f)~~ "Fund" means the Michigan housing and community
27 development fund created in section 58a.

28 (f) ~~(g)~~ ~~"Low income household"~~**"Low-income household"** means a
29 ~~person, an individual~~, a family, or unrelated ~~persons~~**individuals**

1 living together whose adjusted household income is more than 50%
2 but not more than 60% of the area median income, as determined by
3 the authority.

4 (g) **"Middle-income household" means an individual, a family,**
5 **or unrelated individuals living together whose adjusted household**
6 **income is not more than 120% of the area median income, as**
7 **determined by the authority.**

8 (h) "Mixed use buildings" means buildings that can be used for
9 more than 1 purpose, and in any combination, including, but not
10 limited to, residential housing combined with either commercial or
11 retail space.

12 (i) "Multifamily housing" means a building or buildings
13 providing housing to 2 or more households, none of which is owner
14 occupied.

15 (j) "Project" means those activities defined under section
16 58c.

17 (k) "Supportive housing" means a rental housing project in
18 which some or all of the units are targeted to people with
19 household incomes at or below 30% of area median income and that
20 provide services, either directly or contracted for, to those
21 people that include, but are not limited to, mental health,
22 substance abuse services, counseling services, and daily living
23 services.

24 (l) ~~"Very low income household"~~ **"Very low-income household"**
25 ~~means a person,~~ **an individual,** a family, or unrelated ~~persons~~
26 **individuals** living together whose adjusted household income is not
27 more than 50% of the area median income, as determined by the
28 authority.

29 Sec. 58b. (1) The authority shall create and implement the

Michigan housing and community development program for the purpose of developing and coordinating public and private resources to meet the housing needs of ~~low income,~~ **low-income**, very ~~low income,~~ and **low-income**, extremely ~~low income,~~ **low-income**, or **middle-income** households and to finance projects ~~located in a downtown area or adjacent neighborhood~~ in this state.

(2) The authority shall identify, select, and make financing available to eligible applicants from money in the fund or from money secured by the fund for housing for ~~low income,~~ **low-income**, very ~~low income,~~ and **low-income**, extremely ~~low income,~~ **low-income**, or **middle-income** households and for projects located in ~~a downtown area or adjacent neighborhood.~~ **this state**. This subsection does not preclude the authority from using other resources in conjunction with the fund for a purpose authorized under this chapter.

(3) The authority shall develop a biennial allocation plan providing for the allocation of money from the fund, according to all of the following:

(a) The allocation plan ~~shall~~ **must** contain a formula for distributing money throughout ~~the~~ **this** state based on the number of persons experiencing poverty, economic, and housing distress, ~~the~~ **number of persons with disabilities, and the number of accessible housing units** in various regions of ~~the~~ **this** state.

~~(b) The allocation plan shall include a preference for special population groups described in section 58c(2).~~

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

~~(d) Not less than 30% of the fund shall be earmarked for~~

~~projects that target extremely low income households and include at a minimum developing housing for the homeless, supportive housing, transitional housing, and permanent housing.~~

~~(e) A rental housing project assisted by the fund must set aside at least 20% of the rental units included in the project for households earning no more than 60% of the area median income.~~

~~(f) A home ownership project assisted by the fund must set aside at least 20% of the housing units in the project for households earning no more than 60% of the area median income.~~

(b) The allocation plan must consider the availability and adequacy of funds from other sources to address the housing needs of persons with disabilities and low-income, very low-income, extremely low-income, or middle-income households.

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

(4) ~~(5) Prior to~~**Before** developing the biennial allocation plan, the authority shall hold public hearings in at least 3 separate locations in this state regarding the content of the biennial allocation plan. **The authority must provide an option for virtual participation by members of the public in all public meetings and employ additional methods to gather public comment. The alternative methods must focus on engagement with persons with disabilities, people with limited English proficiency, and people from low-income, very low-income, extremely low-income, or middle-income households.** The authority may make modifications to the allocation plan necessary to facilitate the administration of the

1 Michigan housing and community development program or to address
2 unforeseen circumstances.

3 (5) ~~(6)~~—The authority shall issue an annual report to the
4 governor and the legislature summarizing the expenditures of the
5 fund for the prior fiscal year including at a minimum a description
6 of the eligible applicants that received funding, the number of
7 housing units that were produced, the income levels of the
8 households that were served, **and** the number of homeless persons
9 served. ~~, and the number of downtown areas and adjacent~~
10 ~~neighborhoods that receive financing.~~**The authority shall make the**
11 **annual report required under this subsection available to the**
12 **public on the authority's internet website.**

13 (6) ~~(7)~~—The authority may promulgate rules under the
14 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
15 24.328, to implement this chapter.

16 Enacting section 1. This amendatory act does not take effect
17 unless Senate Bill No. ____ (request no. S03423'25) or House Bill
18 No. 4540 (request no. H03423'25) of the 103rd Legislature is
19 enacted into law.