

STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966 (EXCERPT)
Act 346 of 1966

125.1401 Legislative determinations and findings.

Sec. 1. (1) The legislature hereby determines that there exists in the state a seriously inadequate supply of, and a pressing need for, safe and sanitary dwelling accommodations within the financial means of low income or moderate income families or persons, including those families and persons displaced by the clearing of slums and blighted areas or by other public programs; that there exists in this state a high incidence of residential real property occupied by persons of low and moderate income which is not safe, sanitary, or adequate and that there is a pressing need for rehabilitation of that property; that large areas in municipalities have become blighted or, through programs to remove blight, have become vacant, resulting in the impairment or loss of taxable values upon which municipal revenue largely depends; that large numbers of middle and upper income persons and families have left municipalities which have high concentrations of low income persons and families resulting in a high demand for municipal services notwithstanding a low potential for generating revenues necessary to pay for those services; that the existence of blight, the inability to redevelop cleared areas, and the lack of economic integration is detrimental to the general welfare of the citizens of this state and the economic welfare of municipalities in this state; that the financing of housing for persons and families without regard to income will assist in preserving existing values of property within or adjacent to blighted or cleared areas; that economic integration will promote the financial and social stability of housing for families and persons of low and moderate income; that in order to improve and maintain the general character of municipalities having the aforesaid characteristics, it is necessary to promote the development of housing for persons and families without regard to income; that to increase the availability of safe and sanitary housing generally it is necessary to facilitate the purchase of existing housing by making financing for the purchase of existing housing available at affordable interest rates; that there are inadequate social, recreational, commercial, and communal facilities in residential areas inhabited by low income or moderate income families or persons and in areas blighted or vacant because of slum clearance, and that housing financed pursuant to this act will not be viable without adequate social, recreational, commercial, and communal facilities in the surrounding area; and that it is a valid public purpose to finance the acquisition and rehabilitation of existing housing or the construction of additional housing for those low or moderate income families and persons who would otherwise be unable to obtain adequate and affordable dwellings, to finance the rehabilitation of residential real property occupied or to be occupied by persons and families of low and moderate income who would otherwise be unable to afford the purchase or rehabilitation of residential real property which is safe, sanitary, or adequate, to finance housing for persons and families without regard to income in areas in municipalities which are experiencing blight or inability to redevelop land cleared of blight which are predominately populated by low and moderate income persons and families, to finance social, recreational, commercial, and communal facilities to serve those families or persons, to enhance authority-financed housing, to establish and provide acceleration and foreclosure procedures for authority-financed housing, and to acquire land for present or future development including that housing and social, recreational, commercial, and communal facilities; that it is a valid public purpose to finance safe, sanitary, and adequate mobile homes, mobile home parks, and mobile home condominium projects for persons and families of low and moderate income in order to facilitate the provision of affordable housing for such persons, to finance mobile homes, mobile home parks, and mobile home condominium projects without regard to income in areas in municipalities which are experiencing blight or inability to redevelop land cleared of blight which are predominately populated by low and moderate income persons and families, and to finance social, recreational, commercial, and communal facilities in mobile home parks and mobile home condominium projects, the financing of mobile homes, mobile home parks, and mobile home condominium projects being necessary to fill a gap in the housing market.

(2) It is further determined that the supply of low and moderate cost housing available for occupancy by certain persons with disabilities and certain elderly persons is being eroded through greatly increasing rental rates, and the conversion of low and moderate cost rental units into condominium units which are then sold at prices and under financing terms which are not affordable to those persons with disabilities and elderly persons. It is further determined that it is a proper public purpose to prevent the erosion of the supply of existing low and moderate cost housing available for occupancy by certain persons with disabilities and elderly persons by taking appropriate action to prevent the displacement of those persons with disabilities and elderly persons from existing low and moderate cost housing, including the making of loans enabling those persons with disabilities and elderly persons to continue to rent the units in which they reside.

(3) It is further determined that to assure an adequate supply of safe and sanitary housing for families of low and moderate income within the financial means of those families, it is necessary to facilitate the

purchase of safe and sanitary existing housing by those families; that, in addition, new single-family housing construction is inhibited by the inability of prospective purchasers to sell existing single-family residences, and that those conditions result in the reduction of the number of safe and sanitary dwellings which would otherwise be made available to persons of low and moderate income; and that the depressed economy and decreased employment in this state are detrimental to the general welfare of the citizens of this state. It is further determined that it is necessary in order to alleviate those conditions and is a valid public purpose to provide for the financing or refinancing, with the assistance of the authority, of the purchase of existing single-family residences for occupancy by low and moderate income families and families without regard to income in areas in municipalities which are experiencing blight or inability to redevelop land cleared of blight and which are predominately populated by low and moderate income persons and families.

(4) It is further determined that there exists in this state a high incidence of residential rental property which is not safe, sanitary, adequate, or energy efficient, and that there is a pressing need for the rehabilitation of residential rental property in order to preserve and improve the state's existing housing stock. It is further determined that it is necessary in order to alleviate those conditions and is a valid public purpose to provide for the financing, with the assistance of the authority, of the rehabilitation of existing residential rental property without regard to the income of the persons or entities owning the property or of the tenants of the property.

(5) It is further determined that there is a statewide pressing need for programs to alleviate and prevent conditions of unemployment in the housing industry, to preserve existing jobs and create new jobs to meet the employment demands of population growth, to promote the development of construction related business enterprises, to revitalize and diversify the Michigan economy in general, and to achieve the goals of economic growth and full employment.

(6) It is further determined that the construction and rehabilitation of safe and sanitary dwellings are necessary to the creation and retention of jobs in the state.

(7) It is further determined that the retention, promotion, and development of the housing industry require additional means of financing to help existing business enterprises expand more rapidly, to promote the location of additional business enterprises in this state, and to alleviate and prevent conditions of unemployment.

(8) It is further determined that economic conditions and single-family home mortgage market standards, activities, and practices, including forms of predatory and abusive mortgage loan financing, have resulted in an increase in the incidence of mortgage loan default and mortgage foreclosure in the state, and that there is a pressing need for the creation of programs to assist low and moderate income individuals and families with the refinancing of single-family mortgages in this state, which programs will prevent families from losing their homes and help to stabilize the housing market in this state.

(9) The legislature finds that the conditions described in subsections (1) to (8) cannot be remedied by the ordinary operation of private enterprise without supplementary public participation and that the authority and powers conferred by this act constitute a necessary program and serve a valid public purpose.

History: 1966, Act 346, Eff. Mar. 10, 1967;—Am. 1968, Act 343, Imd. Eff. July 19, 1968;—Am. 1970, Act 129, Imd. Eff. July 29, 1970;—Am. 1976, Act 410, Imd. Eff. Jan. 9, 1977;—Am. 1977, Act 130, Imd. Eff. Oct. 25, 1977;—Am. 1979, Act 49, Imd. Eff. July 7, 1979;—Am. 1980, Act 284, Imd. Eff. Oct. 10, 1980;—Am. 1981, Act 173, Imd. Eff. Dec. 10, 1981;—Am. 1982, Act 506, Imd. Eff. Dec. 31, 1982;—Am. 1982, Act 534, Imd. Eff. Dec. 31, 1982;—Am. 1983, Act 217, Imd. Eff. Nov. 16, 1983;—Am. 1984, Act 215, Imd. Eff. July 10, 1984;—Am. 1998, Act 33, Imd. Eff. Mar. 18, 1998;—Am. 2008, Act 54, Imd. Eff. Apr. 3, 2008.