

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

125.1493 Limited dividend housing association; provisions of partnership agreement, joint venture agreement, trust agreement, or other document of basic organization.

Sec. 93. In addition to other requirements of law, the partnership agreement, joint venture agreement, trust agreement, or other document of basic organization of the limited dividend housing association shall provide all of the following:

(a) That the limited dividend housing association has been organized exclusively to provide housing facilities for persons of low and moderate income, or for persons whose income does not exceed limits established in this act, and for social, recreational, commercial, and communal facilities as may be necessary to serve and improve a residential area in which authority-aided or federally-aided housing is located or is planned to be located, thereby enhancing the viability of such housing.

(b) That every member of a limited dividend housing association shall be deemed, by acceptance of a beneficial interest in the limited dividend housing association or by executing the document of basic organization, to have agreed that he or she at no time shall receive from the limited dividend housing association any return in excess of the face value of the investment attributable to his or her respective interest plus cumulative dividend payments at a rate which the authority determines to be reasonable and proper, computed from the initial date on which money was paid or property delivered in consideration for the interest; and that upon the dissolution of the limited dividend housing association, any surplus in excess of those amounts shall be paid to the authority or to any other regulating governmental body as the authority directs.

(c) That the operations of the limited dividend housing association may be supervised by the authority or by any other governmental body as the authority directs, and that the limited dividend housing association shall enter into agreements with the authority or with the governmental body as the authority from time to time requires. The agreements shall provide for regulation by the authority or the governmental body of the planning, development, and management of any housing project undertaken by the limited dividend housing association and the disposition of the property and franchises of the limited dividend housing association.

History: Add. 1970, Act 129, Imd. Eff. July 29, 1970;—Am. 1976, Act 410, Imd. Eff. Jan. 9, 1977;—Am. 1979, Act 49, Imd. Eff. July 7, 1979;—Am. 1984, Act 215, Imd. Eff. July 10, 1984.