

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

CHAPTER 5

125.1471 Consumer housing cooperatives; incorporation.

Sec. 71. Consumer housing cooperatives shall be incorporated pursuant to the provisions of the Michigan general corporation act and the provisions of this chapter.

History: Add. 1968, Act 343, Imd. Eff. July 19, 1968.

Compiler's note: For transfer of Michigan state housing development authority from Michigan strategic fund to department of talent and economic development, see E.R.O. No. 2014-6, compiled at MCL 125.1995.

125.1472 "Consumer housing cooperative" as part of corporate name; exception.

Sec. 72. (1) Except as provided in subsection (2), the term "consumer housing cooperative" shall be included as a part of the corporate name as set forth in the certificate of incorporation.

(2) This section shall not apply to a corporation organized before March 10, 1967, as a nonprofit cooperative corporation pursuant to sections 98 to 132 of Act No. 327 of the Public Acts of 1931, as amended, being sections 450.98 to 450.132 of the Michigan Compiled Laws.

History: Add. 1968, Act 343, Imd. Eff. July 19, 1968;—Am. 1978, Act 192, Imd. Eff. June 4, 1978.

125.1473 Consumer housing cooperative; articles of incorporation.

Sec. 73. In addition to other requirements of law, the articles of incorporation of a consumer housing cooperative shall provide all of the following:

(a) That the consumer housing cooperative has been organized exclusively to provide authority-aided 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 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 the housing or that the consumer housing cooperative has been organized to provide nonauthority aided housing for persons of low and moderate income or persons whose income does not exceed limits established in this act, and at least 50% of the cooperative's assets are in housing with the remaining assets being utilized to meet other consumer needs.

(b) That all income and earnings of the consumer housing cooperative shall be used exclusively for consumer housing cooperative purposes and that an unreasonable part of the net income or net earnings of the cooperative shall not inure to the benefit or profit of a private individual, firm, corporation, partnership, or association.

(c) That the consumer housing cooperative is not controlled or under the direction of or acting in the substantial interest of a private individual, firm, corporation, partnership, or association seeking to derive profit or gain therefrom or seeking to eliminate or minimize losses in any dealing or transaction with the cooperative. However, this subdivision shall apply to individual cooperators of a consumer housing cooperative only in those circumstances prescribed by the authority in its rules.

(d) That the housing operations of the consumer housing cooperative may be supervised by the authority or by any other governmental body as the authority directs, and that the consumer housing cooperative shall enter into agreements with the authority or with the governmental body as the authority requires. These agreements shall provide for regulation by the authority or by the governmental body of the planning, development, and management of a housing project undertaken by the consumer housing cooperative and the disposition of the property and franchises of the cooperative. This subdivision shall not apply to a consumer housing cooperative which was organized before March 10, 1967, as a nonprofit cooperative corporation pursuant to sections 98 to 132 of Act No. 327 of the Public Acts of 1931, as amended, being sections 450.98 to 450.132 of the Michigan Compiled Laws.

History: Add. 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. 1978, Act 192, Imd. Eff. June 4, 1978;—Am. 1979, Act 49, Imd. Eff. July 7, 1979;—Am. 1984, Act 215, Imd. Eff. July 10, 1984.

Administrative rules: R 125.101 et seq. of the Michigan Administrative Code.

125.1474 Appointment of directors sufficient in number to constitute majority of board; conditions; exception.

Sec. 74. (1) Except as provided in subsection (2), the articles shall provide that the authority shall have the power to appoint to the board of directors of the consumer housing cooperative a number of new directors, which number shall be sufficient to constitute a majority of the board, notwithstanding any other provisions of

the articles of incorporation or any other provisions of law, if:

(a) The consumer housing cooperative has received a loan or advance as provided for in this act and the authority determines that the loan or advance is in jeopardy of not being repaid.

(b) The consumer housing cooperative has received a loan or advance as provided for in this act and the authority determines that the proposed housing project for which the loan or advance was made is in jeopardy of not being constructed.

(c) The authority determines that some unreasonable part of the net income or net earnings of the consumer housing cooperative shall inure to the benefit of a private individual, firm, corporation, partnership, or association.

(d) The authority determines that the consumer housing cooperative is in some manner controlled by or under the direction of or acting in the substantial interest of a private individual, firm, corporation, partnership, or association seeking to derive benefit or gain therefrom or seeking to eliminate or minimize losses in any dealing or transaction therewith, except that the foregoing shall apply to individual cooperators of a consumer housing cooperative only in those circumstances defined by the authority in its rules.

(e) The authority determines that the consumer housing cooperative is in violation of the rules promulgated under section 22.

(f) The authority determines that the consumer housing cooperative is in violation of an agreement entered into with the authority providing for regulation by the authority of the planning, development, and management of a housing project undertaken by the consumer housing cooperative or the disposition of the property and franchises of the cooperative.

(2) This section shall not apply to a consumer housing cooperative which was organized before March 10, 1967, as a nonprofit cooperative corporation pursuant to sections 98 to 132 of Act No. 327 of the Public Acts of 1931, as amended.

History: Add. 1968, Act 343, Imd. Eff. July 19, 1968;—Am. 1970, Act 129, Imd. Eff. July 29, 1970;—Am. 1978, Act 192, Imd. Eff. June 4, 1978.

Administrative rules: R 125.101 et seq. of the Michigan Administrative Code.

125.1475 Articles of incorporation; filing, approval of authority.

Sec. 75. The department of the treasury, corporation division, shall not file the articles of incorporation of the consumer housing cooperative unless the consent or approval of the authority is attached or affixed thereto.

History: Add. 1968, Act 343, Imd. Eff. July 19, 1968.