Sec. 4. (1) Subject to subsection (2), the commission shall consist of 5 members to be appointed by the chief administrative officer of the city or village, except that if a city or village has a chief administrative officer who is not elected by the electors of the city or village, the members of the commission may be appointed by the official designated by a resolution adopted by the governing body of the city or village. The term of office of members of the commission shall be 5 years. Members of the first commission shall be appointed for the terms of 1 year, 2 years, 3 years, 4 years, and 5 years respectively, and annually thereafter 1 member shall be appointed for the term of 5 years.

(2) One member of the commission shall be a tenant of public or subsidized housing as provided in this subsection. If, on the effective date of the amendatory act that added section 11a, a commission is managing an occupied project and has no tenant member, a tenant member shall be appointed for at least 1 of the next 3 vacancies after that effective date, or within 2 years after that effective date, whichever comes first. If, on the effective date of the amendatory act that added section 11a, a commission did not yet exist or did not yet manage an occupied project, a tenant member shall be appointed for at least 1 of the next 2 vacancies after the first project of the commission is occupied or within 2 years after the first project of the commission is occupied, whichever comes first. Beginning on the effective date of this amendatory act that added section 11a, the chief executive officer of the housing commission shall send written notice of a commission vacancy to the president of each resident organization. The notice shall be included in the rent notice to each tenant. For a commission with authority for less than 250 units, if no tenant applies for membership on the commission within 60 days after notice is sent to tenants, the appointing official may appoint a person otherwise qualified under this act to serve as a member of the commission, if the chief executive officer of the commission has proof of the written notice required under this section.

(3) Upon recommendation of the appointing authority to the governing body, the governing body of the incorporating unit may remove a member of the commission from office before the expiration of his or her term. Subject to subsection (2), a vacancy in office shall be filled by the appointing authority for the remainder of the unexpired term.

(4) A member of the commission may receive compensation for actual expenses incurred in serving as a member of the commission in an amount determined by the commission. The governing body of an incorporating unit may adopt a resolution establishing limitations on the amounts of actual expenses that may be paid to a member of a commission.

(5) The commission shall be a public body corporate. Except as otherwise provided in this act, the commission may do all of the following:

(a) Sue and be sued in any court of this state.

(b) Form or incorporate nonprofit corporations under the laws of this state for any purpose not inconsistent with the purposes for which the commission was formed.

(c) Serve as a shareholder or member of a qualified nonprofit corporation organized under the laws of this state.

(d) Authorize, approve, execute, and file with the Michigan department of commerce those documents that are appropriate to form and continue 1 or more nonprofit corporations.

(e) Form or incorporate for-profit corporations, partnerships, and companies under the laws of this state for any purpose not inconsistent with the purposes for which the commission was formed.

(6) As used in this section:

(a) "Chief administrative officer" means:

(i) The manager of a village or, if a village does not employ a manager, the president of the village.

(ii) The city manager of a city or, if a city does not employ a city manager, the mayor of the city.

(b) "Vacancy" means a seat for which the current appointee discontinues membership by death, resignation, or removal from office; by not seeking reappointment in writing prior to the expiration of his or her term; or by not being reappointed by the appointing authority within 5 days following the expiration of his or her term.