

HOUSE BILL No. 5818

April 22, 2004, Introduced by Reps. Hunter, Tobocman, Rivet and McConico and referred to the Committee on Commerce.

A bill to amend 1909 PA 279, entitled "The home rule city act," (MCL 117.1 to 117.38) by amending the title, as amended by 1998 PA 150, and by adding section 5k.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

TITLE

An act to provide for the incorporation of cities and for revising and amending their charters; to provide for certain powers and duties; to provide for the levy and collection of taxes **and certain other fees** by cities, borrowing of money, and issuance of bonds or other evidences of indebtedness; **to create funds for certain purposes;** to validate actions taken, bonds issued, and obligations heretofore incurred; to prescribe penalties and provide remedies; and to repeal acts and parts of acts. ~~on specific dates.~~

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1 Sec. 5k. (1) The legislature finds and declares all of the
2 following:

3 (a) A serious public emergency exists with respect to the
4 housing and employment of a substantial number of the citizens of
5 this state.

6 (b) There is not an adequate supply of affordable housing
7 for low and moderate income residents of this state.

8 (c) In order to supply affordable housing for low and
9 moderate income residents in this state, new large-scale
10 commercial real estate developments shall mitigate their adverse
11 impacts on the availability of affordable housing by providing
12 revenue to meet the public exigency of the provision of
13 affordable housing.

14 (d) There is not an adequate supply of employment
15 opportunities for low and moderate income residents in this
16 state.

17 (e) The construction of new large-scale commercial real
18 estate developments in this state tends to increase competition
19 for jobs for which low and moderate income residents of the city
20 are qualified.

21 (f) In order to supply job opportunities to low and moderate
22 income residents in this state, new large-scale commercial real
23 estate developments shall mitigate their adverse impacts on the
24 availability of the employment opportunities by providing revenue
25 to meet the public exigency of the provision of job training for
26 low and moderate income residents of the city.

27 (2) The city shall create and deposit the revenue received

1 from the fees collected under this section into the Michigan
2 linkage fee program fund to be used solely for the purposes
3 described in subsection (3). The fund shall consist of separate
4 housing trust, job training trust, and child care and youth
5 recreation center trust accounts.

6 (3) The fee collected under this section shall be used for
7 the construction of new affordable housing, for job training
8 programs, and for the creation of child care and youth recreation
9 centers for residents or potential residents located within 10
10 miles of the new large scale commercial real estate development.

11 (4) A city may levy a Michigan linkage fee in an amount not
12 to exceed \$5.00 per square foot on each square foot of gross
13 floor area above 100,000 square feet, exclusive of parking areas,
14 on each new large-scale commercial real estate development
15 composed primarily of office, retail, and hotel space constructed
16 on or after the effective date of this section. The fee shall be
17 paid either at the time of approval by the city of initial
18 construction of the development or may be spread in annual
19 payments over a period not to exceed 5 years.

20 (5) Instead of the linkage fee required by subsection (4),
21 the city may allow the developer of the new large-scale
22 commercial real estate development to actually provide for the
23 creation of affordable housing, job training programs, and child
24 care and youth recreation centers at a cost equal to or greater
25 than the linkage fee that would be levied under this section.

26 (6) As used in this section:

27 (a) "New large-scale commercial real estate development"

1 means a proposed new building or buildings composed primarily of
2 office, retail, and hotel space with a gross floor area,
3 exclusive of parking areas, of more than 100,000 square feet or
4 to substantially rehabilitate an existing building or buildings
5 resulting in a gross floor area, exclusive of parking areas, of
6 more than 100,000 square feet.

7 (b) "Substantially rehabilitate" means an alteration, repair,
8 or expansion of an existing building or buildings described in
9 subdivision (a) that costs more than 50% of the assessed value of
10 the building or buildings on the January 1 immediately preceding
11 the beginning of construction of the alteration, repair, or
12 expansion.