

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4658

A bill to amend 1966 PA 346, entitled
"State housing development authority act of 1966,"
by amending sections 22, 58, 58a, and 58c (MCL 125.1422, 125.1458,
125.1458a, and 125.1458c), section 22 as amended by 2002 PA 385 and
sections 58, 58a, and 58c as added by 2004 PA 480.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 22. The authority shall possess all powers necessary or
2 convenient to carry out this act, including the following powers in
3 addition to other powers granted by other provisions of this act:

4 (a) To sue and to be sued; to have a seal and to alter the
5 seal at pleasure; to have perpetual succession; to make and execute
6 contracts and other instruments necessary or convenient to the
7 exercise of the powers of the authority; and to make, amend, and

1 repeal bylaws and rules.

2 (b) To undertake and carry out studies and analyses of housing
3 needs within this state and ways of meeting those needs, including
4 data with respect to population and family groups, the distribution
5 of population and family groups according to income, and the amount
6 and quality of available housing and its distribution according to
7 rentals and sales prices, employment, wages, and other factors
8 affecting housing needs and the meeting of housing needs; to make
9 the results of those studies and analyses available to the public
10 and the housing and supply industries; and to engage in research
11 and disseminate information on housing.

12 (c) To agree and comply with conditions attached to federal
13 financial assistance.

14 (d) To survey and investigate housing conditions and needs,
15 both urban and rural, throughout this state and make
16 recommendations to the governor and the legislature regarding
17 legislation and other measures necessary or advisable to alleviate
18 any existing housing shortage in this state.

19 (e) To establish and collect fees and charges in connection
20 with the sale of the authority's publications and the authority's
21 loans, commitments, and servicing, including but not limited to,
22 the reimbursement of costs of financing by the authority, service
23 charges, and insurance premiums as the authority determines to be
24 reasonable and as approved by the authority. Fees and charges shall
25 be determined by the authority and shall not be considered to be
26 interest. The authority may use any accumulated fees and charges
27 and interest income for achieving any of the corporate purposes of

1 the authority, to the extent that the fees, charges, and interest
2 income are not pledged to the repayment of bonds and notes of the
3 authority or the interest on those bonds and notes.

4 (f) To encourage community organizations to assist in
5 initiating housing projects as provided in this act.

6 (g) To encourage the salvage of all possible usable housing
7 scheduled for demolition because of highway, school, urban renewal,
8 or other programs by seeking authority for the sponsors of the
9 programs to use funds provided for the demolition of the buildings,
10 to be allocated to those sponsors approved by the authority to
11 defray moving and rehabilitation costs of the buildings.

12 (h) To engage and encourage research in, and to formulate
13 demonstration projects to develop, new and better techniques and
14 methods for increasing the supply of housing for persons eligible
15 for assistance as provided in this act; and to provide technical
16 assistance in the development of housing projects and in the
17 development of programs to improve the quality of life for all the
18 people of this state.

19 (i) To make or purchase loans, including loans for condominium
20 units as defined in section 4 of the condominium act, 1978 PA 59,
21 MCL 559.104, and including loans to mortgage lenders, which are
22 unsecured or the repayments of which are secured by mortgages,
23 security interests, or other forms of security; to purchase and
24 enter into commitments for the purchase of securities, certificates
25 of deposits, time deposits, or mortgage loans from mortgage
26 lenders; to participate in the making or purchasing of unsecured or
27 secured loans and undertake commitments to make or purchase

1 unsecured or secured loans; to sell mortgages, security interests,
2 notes, and other instruments or obligations evidencing or securing
3 loans, including certificates evidencing interests in 1 or more
4 loans, at public or private sale; in connection with the sale of an
5 instrument or obligation evidencing or securing 1 or more loans, to
6 service, guarantee payment on, or repurchase the instrument or
7 obligation, whether or not it is in default; to modify or alter
8 mortgages and security interests; to foreclose on any mortgage,
9 security interest, or other form of security; to finance housing
10 units; to commence an action to protect or enforce a right
11 conferred upon the authority by law, mortgage, security agreement,
12 contract, or other agreement; to bid for and purchase property that
13 was the subject of the mortgage, security interest, or other form
14 of security, at a foreclosure or at any other sale, and to acquire
15 or take possession of the property. Upon acquiring or taking
16 possession of the property, the authority may complete, administer,
17 and pay the principal and interest of obligations incurred in
18 connection with the property, and may dispose of and otherwise deal
19 with the property in any manner necessary or desirable to protect
20 the interests of the authority in the property. If the authority or
21 an entity that provides mortgage insurance to the authority
22 acquires property upon the default of a borrower, the authority may
23 make a mortgage loan to a subsequent purchaser of that property
24 even if the purchaser does not meet otherwise applicable income
25 limitations and purchase price limits.

26 (j) To set standards for housing projects that receive loans
27 under this act and to provide for inspections to determine

1 compliance with those standards. The standards for construction and
2 rehabilitation of mobile homes, mobile home parks, and mobile home
3 condominium projects shall be established jointly by the authority
4 and the mobile home commission, created in the mobile home
5 commission act, 1987 PA 96, MCL 125.2301 to 125.2349. However,
6 financing standards shall be established solely by the authority.

7 (k) To accept gifts, grants, loans, appropriations, or other
8 aid from the federal, state, or local government, from a
9 subdivision, agency, or instrumentality of a federal, state, or
10 local government, or from a person, corporation, firm, or other
11 organization.

12 (l) To acquire or contract to acquire from a person, firm,
13 corporation, municipality, or federal or state agency, by grant,
14 purchase, or otherwise, leaseholds or real or personal property, or
15 any interest in a leasehold or real or personal property; to own,
16 hold, clear, improve, and rehabilitate and to sell, assign,
17 exchange, transfer, convey, lease, mortgage, or otherwise dispose
18 of or encumber any interest in a leasehold or real or personal
19 property. This act shall not impede the operation and effect of
20 local zoning, building, and housing ordinances, ordinances relating
21 to subdivision control, land development, or fire prevention, or
22 other ordinances having to do with housing or the development of
23 housing.

24 (m) To procure insurance against any loss in connection with
25 the property and other assets of the authority.

26 (n) To invest, at the discretion of the authority, funds held
27 in reserve or sinking funds, or money not required for immediate

1 use or disbursement, in obligations of this state or of the United
2 States, in obligations the principal and interest of which are
3 guaranteed by this state or the United States, or in other
4 obligations as may be approved by the state treasurer.

5 (o) To promulgate rules necessary to carry out the purposes of
6 this act and to exercise the powers expressly granted in this act
7 in accordance with the administrative procedures act of 1969, 1969
8 PA 306, MCL 24.201 to 24.328.

9 (p) To enter into agreements with nonprofit housing
10 corporations, consumer housing cooperatives, limited dividend
11 housing corporations, mobile home park corporations, and mobile
12 home park associations that provide for regulation by the authority
13 of the planning, development, and management of any housing project
14 undertaken by nonprofit housing corporations, consumer housing
15 cooperatives, limited dividend housing corporations, mobile home
16 park corporations, and mobile home park associations and that
17 provide for the disposition of the property and franchises of those
18 corporations, cooperatives, and associations.

19 (q) To appoint to the board of directors of a nonprofit
20 housing corporation, consumer housing cooperative, limited dividend
21 housing corporation, mobile home park corporation, or mobile home
22 park association, a number of new directors sufficient to
23 constitute a majority of the board notwithstanding other provisions
24 of the articles of incorporation or other provisions of law.
25 Directors appointed under this subsection need not be stockholders
26 or members or meet other qualifications that may be described by
27 the certificate of incorporation or bylaws. In the absence of fraud

1 or bad faith, directors appointed under this subsection shall not
2 be personally liable for debts, obligations, or liabilities of the
3 corporation or association. The authority may appoint directors
4 under this subsection only if 1 or more of the following occur:

5 (i) The nonprofit housing corporation, consumer housing
6 cooperative, limited dividend housing corporation, mobile home park
7 corporation, or mobile home park association has received a loan or
8 advance, as provided for in this act, and the authority determines
9 that the loan or advance is in jeopardy of not being repaid.

10 (ii) The nonprofit housing corporation, consumer housing
11 cooperative, limited dividend housing corporation, mobile home park
12 corporation, or mobile home park association received a loan or
13 advance as provided for in this act and the authority determines
14 that the proposed housing project for which the loan or advance was
15 made is in jeopardy of not being constructed.

16 (iii) The authority determines that some part of the net income
17 or net earnings of the nonprofit housing corporation is inuring to
18 the benefit of a private individual, firm, corporation,
19 partnership, or association; the authority determines that an
20 unreasonable part of the net income or net earnings of the consumer
21 housing cooperative is inuring to the benefit of a private
22 individual, firm, corporation, partnership, or association; or the
23 authority determines that some part of the net income or net
24 earnings of the limited dividend housing corporation, in excess of
25 that permitted by other provisions of this act, is inuring to the
26 benefit of a private individual, firm, corporation, partnership, or
27 association.

1 (iv) The authority determines that the nonprofit corporation or
2 consumer housing cooperative is in some manner controlled by, under
3 the direction of, or acting in the substantial interest of a
4 private individual, firm, corporation, partnership, or association
5 seeking to derive benefit or gain from, or seeking to eliminate or
6 minimize losses in any dealings or transactions with, the nonprofit
7 corporation or consumer housing cooperative. However, this
8 subparagraph shall apply to individual cooperators in consumer
9 housing cooperatives only in circumstances defined by the authority
10 in its rules.

11 (v) The authority determines that the nonprofit housing
12 corporation, consumer housing cooperative, limited dividend housing
13 corporation, mobile home park corporation, or mobile home park
14 association is in violation of the rules promulgated under this
15 section.

16 (vi) The authority determines that the nonprofit housing
17 corporation, consumer housing cooperative, limited dividend housing
18 corporation, mobile home park corporation, or mobile home park
19 association is in violation of 1 or more agreements entered into
20 with the authority that provide for regulation by the authority of
21 the planning, development, and management of a housing project
22 undertaken by the nonprofit housing corporation, consumer housing
23 cooperative, limited dividend housing corporation, mobile home park
24 corporation, or mobile home park association or that provide for
25 the disposition of the property and franchises of the corporation,
26 or cooperative, or association.

27 (r) To give approval or consent to the articles of

1 incorporation submitted to the authority by a corporation seeking
2 approval as a nonprofit housing corporation, consumer housing
3 cooperative, limited dividend housing corporation, or mobile home
4 park corporation under chapter 4, 5, 6, or 8; to give approval or
5 consent to the partnership agreement, joint venture agreement,
6 trust agreement, or other document of basic organization of a
7 limited dividend housing association under chapter 7 or mobile home
8 park association under chapter 9.

9 (s) To engage the services of private consultants on a
10 contract basis for rendering professional and technical assistance
11 and advice.

12 (t) To lease real or personal property and to accept federal
13 funds for, and participate in, federal programs of housing
14 assistance.

15 (u) To review and approve rental charges for authority-
16 financed housing projects and require whatever changes the
17 authority determines to be necessary. The changes shall become
18 effective after not less than 30 days' written notice is given to
19 the residents of the affected authority-financed housing projects.

20 (v) To set forth in the various loan documents of the
21 authority those restrictions on the sale, conveyance by land
22 contract, or transfer of residential real property, housing
23 projects, or housing units for which a note is held by the
24 authority and restrictions on the assumption by subsequent
25 purchasers of loans originated by and held by, or originated for
26 purchase by and held by, the authority as the authority determines
27 to be necessary in order to comply with requirements of federal

1 statutes, federal rules or regulations promulgated under sections
2 551 to 559 of title 5 of the United States Code, 5 ~~U.S.C.~~ **USC** 551
3 to 559, state statutes, or state rules promulgated under the
4 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
5 24.328, or to obtain and maintain the tax exempt status of
6 authority bonds and notes. However, the authority shall not use a
7 due on sale or acceleration clause solely for the purpose of
8 renegotiating the interest rate on a loan made with respect to an
9 owner-occupied single-family housing unit. Without limiting the
10 authority's power to establish other restrictions, as provided in
11 this section, on the sale, conveyance by land contract, or transfer
12 of residential real property, housing projects, or housing units
13 for which a note is held by the authority and the assumption by
14 subsequent purchasers of loans made or purchased by the authority,
15 the authority shall provide in its loan documents relating to a
16 single family loan that the single family loan may be assumed by a
17 new purchaser only when the new purchaser qualifies under the
18 authority income limitations rules except where such a restriction
19 diminishes or precludes the insurance or a guarantee by an agency
20 of the federal government with respect to the single family loan. A
21 loan made for a mobile home that the borrower does not intend to
22 permanently affix to real property shall become immediately due and
23 payable in the event the mobile home is moved out of the state. Any
24 restrictions on conveyance by sale, conveyance by land contract, or
25 transfer that are authorized in this section shall apply only to
26 loans originated by and held by, or originated for purchase by and
27 held by, the authority and may, at the option of the authority, be

1 enforced by accelerating and declaring immediately due and payable
2 all sums evidenced by the note held by the authority. An
3 acceleration and declaration of all sums to be due and payable on
4 conveyance by sale, land contract, or transfer is not an
5 unreasonable restraint on alienation. An acceleration and
6 declaration, unless otherwise prohibited in this subdivision, of
7 all sums to be due and payable under this subdivision is
8 enforceable in any court of competent jurisdiction. This
9 subdivision is applicable to secured and unsecured loans. This
10 subdivision is also applicable to loan documents utilized in
11 conjunction with an authority-operated program of residential
12 rehabilitation by an entity cooperating or participating with the
13 authority under section 22a(4), which loans are originated with the
14 intent to sell those loans to the authority.

15 (w) To set forth in the various loan documents of the
16 authority those remedies for the making of a false statement,
17 representation, or pretense or a material misstatement by a
18 borrower during the loan application process. Without limiting the
19 authority's power to pursue other remedies, the authority shall
20 provide in its loan documents that, if a borrower makes a false
21 statement, representation, or pretense or a material misstatement
22 during the loan application process, the authority, at its option,
23 may accelerate and declare immediately due and payable all sums
24 evidenced by the note held by the authority. An acceleration and
25 declaration of all sums to be due as authorized under this
26 subdivision and payable as provided in this subdivision is
27 enforceable in any court of competent jurisdiction. This

1 subdivision is applicable to secured and unsecured loans.

2 (x) To collect interest on a real estate loan, the primary
3 security for which is not a first lien on real estate, at the rate
4 of 15% or less per annum on the unpaid balance. This subdivision
5 does not impair the validity of a transaction or rate of interest
6 that is lawful without regard to this subdivision.

7 (y) To encourage and engage or participate in programs to
8 accomplish the preservation of housing in this state available for
9 occupancy by persons and families of low or moderate income.

10 (z) To verify for the state treasurer statements submitted by
11 a city, village, township, or county as to exempt properties under
12 section 7d of the general property tax act, 1893 PA 206, MCL
13 211.7d.

14 (aa) For the purpose of more effectively managing its debt
15 service, to enter into an interest rate exchange or swap, hedge, or
16 similar agreement with respect to its bonds or notes on the terms
17 and payable from the sources and with the security, if any, as
18 determined by a resolution of the authority.

19 (bb) To make working capital loans to contractors or
20 subcontractors on housing projects financed by the authority. The
21 authority shall submit an annual report to the legislature
22 containing the amount, recipient, duration, circumstance, and other
23 related statistics for each capital loan made to a contractor or
24 subcontractor under this subdivision. The authority shall include
25 in the report statistics related to the cost of improvements made
26 to adapt property for use by disabled individuals as provided in
27 section 32b(5) or (6) or section 44(2)(a).

1 (cc) Subject to rules of the civil service commission, to
2 adopt a code of ethics with respect to its employees that requires
3 disclosure of financial interests, defines and precludes conflicts
4 of interest, and establishes reasonable post-employment
5 restrictions for a period of up to 1 year after an employee
6 terminates employment with the authority.

7 (dd) To impose covenants running with the land in order to
8 satisfy requirements of applicable federal law with respect to
9 housing assisted or to be assisted through federal programs such as
10 the low income housing tax credit program or the home investment
11 partnerships program by executing and recording regulatory
12 agreements between the authority or such municipality or other
13 entity as may be designated by the authority and the person or
14 entity to be bound. These covenants shall run with the land and be
15 effective with respect to the parties making the covenants and
16 other intended beneficiaries of the covenants, even though there is
17 no privity of estate or privity of contract between the authority
18 and the persons or entities to be bound.

19 (ee) To impose covenants running with the land in order to
20 satisfy requirements of applicable state or federal law with
21 respect to housing financed by the authority by executing and
22 recording regulatory agreements between the authority and the
23 person or entity to be bound. These covenants shall run with the
24 land and be effective with respect to the parties making the
25 covenants and other intended beneficiaries of the covenants, even
26 though there is no privity of estate or privity of contract between
27 the authority and the persons or entities to be bound. With respect

1 to the application of any applicable environmental laws, this
2 subdivision shall not be construed to grant to the authority any
3 additional rights, privileges, or immunities not otherwise afforded
4 to a private lender that is not in the chain of title for the land.

5 (ff) To participate in programs designed to assist persons and
6 families whose incomes do not exceed 115% of the greater of
7 statewide median gross income or the area median gross income
8 become homeowners where loans are made by private lenders for
9 purchase by the government national mortgage association, federal
10 national mortgage association, federal home loan mortgage
11 corporation, or other federally chartered organizations.
12 Participation may include providing or funding homeownership
13 counseling and providing some or all of a reserve fund to be used
14 to pay for losses in excess of insurance coverage.

15 (gg) To invest up to 20% of funds held by or for the authority
16 in escrow accounts for the benefit of the authority or mortgagors
17 of authority-financed housing in loans originated or purchased by
18 the authority, under the conditions prescribed in this subdivision
19 and without the consent of the escrow depositors. In connection
20 with loans described in this subdivision, the authority may charge
21 and retain fees in amounts similar to those charged with respect to
22 similar loans for which the source of funding does not come from
23 escrow funds. The investment authorized by this subdivision shall
24 not be made unless both of the following requirements are met:

25 (i) The return on the loan is approximately equivalent to that
26 which could be obtained from investments of substantially similar
27 credit quality and maturity, as determined by the authority.

1 (ii) The authority agrees to repurchase from its own funds and
2 at the same prices at which the loans were sold to the escrow
3 funds, as adjusted for the accretion of discount or amortization of
4 premium, plus accrued interest, any loans that become delinquent in
5 excess of 30 days. This subdivision does not obligate the authority
6 to purchase a delinquent loan so long as with respect to that loan
7 the authority advances money from its own funds in the amount of
8 the delinquent payments. The authority's election to advance
9 payments does not in any manner abate or cure the delinquency of
10 the loan and the authority may resort to any remedies that would
11 exist in the absence of that payment.

12 (hh) To acquire, develop, rehabilitate, own, operate, and
13 enter into contracts with respect to the management and operation
14 of real and personal property to use as office facilities by the
15 authority and to enter into leases with respect to facilities not
16 immediately necessary for the activities of the authority.

17 (ii) To make loans to certain qualified buyers and resident
18 organizations and to make grants to resident organizations as
19 provided in the following:

20 (i) The urban homestead act, 1999 PA 127, MCL 125.2701 to
21 125.2709.

22 (ii) The urban homesteading on vacant land act, 1999 PA 129,
23 MCL 125.2741 to 125.2748.

24 (iii) The urban homesteading in single-family public housing
25 act, 1999 PA 128, MCL 125.2761 to 125.2770.

26 (iv) The urban homesteading in multifamily public housing act,
27 1999 PA 84, MCL 125.2721 to 125.2734.

1 (JJ) TO IMPLEMENT AND ADMINISTER A HOUSING AND COMMUNITY
2 DEVELOPMENT PROGRAM AS DESCRIBED IN THIS ACT.

3 Sec. 58. (1) The definitions in section 11 apply to this
4 chapter unless otherwise provided in this chapter.

5 (2) As used in this chapter:

6 (A) "ADJACENT NEIGHBORHOOD" MEANS A RESIDENTIAL AREA AS
7 DETERMINED BY THE AUTHORITY IMMEDIATELY ADJOINING OR NEAR A
8 DOWNTOWN AREA WITHIN THE SAME MUNICIPALITY.

9 (B) ~~(a)~~—"Adjusted household income" means that term as defined
10 in rules of the authority.

11 ~~——(b) "Affordable housing" means residential housing that is~~
12 ~~occupied by low income, very low income, or extremely low income~~
13 ~~households, and results in monthly housing costs equal to no more~~
14 ~~than approximately 1/3 of the adjusted household income of the~~
15 ~~occupying household.~~

16 (C) "DOWNTOWN AREA" MEANS AN AREA WHERE 20 OR MORE CONTIGUOUS
17 PROPERTIES HAVE BEEN PLANNED, ZONED, OR USED FOR COMMERCIAL
18 PURPOSES FOR 50 OR MORE YEARS AND WHERE A MAJORITY OF THE BUILDINGS
19 ARE BUILT ADJACENT TO EACH OTHER AS DETERMINED BY THE AUTHORITY AND
20 UP TO THE PUBLIC RIGHT-OF-WAY. IN ORDER TO BE A DOWNTOWN AREA, THE
21 AREA SHALL CONTAIN A SIGNIFICANT NUMBER OF MULTILEVEL, MIXED USE
22 BUILDINGS AND PROPERTY IN THE DOWNTOWN AREA MUST BE OWNED BY MORE
23 THAN 3 PRIVATE OWNERS.

24 (D) ~~(e)~~—"Eligible applicant" means a not-for-profit
25 corporation, a for-profit corporation, A MUNICIPALITY, A LAND BANK
26 FAST TRACK AUTHORITY ORGANIZED UNDER THE LAND BANK FAST TRACK ACT,
27 2003 PA 258, MCL 124.751 TO 124.774, or a partnership that is

1 approved by the authority and that is organized for the purpose of
2 developing and supporting affordable housing for low income, very
3 low income, or extremely low income households **OR PROJECTS LOCATED**
4 **IN A DOWNTOWN AREA OR ADJACENT NEIGHBORHOOD.**

5 (E) ~~(d)~~—"Extremely low income household" means a person, a
6 family, or unrelated persons living together whose adjusted
7 household income is not more than ~~25%~~ **30%** of the **AREA** median
8 income, as determined by the authority.

9 (F) ~~(e)~~—"Fund" means the Michigan housing and community
10 development fund created in section 58a.

11 (G) ~~(f)~~—"Low income household" means a person, a family, or
12 unrelated persons living together whose adjusted household income
13 is more than 50% but not more than 60% of the **AREA** median income,
14 as determined by the authority.

15 (H) **"MIXED USE BUILDINGS" MEANS BUILDINGS THAT CAN BE USED FOR**
16 **MORE THAN 1 PURPOSE, AND IN ANY COMBINATION, INCLUDING, BUT NOT**
17 **LIMITED TO, RESIDENTIAL HOUSING COMBINED WITH EITHER COMMERCIAL OR**
18 **RETAIL SPACE.**

19 (I) ~~(g)~~—"Multifamily housing" means a building or buildings
20 providing housing to 2 or more households, none of which is owner
21 occupied.

22 (J) **"PROJECT" MEANS THOSE ACTIVITIES DEFINED UNDER SECTION**
23 **58C.**

24 (K) **"SUPPORTIVE HOUSING" MEANS A RENTAL HOUSING PROJECT IN**
25 **WHICH SOME OR ALL OF THE UNITS ARE TARGETED TO PEOPLE WITH**
26 **HOUSEHOLD INCOMES AT OR BELOW 30% OF AREA MEDIAN INCOME AND THAT**
27 **PROVIDE SERVICES, EITHER DIRECTLY OR CONTRACTED FOR, TO THOSE**

1 PEOPLE THAT INCLUDE, BUT ARE NOT LIMITED TO, MENTAL HEALTH,
 2 SUBSTANCE ABUSE SERVICES, COUNSELING SERVICES, AND DAILY LIVING
 3 SERVICES.

4 (l) ~~(h)~~ "Very low income household" means a person, a family,
 5 or unrelated persons living together whose adjusted household
 6 income is **NOT** more than 25% ~~but not more than 50%~~ of the **AREA**
 7 median income, as determined by the authority.

8 Sec. 58a. ~~(1) The Michigan housing and community development~~
 9 ~~fund is created in the department of treasury. The fund shall be~~
 10 ~~administered by the authority and shall be expended only as~~
 11 ~~provided in this chapter.~~

12 ~~—— (2) The state treasurer shall credit to the fund all of the~~
 13 ~~following:~~

14 ~~—— (a) All receipts, including, but not limited to, dividends and~~
 15 ~~interest on the investment of money in the fund and principal and~~
 16 ~~interest payments from loans or agreements made from the fund.~~

17 ~~—— (b) All proceeds of assets received by the authority as a~~
 18 ~~result of the default of loans or agreements made under this~~
 19 ~~chapter.~~

20 ~~—— (c) All appropriations, grants, or gifts of money or property~~
 21 ~~made to the fund.~~

22 ~~—— (d) All fees or charges collected by the authority pursuant to~~
 23 ~~activities authorized under this chapter.~~

24 ~~—— (e) Other revenue as provided by law.~~

25 ~~—— (3) All balances in the fund at the end of a fiscal year shall~~
 26 ~~be carried over as a part of the fund and shall not revert to the~~
 27 ~~general fund of the state.~~

1 (1) THE MICHIGAN HOUSING AND COMMUNITY DEVELOPMENT FUND IS
2 CREATED AS A SEPARATE FUND IN THE AUTHORITY.

3 (2) THE FUND SHALL BE ADMINISTERED BY THE AUTHORITY, AND MONEY
4 IN THE FUND SHALL BE EXPENDED ONLY AS PROVIDED IN THIS ACT.

5 (3) THE AUTHORITY SHALL CREDIT TO THE FUND ALL AMOUNTS
6 APPROPRIATED TO THE FUND OR TO THE AUTHORITY FOR THE FUND AND ANY
7 OTHER MONEY MADE AVAILABLE TO THE AUTHORITY FOR THE FUND FROM ANY
8 OTHER SOURCE FOR THE PURPOSES UNDER THIS ACT. THE AUTHORITY, ON
9 BEHALF OF THE FUND, MAY SOLICIT AND ACCEPT GIFTS, GRANTS, LABOR,
10 LOANS, AND OTHER AID FROM ANY PERSON, GOVERNMENT, OR ENTITY. THE
11 AUTHORITY MAY RECEIVE MONEY OR OTHER ASSETS FROM ANY SOURCE FOR
12 DEPOSIT INTO THE FUND, INCLUDING, BUT NOT LIMITED TO, FEDERAL
13 FUNDS, GIFTS, BEQUESTS, AND DONATIONS.

14 (4) THE AUTHORITY SHALL INVEST THE MONEY AND CREDIT THE
15 EARNINGS FROM THE INVESTMENTS TO THE FUND IN ACCORDANCE WITH
16 SECTION 22.

17 (5) MONEY APPROPRIATED TO THE FUND OR TO THE AUTHORITY FOR THE
18 FUND SHALL BE AVAILABLE FOR DISBURSEMENT BY THE AUTHORITY UPON
19 APPROPRIATION.

20 (6) MONEY IN THE FUND AT THE CLOSE OF A FISCAL YEAR SHALL
21 REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.

22 Sec. 58c. (1) The authority shall expend money in the fund to
23 make grants, mortgage loans, or other loans to eligible applicants
24 as provided in this section to enable eligible applicants to
25 finance any of the following with respect to housing or home
26 ownership for low income, very low income, and extremely low income
27 households AND WITH RESPECT TO PROJECTS LOCATED IN A DOWNTOWN AREA

1 **OR ADJACENT NEIGHBORHOOD:**

2 (a) Acquisition of land and buildings.

3 (b) Rehabilitation.

4 (c) New construction.

5 (d) Development and predevelopment costs.

6 (e) Preservation of existing housing.

7 (f) ~~Infrastructure~~ **COMMUNITY DEVELOPMENT PROJECTS, INCLUDING,**

8 **BUT NOT LIMITED TO, INFRASTRUCTURE** improvements, economic

9 development projects, **BLIGHT ELIMINATION**, or community facilities.

10 ~~that support housing development.~~

11 (g) Insurance.

12 (h) Operating and replacement reserves.

13 (i) Down payment assistance.

14 (j) Security deposit assistance.

15 (k) ~~Supportive services~~ **FORECLOSURE PREVENTION AND ASSISTANCE.**

16 (l) **INDIVIDUAL DEVELOPMENT ACCOUNTS ESTABLISHED UNDER THE**

17 **INDIVIDUAL OR FAMILY DEVELOPMENT ACCOUNT PROGRAM ACT, 2006 PA 513,**

18 **MCL 206.701 TO 206.711.**

19 (m) **ACTIVITIES RELATED TO ENDING HOMELESSNESS.**

20 (n) **ASSISTANCE TO NONPROFIT ORGANIZATIONS, MUNICIPALITIES, AND**

21 **LAND BANK FAST TRACK AUTHORITIES ORGANIZED UNDER THE LAND BANK FAST**

22 **TRACK ACT, 2003 PA 258, MCL 124.751 TO 124.774.**

23 (o) **PREDATORY LENDING PREVENTION OR RELIEF.**

24 (2) The authority shall expend a portion of the fund for

25 housing for ~~special needs populations including, but not limited~~

26 ~~to, the homeless,~~ persons with physical or mental handicaps ~~and~~

27 persons living in ~~rural or~~ **ELIGIBLE** distressed areas.

1 (3) The authority may make a loan to an eligible applicant
2 from the fund at no interest or at below market interest rates,
3 with or without security, and may make a loan for predevelopment
4 financing.

5 (4) The authority may provide assistance **TO ELIGIBLE**
6 **APPLICANTS** for housing units for very low income or extremely low
7 income households within multifamily housing that is occupied
8 partly by very low income or extremely low income households and
9 partly by households that do not qualify as very low income or
10 extremely low income households, subject to the rules promulgated
11 by the authority.

12 (5) The authority may ~~provide funding for projects with 50~~
13 ~~units or less and provide incentives to encourage project~~
14 ~~feasibility and mixed income housing projects that respond to~~
15 ~~community priorities~~ **EXPEND MONEY IN THE FUND FOR ALL OTHER THINGS**
16 **NECESSARY TO ACHIEVE THE OBJECTIVES AND PURPOSES OF THE FUND OR**
17 **THIS CHAPTER.**

18 (6) **WHEN PERFORMING FUNCTIONS UNDER THIS CHAPTER, THE**
19 **AUTHORITY SHALL CONSIDER ADVICE PROVIDED BY THE COMMITTEE CREATED**
20 **UNDER SECTION 58E.**