



Senate Fiscal Agency
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House Bills 5030 and 5032 (as reported without amendment)
House Bill 5031 (Substitute H-2 as reported without amendment)
Sponsor: Representative Betsy Coffia (H.B. 5030)
Representative Ranjeev Puri (H.B. 5031)
Representative Will Snyder (H.B. 5032)
House Committee: Economic Development and Small Business
Senate Committee: Housing and Human Services

CONTENT

House Bill 5030 would amend the State Housing Development Authority Act to allow, as opposed to currently requiring, the Michigan State Housing Development Authority (MSHDA) to cancel the notes or bonds it purchases from itself.

House Bill 5031 (H-2) would amend the State Housing Development Authority Act to delete a requirement that a resident member of MSHDA only exercise powers and authority concerning decisions related to public housing programs and Section 8 tenant-based assistance programs.

House Bill 5032 would amend the State Housing Development Authority Act to do the following:

- Modify the maximum purchase price or maximum appraised value for loans made by MSHDA to individual purchasers for the financing of houses with four units or fewer.
- Increase, from \$3,500 to \$10,000, the maximum amount that MSHDA could increase the purchase price of a property because of unexpected costs during construction or improvement for the use of that property by disabled individuals.

MCL 125.1430 (H.B. 5030)
125.1421 (H.B. 5031)
124.1444 (H.B. 5032)

BRIEF RATIONALE

Generally, MSHDA finances the construction of housing in the State by offering downpayment assistance and mortgages. As of 2023, the State had a 0.7% home vacancy rate compared to a 4 to 7% national average.¹ According to testimony before the Senate Committee on Housing and Human Services, allowing MSHDA to cancel notes and bonds and increasing certain caps for housing assistance would allow MSHDA to streamline operations to better use its tools to combat housing access barriers in the State.

Legislative Analyst: Eleni Lionas

¹ Home vacancy rate is the percent of all available units of property that are unoccupied or for sale in area; a vacancy rate under 5% could mean that the demand for housing is greater than the supply available.

FISCAL IMPACT

The bills would have an indeterminate but likely positive fiscal impact on MSHDA and no fiscal impact on the rest of the State or local units of government. The Authority receives no General Fund appropriation from the State and is solely supported with MSHDA restricted revenue. Therefore, any potential savings or additional revenue would only benefit MSHDA. **House Bill 5030** would provide MSHDA with flexibility when purchasing and cancelling notes and bond purchases, which could result in savings. **House Bill 5031 (H-2)** would have no fiscal impact on MSHDA. **House Bill 5032** would allow MSHDA to issue larger homeownership loans, which could increase the amount of loans issued and in return the amount of revenue generated off those loans.

Date Completed: 11-4-24

Fiscal Analyst: Cory Savino, PhD

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.