

STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966 (EXCERPT)

Act 346 of 1966

Chapter 4

125.1461 Nonprofit housing corporations; incorporation.

Sec. 61.

Nonprofit housing corporations shall be incorporated pursuant to the provisions of this chapter and the nonprofit corporation act, Act No. 162 of the Public Acts of 1982, being sections 450.2101 to 450.3192 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. 1987, Act 180, Imd. Eff. Nov. 25, 1987

Compiler's Notes: 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.

125.1462 Qualified nonprofit housing corporations; corporate name.

Sec. 62.

The term "nonprofit housing corporation" or "nonprofit housing company" shall be included as a part of the corporate name as set forth in the certificate of incorporation.

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

125.1463 Nonprofit housing corporation; articles of incorporation.

Sec. 63.

In addition to other requirements of law, the articles of incorporation of a nonprofit housing corporation shall provide all of the following:

(a) That the corporation has been organized exclusively to provide housing facilities for any 1 or more of the following classes of persons, to be specified in the articles of incorporation: (i) persons of low income, (ii) persons of low and moderate income, and (iii) persons whose income does not exceed limits established in this act. The articles of incorporation may also permit the corporation to provide any 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.

(b) That all the income and earnings of the corporation shall be used exclusively for corporate purposes and that no part of the net income or net earnings of the corporation shall inure to the benefit or profit of a private individual, firm, corporation, partnership, or association.

(c) That the corporation is in no manner controlled or under the direction or acting in the substantial interest of any private individual, firm, partnership, or association seeking to derive profit or gain therefrom or seeking to eliminate or minimize losses in any dealing or transactions with the corporation.

(d) That the operations of the corporation may be supervised by the authority or by any other governmental body as the authority directs, and that the corporation shall enter into agreements with the authority or with the governmental body as the authority from time to time requires. These agreements shall provide for regulation by the authority or by the governmental body of the planning, development, and management of any housing project undertaken by the corporation and the disposition of the property and franchises of the corporation.

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,

125.1464 Directors, additional, power of authority.

Sec. 64.

The articles shall provide that the authority shall have the power to appoint to the board of directors of the corporation 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 corporation 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 corporation 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 part of the net income or net earnings of the corporation is inuring to the benefit of any private individual, firm, corporation, partnership or association.
- (d) The authority determines that the corporation is in some manner controlled by or under the direction of or acting in the substantial interest of any private individual, firm, corporation, partnership or association seeking to derive benefit or gain therefrom or seeking to eliminate or minimize losses in any dealings or transactions therewith.
- (e) The authority determines that the corporation is in violation of the rules promulgated under section 22.
- (f) The authority determines that the corporation is in violation of any agreements entered into with the authority providing for regulation by the authority of the planning, development and management of any housing project undertaken by the corporation and the disposition of the property and franchises of such corporation.

History: Add. 1968, Act 343, Imd. Eff. July 19, 1968 ;-- Am. 1970, Act 129, Imd. Eff. July 29, 1970

Admin Rule: R 125.101 et seq. of the Michigan Administrative Code.

125.1465 Articles of incorporation; filing, approval.

Sec. 65.

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

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