

STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966 (EXCERPT)
Act 346 of 1966

125.1422b Designation of authority as housing credit agency; purpose; amount of housing credit ceiling; qualification of applicant; allocation plan; distribution; setting aside allocable amounts; reapportionment of unallocated credit amounts; applications for low income housing tax credit; fees; "rural housing projects" defined.

Sec. 22b.

(1) The authority is designated as the housing credit agency for the state for the purpose of allocating and administering the low income housing credit established under section 42 of the internal revenue code of 1986.

(2) The state's housing credit ceiling applicable for a calendar year shall be an amount equal to the sum of all of the following:

(a) One dollar and twenty-five cents multiplied by the state's population, unless a different amount is authorized by section 42 of the internal revenue code of 1986. The state's population shall be determined by the most recent census estimates of the state's population published by the United States bureau of census before the beginning of the calendar year or by another method as authorized by the internal revenue code of 1986.

(b) The unused state housing credit ceiling, if any, of the state for the preceding calendar year, for years subsequent to 1989.

(c) The amount of state housing credit ceiling returned in the calendar year, for years subsequent to 1989.

(d) The amount, if any, allocated to the state under section 42(h)(3)(D) of the internal revenue code of 1986.

(3) An applicant for an allocation of low income housing tax credit shall be qualified to receive the credit pursuant to the requirements of the internal revenue code of 1986 and the regulations, guidelines, rulings, and interpretations issued by the United States treasury department or the internal revenue service, that controls in the event of conflict with a requirement of this section.

(4) The state's low income housing tax credit is allocable pursuant to a qualified allocation plan prepared by the authority, submitted to the legislature, and approved by the governor after notice to the public and public hearing. The plan shall set forth criteria to be used to determine housing priorities of the state, and shall give the highest priority to those projects in which the highest percentage of the housing credit dollar amount is to be used for project costs other than the cost of intermediaries, unless granting such priority would impede the development of projects in hard-to-develop areas. In allocating low income housing tax credit dollar amounts among selected projects, the allocation plan shall give preference to projects serving the lowest income tenants and projects obligated to serve qualified tenants for the longest periods, and shall provide a procedure that the authority will follow in notifying the internal revenue service of noncompliance with the provisions of section 42 of the internal revenue code of 1986 of which the authority becomes aware. The plan shall set forth the process for selecting eligible projects and may be amended from time to time in accordance with its terms and the requirements of section 42 of the internal revenue code of 1986. The selection criteria in the qualified allocation plan shall include those set forth in section 42 of the internal revenue code of 1986.

(5) The state's low income housing tax credit authority shall be distributed in accordance with the qualified allocation plan. Amounts allocable under subsection (2) shall be set aside as follows:

(a) Qualified nonprofit organizations as required by section 42 of the internal revenue code of 1986 - not less than 10%.

(b) Rural housing projects - not less than 5%.

(c) Housing projects in eligible distressed areas - not less than 30%.

(d) Housing projects for the elderly - not less than 10%. Projects counted in 1 category shall not count in another category towards meeting the minimum set-aside requirements.

(6) Except for the amount for qualified nonprofit organizations, if the low income housing tax credit set aside under subsection (5) is not allocated before October 1 of the year in which that credit amount is authorized under subsection (2)(a), the authority may reapportion the unallocated credit amounts in a reasonable manner pursuant to the state's qualified allocation plan.

(7) All applications for low income housing tax credit shall be on the authority's prescribed forms and shall include information necessary pursuant to the qualified allocation plan and section 42 of the internal revenue code of 1986.

(8) The authority may charge applicants reasonable fees under the low income housing tax credit program.

(9) For the purposes of this section, "rural housing projects" means proposed or existing housing projects that fall into 1 or more of the following categories:

(a) Located in an area other than a metropolitan county.

(b) Funded by a federal program for the development of rural housing.

(c) Financed by a loan guaranteed by rural housing services or a successor agency.

History: Add. 1987, Act 86, Imd. Eff. June 30, 1987 ;-- Am. 1989, Act 281, Imd. Eff. Dec. 26, 1989 ;-- Am. 1991, Act 137, Imd. Eff. Nov. 22, 1991 ;-- Am. 1993, Act 220, Imd. Eff. Oct. 29, 1993 ;-- Am. 1996, Act 475, Imd. Eff. Dec. 26, 1996 ;-- Am. 2000, Act 257, Imd. Eff. June 29, 2000