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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

November 6, 2022

Sent via email to: JCAR@legislature.mi.gov

Joint Committee on Administrative Rules
Boji Tower, 3rd Floor
124 W. Allegan St.
PO Box 30036
Lansing, MI 48909-7536

RE: Session Day Waiver Request

Dear Chairperson Meerman, Alternate Chairperson Bumstead, and Committee Members:

As the regulatory affairs officer for the Department of Labor and Economic Opportunity, I respectfully request that the Joint Committee on Administrative Rules waive the remaining session days under the authority provided in the Administrative Procedures Act of 1969, MCL 24.245a(1)(d), for the review of the following amended rules, which were submitted to the Committee on September 27, 2022:

State Housing Development Authority – General Rules, R 125.101 – R 125.224
(MOAHR #2021-70 LE)

Although the comprehensive amendment generally serves to update outdated industry terminology and improve readability, there are several provisions that merit timely adoption.

The introduction of the definition of “Low-income persons and families” in R. 125.103 is of necessity to every Michigan municipality that has entered into a Payment in Lieu of Taxes (PILOT) agreement in support of affordable housing. The current lack of such a definition has recently been cited by a Michigan court as a potential source of confusion in interpreting such PILOT agreements. Virtually every affordable housing development in the state is financially supported in part by such an agreement.

The amendment of R 125.146 simplifies the single-family mortgage loan paperwork requirements for Michigan families who apply to the Authority’s down-payment assistance mortgage program. This increases access to the program at a time of extreme housing market volatility.

The updates to Part 9 of the rules, R 125.190 through R 125.199, which address the Michigan Housing and Community Development Fund (HCDF), were intended to coincide with the Legislature’s recent funding of that program with \$100 million in federal pandemic funds.

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The HCDF stands ready to begin using those funds to increase and improve affordable housing throughout the state, and to assist the communities in which such housing is located, but the current program rules have not been updated since 2009. The amendments to Part 9 serve to simplify the HCDF rules, remove potentially confusing terminology, and facilitate the Legislature's intended uses for the HCDF funds.

The State Housing Development Authority had an in-person and virtual public hearing on these proposed rules in June of 2022. Comment was also sought from private industry, affected citizens, and legal experts in the field of affordable housing.

Given the remaining 2022 session schedule, the pressing need to address the statewide PILOT concerns, and the down-payment assistance program, and that the HCDF program that is about to begin funding a spectrum of projects, the State Housing Development Authority and the Department of Labor and Economic Opportunity respectfully ask that the committee waive the balance of the session days in the review period.

Thank you for your consideration of this request.

Respectfully,



Thomas P. Shaver, Jr.
Regulatory Affairs Officer
Department of Labor & Economic Opportunity
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cc. Timothy Reeves and Rachel Hughart, Legal Counsel, JCAR
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