

CHAPTER 265—H.F.No. 1205

An act relating to courts; making the housing calendar consolidation projects in the second and fourth judicial districts permanent law; changing certain definitions relating to housing; providing for changes in certain housing reports; amending Minnesota Statutes 1992, sections 504.33, subdivisions 3, 5, and 7; and 504.34, subdivisions 1 and 2; Laws 1989, chapter 328, article 2, section 17; repealing Laws 1989, chapter 328, article 2, sections 18 and 19.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1992, section 504.33, subdivision 3, is amended to read:

Subd. 3. **DISPLACE.** "Displace" means to demolish, acquire for or convert to a use other than low-income housing, or to provide or spend money that directly results in the demolition, acquisition, or conversion of housing to a use other than low-income housing.

"Displace" does not include providing or spending money that directly results in: (i) housing improvements made to comply with health, housing, building, fire prevention, housing maintenance, or energy codes or standards of the applicable government unit; (ii) housing improvements to make housing more accessible to a handicapped person; or (iii) the demolition, acquisition, or conversion of housing for the purpose of creating owner-occupied housing that consists of no more than four units per structure.

"Displace" does not include downsizing large apartment complexes by demolishing less than 25 percent of the units in the complex or by eliminating units through reconfiguration and expansion of individual units for the purpose of expanding the size of the remaining low-income units. For the purpose of this section, "large apartment complex" means two or more adjacent buildings containing a total of 100 or more units per complex.

Sec. 2. Minnesota Statutes 1992, section 504.33, subdivision 5, is amended to read:

Subd. 5. **LOW-INCOME HOUSING.** (a) "Low-income housing" means either:

(1) rental housing with a rent less than or equal to 30 percent of 50 percent of the median income for the county in which the rental housing is located, adjusted by size; or

(2) rental housing occupied by households with income below 30 percent of the median for the metropolitan area as defined in section 473.121, subdivision 2, adjusted by size.

(b) "Low-income housing" also includes rental housing that has been vacant for less than two years, that was low-income housing when it was last occupied, and that is not condemned as being unfit for human habitation by the applicable government unit.

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Sec. 3. Minnesota Statutes 1992, section 504.33, subdivision 7, is amended to read:

Subd. 7. **REPLACEMENT HOUSING.** (a) "Replacement housing" means rental housing that is:

(1) the lesser of (i) the number and corresponding size of low-income housing units displaced, or (ii) sufficient in number and corresponding size of those low-income housing units displaced to meet the demand for those units. Notwithstanding subclauses (i) and (ii), if the housing impact statement shows demonstrated need, displaced units may be replaced by fewer, larger units of comparable total size, except that efficiency and single room occupancy units may not be replaced by units of a larger size;

(2) low-income housing for ~~the greater of at least 15 years or the compliance period of the federal low-income housing tax credit under United States Code, title 26, section 42(i)(1); as amended.~~ This section does not prohibit increases in rent to cover operating expenses;

(3) in at least standard condition; and

(4) located in the city where the displaced low-income housing units were located.

Replacement housing may be provided as newly constructed housing, or rehabilitated housing that was previously unoccupied or vacant and in condemnable condition or rent subsidized existing housing that does not already qualify as low-income housing.

(b) Notwithstanding the requirements in paragraph (a), public housing units which are a part of a disposition plan approved by the Department of Housing and Urban Development automatically qualify as replacement housing for public housing units which are displaced.

Sec. 4. Minnesota Statutes 1992, section 504.34, subdivision 1, is amended to read:

Subdivision 1. **ANNUAL REPORT REQUIRED.** A government unit shall prepare ~~an annual~~ a housing impact report either:

(1) for each year in which the government unit displaces ten or more units of low-income housing in a city of the first class as defined in section 410.01; or

(2) when a specific project undertaken by a government unit for longer than one year displaces a total of ten or more units of low-income housing in a city of the first class as defined in section 410.01.

Sec. 5. Minnesota Statutes 1992, section 504.34, subdivision 2, is amended to read:

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Subd. 2. **DRAFT ANNUAL HOUSING IMPACT REPORT.** A government unit subject to this section must prepare a draft annual housing impact report for review and comment by interested persons. The draft report must be completed by January 31 of the year immediately following a year in which the government unit has displaced ten or more units of low-income housing in a city. For a housing impact report required under subdivision 1, clause (2), the draft report must be completed by January 31 of the year immediately following the year in which the government unit has displaced a cumulative total of ten units of low-income housing in a city.

Sec. 6. Laws 1989, chapter 328, article 2, section 17, is amended to read:

Sec. 17. [484.013] HOUSING CALENDAR CONSOLIDATION ~~PILOT PROJECT PROGRAM.~~

Subdivision 1. **ESTABLISHMENT.** A ~~three-year pilot project~~ program is established in the second and fourth judicial districts to consolidate the hearing and determination of matters related to residential rental housing and to ensure continuity and consistency in the disposition of cases.

Subd. 2. **JURISDICTION.** The housing calendar ~~project~~ program may consolidate the hearing and determination of all proceedings under Minnesota Statutes, chapters 504 and 566; criminal and civil proceedings related to violations of any state, county or city health, safety, housing, building, fire prevention or housing maintenance code; escrow of rent proceedings; landlord-tenant damage actions; and actions for rent and rent abatement. A proceeding under sections 566.01 to 566.17 may not be delayed because of the consolidation of matters under the housing calendar ~~project~~ program.

Subd. 3. **REFEREE.** The chief judge of district court may appoint a referee for the housing calendar ~~project~~ program. The referee must be learned in the law. The referee must be compensated according to the same scale used for other referees in the district court. Minnesota Statutes, section 484.70, subdivision 6, applies to the housing calendar ~~project~~ program.

Subd. 4. **REFEREE DUTIES.** The duties and powers of the referee in the housing calendar ~~project~~ program are as follows:

(1) to hear and report all matters within the jurisdiction of the housing calendar ~~project~~ program and as may be directed to the referee by the chief judge; and

(2) to recommend findings of fact, conclusions of law, temporary and interim orders, and final orders for judgment.

All recommended orders and findings of the referee are subject to confirmation by a judge.

Subd. 5. **TRANSMITTAL OF COURT FILE.** Upon the conclusion of the hearing in each case, the referee ~~must~~ shall transmit to the district court judge,

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the court file together with the referee's recommended findings and orders in writing. The recommended findings and orders of the referee become the findings and orders of the court when confirmed by the district court judge. The order of the court is proof of the confirmation.

Subd. 6. **CONFIRMATION OF REFEREE ORDERS.** Review of ~~any a~~ recommended order or finding of the referee by a district court judge may be had by notice served and filed within ten days of effective notice of the recommended order or finding. The notice of review must specify the grounds for the review and the specific provisions of the recommended findings or orders disputed, and the district court judge, upon receipt of the notice of review, ~~must~~ shall set a time and place for the review hearing.

Subd. 7. **PROCEDURES.** The chief judge of the district must establish procedures for the implementation of the ~~pilot project program~~, including designation of a location for the hearings. The chief judge may also appoint other staff as necessary for the ~~project program~~.

Subd. 8. **EVALUATION.** The state court administrator may establish a procedure in consultation with the chief judge of each district, each district administrator, and an advisory group for evaluating the efficiency and the effectiveness of consolidating the hearing of residential rental housing matters; ~~and must report to the legislature by January 1, 1992.~~ An advisory group, appointed by the state court administrator, may be established to provide ongoing oversight and evaluation of the housing calendar consolidation ~~project program~~. The advisory group must include representatives of the second and fourth judicial districts and must be composed of at least one representative from each of the following groups: the state court administrator's office; the district court administrator's office; the district judges; owners of rental property; and tenants.

Sec. 7. **REPEALER.**

Laws 1989, chapter 328, article 2, sections 18 and 19, are repealed.

Sec. 8. **EFFECTIVE DATE.**

Notwithstanding Laws 1989, chapter 328, article 2, section 19, or other law, sections 6 and 7 are effective the day after final enactment.

Presented to the governor May 15, 1993

Signed by the governor May 19, 1993, 8:24 a.m.

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