

CHAPTER 462C

MUNICIPAL HOUSING PROGRAMS

<p>462C.01 Authorization.</p> <p>462C.02 Definitions.</p> <p>462C.03 City housing plan.</p> <p>462C.04 Plan review.</p> <p>462C.05 Multifamily housing developments and health care facilities.</p>	<p>462C.071 Single-family mortgage bonds; limitations.</p> <p>462C.12 Minneapolis/St. Paul housing finance board; powers; jurisdiction.</p>
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462C.01 AUTHORIZATION.

A city may develop and administer programs of (1) making or purchasing mortgage or rehabilitation loans pursuant to section 462C.03 to finance the acquisition or rehabilitation of single family housing by low and moderate income persons and families anywhere within its boundaries, or (2) making or purchasing loans pursuant to section 462C.05 to finance multifamily housing developments or the rehabilitation of multifamily housing developments if the program is submitted for review pursuant to section 462C.04, subdivision 2.

History: 1995 c 167 s 1

462C.02 DEFINITIONS.

[For text of subd 1, see M.S.1994]

Subd. 2. [Repealed, 1995 c 167 s 16]

Subd. 3. "Program" means an individual component of a city's overall program for housing for which one or more issues of revenue bonds or obligations is proposed.

[For text of subs 4 to 13, see M.S.1994]

History: 1995 c 167 s 2

462C.03 CITY HOUSING PLAN.

Subdivision 1. [Repealed, 1995 c 167 s 16]

[For text of subs 1a to 4, see M.S.1994]

Subd. 5. [Repealed, 1995 c 167 s 16]

[For text of subs 6 to 11, see M.S.1994]

462C.04 PLAN REVIEW.

Subdivision 1. [Repealed, 1995 c 167 s 16]

Subd. 2. **Program review.** A public hearing shall be held on each program after one publication of notice in a newspaper circulating generally in the city, at least 15 days before the hearing. On or before the day on which notice of the public hearing is published, the city shall submit the program to the metropolitan council, if the city is located in the metropolitan area as defined in section 473.121, subdivision 2, or to the regional development commission for the area in which the city is located, if any, for review and comment. The appropriate reviewing agency shall comment on:

(a) whether the program furthers local and regional housing policies and is consistent with the metropolitan development guide, if the city is located in the metropolitan area, or adopted policies of the regional development commission; and

(b) the compatibility of the program with the housing portion of the comprehensive plan of the city, if any.

Review of the program may be conducted either by the board of the reviewing agency or by the staff of the agency. Any comment submitted by the reviewing agency to the city must be presented to the body considering the proposed program at the public hearing held on the program.

A member or employee of the reviewing agency shall be permitted to present the comments of the reviewing agency at the public hearing. After conducting the public hearing, the program may be adopted with or without amendment, provided that any amendments must not be inconsistent with the comments, if any, of the reviewing agency and must not contain any material changes from the program submitted to the reviewing agency other than changes in the financial aspects of any proposed issue of bonds or obligations. If any material change other than a change in the financial aspects of a proposed issue of bonds or obligations, or any change which is inconsistent with the comments of the reviewing agency is adopted, the amended program shall be resubmitted to the appropriate reviewing agency for review and comment, and a public hearing shall be held on the amended program after one publication of notice in a newspaper circulating generally in the city at least 15 days before the hearing. The amended program shall be considered after the public hearing in the same manner as consideration of the initial program.

Subd. 3. City report. Within 30 days after the bonds are issued for a housing program, the city shall submit a report to the Minnesota housing finance agency, the metropolitan council if the city is located within the metropolitan area as defined in section 473.121, subdivision 2, or the appropriate regional development commission. The report must include a program description, the amount of bonds issued, the income limits, and the rent levels.

[For text of subd 4, see M.S.1994]

History: 1995 c 167 s 3,4

462C.05 MULTIFAMILY HOUSING DEVELOPMENTS AND HEALTH CARE FACILITIES.

Subdivision 1. A city may also include in the housing plan, a program or programs to administer, and make or purchase a loan or loans to finance one or more multifamily housing developments within its boundaries, of the kind described in subdivision 2, 3, 4 or 7, and upon the conditions set forth in this section. A loan may be made or purchased for

- (a) the acquisition and preparation of a site and the construction of a new development,
- (b) the rehabilitation of an existing building and site and the discharge of any lien or other interest in the building and site,
- (c) for the acquisition of an existing building and site and the rehabilitation thereof,
- (d) for the acquisition of an existing building and site for purposes of conversion to limited equity cooperative ownership by low or moderate income families,
- (e) for the acquisition, or acquisition and improvement, of an existing building and site by a nonprofit corporation which will operate the building as a multifamily housing development for rental primarily to elderly or handicapped persons, or
- (f) the taking out of accumulated equity in connection with a program of federal insurance for the preservation of low-income housing.

With respect to loans made or purchased pursuant to clause (b) or (c), the cost of rehabilitation of an existing building must be estimated to equal at least \$1,000 per dwelling unit or 20 percent of the appraised value of the original building and site whichever is less, except that with respect to rehabilitation which consists primarily of improvement of the property with facilities or improvements to conserve energy or convert or retrofit for use of alternative energy sources, rehabilitation loans may be made without regard to cost; and at least a substantial portion of such rehabilitation cost must be estimated to be incurred for compliance with building codes or conservation of energy.

Each development upon completion shall comply with all applicable code requirements. A loan or loans may be made or purchased for either the construction or the long-term financing of a development, or both, including the financing of the acquisition of dwelling units and interests in common facilities provided therein, by persons to whom such units and facilities may be sold as contemplated in chapter 515 or 515A or any supplemental or amendatory law thereof or as contemplated for a development consisting of cooperative housing.

Substantially all of the proceeds of each loan shall be used to pay the cost of a multifamily housing development, including property functionally related and subordinate to it; but nothing herein prevents the construction or acquisition of the development over, under, or adjacent to, and in conjunction with facilities to be used for purposes other than housing.

[For text of subs 2 to 8, see M.S.1994]

History: 1995 c 256 s 5

462C.071 SINGLE-FAMILY MORTGAGE BONDS; LIMITATIONS.

[For text of subd 1, see M.S.1994]

Subd. 2. Limitation; origination period. During the first ten months of an origination period, a city may make loans financed with proceeds of mortgage bonds for the purchase of existing housing. Loans financed with the proceeds of mortgage bonds for new housing in the metropolitan area may be made during the first ten months of an origination period only if at least one of the following conditions is met:

- (1) the new housing is located in a redevelopment area;
- (2) the new housing is replacing a structurally substandard structure or structures;
- (3) the new housing is located on a parcel purchased by the city or conveyed to the city under section 282.01, subdivision 1;
- (4) the new housing is part of a housing affordability initiative, other than those financed with the proceeds from the sale of bonds, in which federal, state, or local assistance is used to substantially improve the terms of the financing or to substantially write down the purchase price of the new housing; or
- (5) the new housing is located in a city that has entered into a housing affordability agreement with the metropolitan council.

Upon expiration of the first ten-month period, a city may make loans financed with the proceeds of mortgage bonds for the purchase of new and existing housing.

[For text of subs 3 to 6, see M.S.1994]

History: 1995 c 167 s 5

462C.12 MINNEAPOLIS/ST. PAUL HOUSING FINANCE BOARD; POWERS; JURISDICTION.

[For text of subd 1, see M.S.1994]

Subd. 2. Powers. The board is granted the following powers:

(a) The board may issue obligations and other forms of indebtedness under this section, subject to the terms and conditions set forth in the joint powers agreement, as may be from time to time amended.

(b) The board is authorized to exercise the powers conferred upon the cities of Minneapolis and St. Paul and their designated housing and redevelopment authorities, or the powers of an agency exercising the powers of a housing and redevelopment authority by this chapter and chapter 462 and any other general or special law of the state of Minnesota relating to housing or housing finance. The powers which may be exercised by the board include, without limitation, the power to undertake and implement projects, developments, or programs, the power to issue and sell obligations and other forms of indebtedness payable exclusively from the revenues of the programs, projects, or developments undertaken by the board, or any of the powers the Minnesota housing finance agency may exercise under chapter 462A, provided that the obligations and other forms of indebtedness may be sold upon terms and conditions as the board may from time to time determine. The board may exercise the powers conferred by this section only with respect to projects, programs, or developments within the corporate limits of the cities of Minneapolis and St. Paul, except as may be otherwise provided in a joint powers agreement entered into under section 471.59 between the board and any other city, housing and redevelopment authority, port authority or economic development authority established under sections 469.090 to 469.108 in the state of Minnesota.

[For text of subs 3 and 4, see M.S.1994]

History: 1995 c 186 s 79