

A bill for an act
relating to the city of Crystal; authorizing creation of a housing development
account.

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

Section 1. **CITY OF CRYSTAL; HOUSING ACTIVITIES.**

Subdivision 1. **Deposits in account.** The Crystal Economic Development Authority
may deposit in the housing development account all tax increment revenues derived from
housing replacement districts numbers one and two for the duration of those districts
under Laws 1995, chapter 264, article 5, sections 44 to 47. Amounts in the account may
be expended for housing activities in accordance with this section.

Subd. 2. **Permitted housing activities.** For the purposes of this section, housing
activities:

(1) may include rehabilitation, acquisition, demolition, and financing of new or
existing single-family or multifamily housing and public improvements directly related to
such activities and the allocated administrative expenses of the authority;

(2) may be located anywhere in the city without regard to the boundaries of housing
replacement districts numbers one and two or any project area;

(3) must be specified in, and expended in accordance with, a tax increment financing
plan adopted in accordance with Minnesota Statutes, section 469.175, subdivision 5, as
such plan may be amended from time to time; and

(4) must meet the income requirements specified in Minnesota Statutes, section
469.1761.

Subd. 3. **Housing development account.** Tax increment to be expended for housing
activities under this section must be segregated by the Crystal Economic Development

H.F. No. 4004, as introduced - 2007-2008th Legislative Session (2007-2008)

Authority into a special housing development account on its official book and records.
The account may also receive funds from other public and private sources, provided that to
the extent such other funds are maintained in a subaccount segregated from tax increment
revenues, such other funds are not deemed to be tax increment and are not subject to any
limitations of this act that apply to tax increments.

Subd. 4. **Loans from account.** Funds in the housing development account may
be used for housing activities in the form of loans to any person or entity. Minnesota
Statutes, section 469.174, subdivision 25, clause (3), applies to loans made from the
housing development account, unless the loan terms provide that principal and any
accrued interest are payable only at the earlier of maturity, sale, or failure to comply
with Minnesota Statutes, section 469.1761.

Subd. 5. **Reporting.** The reporting requirements of Minnesota Statutes, section
469.175, subdivisions 5 and 6, apply to the housing development account and expenditures
from the account through 2013.

Subd. 6. **Applicability to existing laws.** The duration of housing replacement
districts numbers one and two created by the Crystal Economic Development Authority
and the computation of tax increment in those districts are governed by Laws 1995,
chapter 264, article 5, sections 44 to 47. In all other respects, Laws 1995, chapter 264,
article 5, sections 44 to 47, do not apply to housing replacement districts numbers one and
two or the housing development account. After the effective date of this act, the Crystal
Economic Development Authority may not expand housing replacement districts numbers
one and two or designate any additional parcels in any new housing replacement district
under Laws 1995, chapter 264, article 5, sections 44 to 47.

Subd. 7. **Applicability of other law.** Minnesota Statutes, sections 469.174 to
469.1799, apply to the tax increments deposited in and expended from the housing
development account except to the extent inconsistent with the provisions of this act.

EFFECTIVE DATE. This act is effective upon compliance by the city of Crystal
with Minnesota Statutes, section 645.021.