Minnesota Statutes, Section 382.03, in addition to such salary, they shall receive an automobile allowance in an amount not to exceed \$1200 per member per year.

- Sec. 3. MINNEAPOLIS, CITY OF; ALDERMEN'S AND MAYOR'S SALARIES. Commencing June 1, 1971 the annual salary of the mayor of the city of Minneapolis shall be \$21,800 and the annual salary of each alderman of said city shall be \$16,400. After July 1, 1973, the city council may by resolution adopted prior to July 1, 1973 and prior to the first day of January for each year thereafter, fix the annual salary of the mayor and the annual salary of each alderman. Such salaries shall be paid in the same manner and at the same time as other salaries paid by the city and shall not be increased or diminished during the term for which such officer has been elected.
- Sec. 4. CERTAIN INCOME TO BE DEPOSITED IN THE CITY TREASURY. The mayor and each alderman of the city of Minneapolis shall each month pay to the treasurer of the city of Minneapolis for deposit in the general fund of such city, all fees for attendance at meetings, or other compensation received by him from any board, commission or other body of which he may be a member or may serve because of his position either as mayor or an alderman of the city of Minneapolis.
- Sec. 5. Sections 1 and 2 of this act shall become effective only after their approval by the governing body of the county of Hennepin and upon compliance with the provisions of Minnesota Statutes, Section 645.021.
- Sec. 6. Sections 3 and 4 of this act shall become effective only after their approval by a majority of the governing body of the city of Minneapolis and upon compliance with the provisions of Minnesota Statutes, Section 645.021.

Approved June 4, 1971.

CHAPTER 745—S.F.No.1767

[Coded in Part]

An act relating to municipal housing and redevelopment authorities; empowering such authorities to carry out housing development projects and making other provisions to encourage and facilitate the provision of housing for persons of low and moderate income; making changes with respect to redevelopment projects; amending Minnesota

Statutes 1969, Chapter 462, by adding a section; Sections 462.415, by adding a subdivision; 462.421, Subdivisions 13, 14 and 22, and by adding a subdivision; 462.431; 462.441; 462.445, Subdivision 1; 462.465, Subdivision 1; 462.545, Subdivisions 1, 3 and 6; 462.475, Subdivision 1; 462.581; repealing Minnesota Statutes 1969, Section 462.465, Subdivisions 2 and 3.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1969, Section 462.415, is amended by adding a subdivision to read:

- Subd. 5. MUNICIPAL HOUSING AND REDEVELOPMENT; REVISION. It is hereby found and declared that there is in this state a serious shortage of decent, safe and sanitary housing for persons of low and moderate income and their families. Private enterprise is unable to alleviate such shortage and to provide a substantial supply of decent, safe and sanitary housing without government subsidy at prices or rents within the financial means of persons and families of such incomes. This shortage is inimical to the safety, health, morals and welfare of the residents of this state and to the sound growth and development of its communities. In order to alleviate this shortage there is a need to grant to municipal housing and redevelopment authorities the powers hereinafter provided.
- Sec. 2. Minnesota Statutes 1969, Section 462.421, Subdivision 13, is amended to read:
- "Redevelopment project" shall mean any work or Subd. 13. undertaking: (1) to acquire blighted areas and other real property for the purpose of removing, preventing, or reducing blight, blighting factors, or the causes of blight; (2) to acquire open or undeveloped land which is determined to be blighted by virtue of conditions of unusual and difficult physical characteristics of the ground; or the existence of faulty planning characterized by the subdivision or sale of lots laid out in disregard of the contours or of irregular form and shape or of inadequate size; or a combination of these or other conditions which have prevented normal development of the land by private enterprise and have resulted in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare, provided that a redevelopment plan has been adopted which provides for the elimination of these conditions thereby making the land useful and valuable for contributing to the public health, safety and welfare and provided that the. acquisition of the land is necessary to carry out the redevelopment plan. This particular subsection (2) shall also apply to redevelopment projects previously initiated and which have been approved by the governing body of the municipality.

- (3) To acquire land or space which is vacant, unused, underused or inappropriately used, including infrequently used rail yards and rail storage facilities, and excessive or vacated railroad rights-of-way; air rights over streets, expressways, railroads, waterways, and similar locations; land which is occupied by functionally obsolete nonresidential buildings or is used for low utility purposes or is covered by shallow water or is subject to periodic flooding or consists of unused or underused slips or dock areas or other waterfront property; which land or space the authority determines may be developed at a cost reasonably related to the public purpose to be served without major residential clearance activities, and with full consideration of the preservation of beneficial aspects of the urban and natural environment, for such uses as are consistent with emphasis on housing for low and moderate income families including the provision of schools, hospitals, parks and other essential public facilities and where appropriate all uses associated with new community development programs as defined in The United States Urban Growth and New Community Development Act of 1970 as the same may be amended or supplemented from time to time or similar large scale undertakings related to inner city needs, including concentrated sources of employment.
- -(3) (4) To clear any areas acquired and install, construct or reconstruct streets, utilities, and site improvements essential to the preparation of sites for uses in accordance with the redevelopment plan;
- -(4) (5) To sell or lease land so acquired for uses in accordance with the redevelopment plan; or
- (5) (6) To accomplish a combination of the foregoing to carry out a redevelopment plan.

The term "redevelopment project" shall also mean a redevelopment project heretofore initiated as then provided by law and approved by the governing body of the municipality prior to July 1, 1951, as prescribed by Minnesota Statutes 1949, Section 462.521.

The term "redevelopment project" also may be applied to the preparation of a redevelopment plan and to the initiation, planning, survey and other administrative costs of a redevelopment project and also to the preparation of technical and financial plans and arrangements for buildings, structures, and improvements and all other work in connection therewith.

The term "redevelopment" and the term "redevelopment project" shall also include "urban renewal" and "urban renewal project". The term "urban renewal project" may include undertakings and activities for the elimination (and for the prevention of the development or spread) of slums or blighted, deteriorated, or deteriorating

areas and may involve any work or undertaking for such purpose constituting a redevelopment project or any rehabilitation or conservation work, or any combination of such undertaking or work. For this purpose, "rehabilitation or conservation work" may include (1) carrying out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements; (2) acquisition of real property and demolition, removal, or rehabilitation of buildings and improvements thereon where necessary to eliminate unhealthful, unsanitary or unsafe conditions, lessen density, reduce traffic hazards, eliminate obsolete or other uses detrimental to the public welfare, or to otherwise remove or prevent the spread of blight or deterioration, to promote historic and architectural preservation, or to provide land for needed public facilities; (3) installation, construction, or reconstruction of streets, utilities, parks, play-grounds, and other improvements necessary for carrying out the objectives of the urban renewal project; and (4) the disposition, for uses in accordance with the objectives of the urban renewal project, of any property or part thereof acquired in the area of such project; provided that such disposition shall be in the manner prescribed in this act for the disposition of property in a redevelopment project area; (5) relocation within or outside the project area of structures which will be restored and maintained for architectural or historic purposes; (6) restoration of acquired properties of historic or architectural value; and (7) construction of foundations and platforms necessary for the provision of air rights sites.

- Sec. 3. Minnesota Statutes 1969, Section 462.421, Subdivision 14, is amended to read:
- Subd. 14. "Project" means a housing project , a housing development project or a redevelopment project, or both any combination of such projects. The term "project" also may be applied to all real and personal property, assets, cash, or other funds, held or used in connection with the development or operation of the housing project , housing development project or redevelopment project, as the case may be.
- Sec. 4. Minnesota Statutes 1969, Section 462.421, is amended by adding a subdivision to read:
- Subd. 25. "Housing development project" means any work or undertaking to provide housing for persons of moderate income and their families. Such work or undertaking may include the planning of building and improvements, the acquisition of real property which may be needed immediately or in the future for housing purposes, the construction, reconstruction, alteration and repair of new or existing buildings and the provisions of all equipment, facilities and other real or personal property for necessary, convenient or desirable appurtenances, streets, sewers, water service, utilities, site preparation, landscaping, administrative, community health, recreation or welfare or other purposes.

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- Sec. 5. Minnesota Statutes 1969, Section 462.421, Subdivision 22, is amended to read:
- Subd. 22. "Veterans" means persons who have served in the military or naval forces of the United States during World War I, World War II, or who have had active service therein on and after June 27, 1950, and prior to the final cessation of hostilities as proclaimed by proper federal authority, and who shall have been discharged or released therefrom under conditions other than dishonorable; falling within the definition of "veteran" in Minnesota Statutes, Section 197.447, provided, however, an authority is authorized to include in any contract with the federal government provision for veterans' preferences, servicemen's preferences and other preferences with respect to veterans and servicemen as may be required by any federal law or regulation as a condition of federal financial assistance for a project.
- Sec. 6. Minnesota Statutes 1969, Section 462.441, is amended to read:
- 462.441 POWERS; QUORUM; OFFICERS; MEETING; COMPENSATION; EXPENSES. The powers of each authority shall be vested in the commissioner commissioners thereof in office at any time; a majority of whom shall constitute a quorum for all purposes. Each authority shall select a chairman and a secretary from among its commissioners and shall adopt such bylaws and other rules for the conduct of its affairs as it deems appropriate. The regular meetings of an authority shall be held in a fixed place and shall be open to the public. Each commissioner shall be entitled to receive necessary expenses, including traveling expenses, incurred in the performance of his duties. Each commissioner may be paid for attending meetings of the authority, regular and special \$25 per meeting, the aggregate of all payments to each such commissioner for any one year not to exceed, however, \$1,000 \$1,500.
- Sec. 7. Minnesota Statutes 1969, Section 462.431, is amended to read:
- 462.431 INTEREST IN PROJECT FORBIDDEN. No commissioner or employee of an authority shall acquire any interest, direct or indirect, in any project or in any property included or planned to be included in any project, nor shall he have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used in connection with any project, provided an authority shall not be prohibited from employing any of its public housing tenants, from providing housing in any of its housing projects to any of its employees who may qualify for such public housing, nor from selling to an employee a residence financed under Section 235 of the National Housing Act, Section 507 of the Housing and Urban Redevelopment Act of 1965, or similar programs for

Changes or additions indicated by <u>underline</u>, deletions by <u>strikeout</u>.

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housing for low or moderate income families. This section shall not apply to the deposit of any funds of an authority in any bank in which a member of an authority shall have an interest if such funds are deposited and protected in accordance with Minnesota Statutes 1949, Chapter 118. If any commissioner or employee of an authority previously owned or controlled an interest, direct or indirect, in any property included or planned to be included in any project, or presently has such interest, he immediately shall disclose such interest in writing to the authority, and such disclosure shall be entered upon the minutes of the authority. Whoever violates any provision of this section shall be punished by a fine of not less than \$50 nor more than \$1,000, or by imprisonment for not more than three months, or both.

- Sec. 8. Minnesota Statutes 1969, Section 462.445, Subdivision 1, is amended to read:
- 462.445 POWERS, DUTIES. Subdivision 1. SCHEDULE OF POWERS. An authority shall be a public body corporate and politic and shall have all the powers necessary or convenient to carry out the purposes of sections 462.415 to 462.711 (but not the power to levy and collect taxes or special assessments except as provided in sections 462.515 to 462.545 with respect to redevelopment projects only) including the following powers in addition to others granted in these sections:
- (1) To sue and be sued; to have a seal, which shall be judicially noticed, and to alter the same at pleasure; to have perpetual succession; and to make, and from time to time to amend and repeal, rules and regulations not inconsistent with these sections;
- (2) To employ an executive director, technical experts, and such officers, agents, and employees, permanent and temporary, as it may require, and determine their qualifications, duties, and compensation; for such legal services as it may require, to call upon the chief law officer of the municipality or to employ its own counsel and legal staff; so far as practicable, to use the services of local public bodies, in its area of operation, such local public bodies, if requested, to make such services available;
- (3) To delegate to one or more of its agents or employees such powers or duties as it may deem proper;
- (4) Within its area of operation to undertake, prepare, carry out, and operate projects and to provide for the construction, reconstruction, improvement, extension, alteration, or repair of any project or part thereof;
- (5) Subject to the provisions of section 462.511, to give, sell, transfer, convey, or otherwise dispose of real or personal property or

any interest therein and to execute such leases, deeds, conveyances, negotiable instruments, purchase agreements, and other contracts or instruments, and take such action, as may be necessary or convenient to carry out the purposes of these sections;

- (6) Within its area of operation to acquire real or personal property or any interest therein by gifts, grant, purchase, exchange, lease, transfer, bequest, devise, or otherwise, and by the exercise of the power of eminent domain, in the manner provided by Minnesota Statutes 1945, Chapter 117, and any amendments thereof or supplements thereto, to acquire real property which it may deem necessary for its purposes under these sections, after the adoption by it of a resolution declaring that the acquisition of the real property is necessary to eliminate one or more of the conditions found to exist in the resolution adopted pursuant to section 462.425—or found to exist by section 1 of this act, or is necessary to carry out a redevelopment project as defined in section 462.421, subdivision 13;
- (7) Within its area of operation to determine the level of income constituting moderate family income. Such income level shall be that level below which there is not available within the area of operation a substantial supply of decent, safe and sanitary housing provided by private enterprise without subsidy at prices or rents within the financial means of persons and families of such incomes. The authority may establish various income levels for various family sizes. In making its determination the authority may consider income levels which may be established by the federal housing administration or a similar or successor federal agency for the purpose of federal loan guarantees or subsidies for persons of low or moderate income. The authority may use such determination as a basis for the maximum amount of income for admissions to housing development projects owned or operated by it;
- (8) To provide in federally assisted projects such relocation payments and assistance as may be necessary to comply with the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and any amendments or supplements thereto.
- Sec. 9. Minnesota Statutes 1969, Section 462.465, Subdivision 1, is amended to read:
- 462.465 LOW RENT HOUSING. Subdivision 1. PRELIMINARY RESEARCH; APPROVAL BY MUNICIPALITY. An authority shall not initiate any low rent housing project, and shall not enter into any contract with respect thereto, until it has made findings, after an analysis of the local housing market, (1) that there is need for such low rent housing which cannot be met by private enterprise and (2) that a gap of at least 20 percent has been left between the upper shelter rental limits for admission to the proposed low rent housing

and the lowest shelter rents at which private enterprise is providing (through new construction and existing structures) a substantial supply of decent, safe and sanitary housing; and unless the governing body of the municipality has by resolution affirmed those findings of the authority and approved the provision of that low rent housing project, and unless the provision of public-low-rent housing projects has been approved by the voters of the municipality as provided in subdivision 2; provided however that this subdivision shall not be applicable to any public low rent housing projects for which financial assistance is provided by the federal government or any agency or instrumentality thereof, and which does not require any direct loan or grant of money from the municipality as a condition of a federal financial assistance. An authority shall not make any contract with the federal government or any agency thereof for a low rent housing project unless the governing body of the municipality has by resolution approved the provision of that low rent housing project.

Sec. 10. Minnesota Statutes 1969, Chapter 462, is amended by adding a section to read:

[462.466] HOUSING DEVELOPMENT PROJECTS. Before carrying out a housing development project an authority must find that the project is necessary to alleviate a shortage of decent, safe and sanitary housing for persons of moderate income and their families as such income is determined by the authority pursuant to section 462.445, subdivision 1. No housing development project involving the use of the power of eminent domain shall be carried out by an authority without the prior approval of the governing body of the municipality in which the project is located. A housing development project or any interest therein may be sold or leased to private developers by sale or lease before, during or after the completion of construction of improvements thereon. Such sale or lease shall be in accordance with the provisions of section 462.525, subdivisions 2, 5 and 7, except that the provisions thereof requiring conformance to a redevelopment plan shall not be applicable. Such sale or lease may be made for other than housing purposes if the authority finds that changed circumstances arising subsequent to the acquisition of the project make a sale or lease for housing purposes inappropriate.

Sec. 11. Minnesota Statutes 1969, Section 462.545, Subdivision 1, is amended to read:

462.545 PUBLIC REDEVELOPMENT COST; PROCEEDS; FINANCING. Subdivision 1. FINANCING PLANS AUTHORIZED. The cost of a-redevelopment project, including administrative expense of the authority allocable to the project and debt charges, shall be known as the public redevelopment cost. The proceeds from the sale or lease of property in a-redevelopment area project shall be known as the capital proceeds. Since it is the purpose of this act that authorities will sell or lease or retain the land in the redevelopment

area, in whole or in part, for a variety of purposes, including private housing for upper or middle-income groups, public housing for low-income groups, commercial and other purposes, at its fair use value, which may be less than the public redevelopment cost, the capital proceeds from land sold may pay back only a portion of the public redevelopment cost. For the purpose of carrying out the provisions of sections 462.515 to 462.45, including the defrayment of the differences between the public redevelopment cost and the capital proceeds, which includes the difference between any annual debt service and the annual administrative expenses of the authority allocable to the project and any annual capital proceeds, an authority may, in its discretion, finance such-redevelopment projects in any one, by any combination of, the following methods, which are also dealt with in sections 462.415 to 462.711.

- Sec. 12. Minnesota Statutes 1969, Section 462.545, Subdivision 3, is amended to read:
- Subd. 3. BOND ISSUE. An authority may issue its bonds or other obligations as provided in sections 462.415 to 462.711; provided, however, that none of the proceeds of such bonds for redevelopment projects and no proceeds or revenues from any redevelopment project shall be used to pay the bonds or costs of or make contributions or leans to any low-rent housing-project.
- Sec. 13. Minnesota Statutes 1969, Section 462.545, Subdivision 6, is amended to read:
- Subd. 6. OPERATION AREA AS TAXING DISTRICT, SPE-CIAL TAX. All of the territory included within the area of operation of any authority shall constitute a taxing district for the purpose of levying and collecting special benefit taxes for redevelopment purposes as provided in this subdivision. All of the taxable property, both real and personal, within that taxing district shall be deemed to be benefited by-redevelopment projects to the extent of the special taxes levied under the provisions hereof. Subject to the consent by resolution, of the governing body of the municipality in and for which it was created, an authority is authorized to levy in each year a special tax upon all property, both real and personal, within that taxing The authority shall cause the tax so levied each year to be certified to the auditor of the county in which the taxing district is located on or before October 10 in each year. Such tax so levied and certified shall be extended, spread, and included with and as a part of the general taxes for state, county, and municipal purposes, by the county auditor, to be collected and enforced therewith, together with the penalty, interest, and costs, and as such tax (including any penalties, interest, and costs) is collected by the county treasurer it shall be accumulated and kept in a separate fund to be known as the "Housing and Redevelopment Project Fund" and shall be turned over to the authority at the same time and in the same manner that the

tax collections for the municipality are turned over to the municipality, and shall be expended and applied for the purpose purposes of the redevelopment provisions of sections 462.411 to 462.711, and for no other purpose whatsoever. It shall be paid out upon vouchers signed by the chairman of the authority or his duly authorized representa-The amount of such special tax levy shall be an amount tive. approved by the governing body of the municipality, but shall not exceed ten cents on each \$100 of taxable valuation in the area of operation, except in cities of the first class having a population of less than 200,000, the special tax levy shall not exceed five cents on each \$100 of taxable valuation in the area of operation. The authority is authorized to levy in the manner specified in this subdivision 6 an additional levy, not to exceed one cent on each \$100 of taxable valuation in the area of operation, said levy to be used to defray costs of providing informational service and relocation assistance as set forth in section 462.445, subdivision 4. The authority shall each year formulate and file a budget in accordance with the budget procedure of the municipality in the same manner as required of executive departments of the municipality or, if no budgets are required to be filed, on or before August first, and the amount of the tax levy for the following year shall be based on that budget and shall be approved by the governing body.

- Sec. 14. Minnesota Statutes 1969, Section 462.475, Subdivision 1, is amended to read:
- 462.475 RENTALS, TENANT ADMISSIONS. Subdivision 1. AUTHORITY, POWERS, DUTIES. In the operation or management of housing projects an authority shall at all times observe the following duties with respect to rentals and tenant admissions.
- (1) It may rent or lease the dwelling accommodations therein only to persons of low income and at rentals within the financial reach of such persons of low income;
- (2) It may rent or lease to a tenant dwelling accommodations consisting of the number of rooms (but no greater number) which it deems necessary to provide safe and sanitary accommodations to the proposed occupants thereof, without overcrowding; and
- (3) An authority in its operations within a municipality shall not accept any families as tenants in any housing project if the families who occupy the dwelling accommodations have an aggregate annual net income at the time of admission—less an exemption of \$100 for each minor and adult dependent member other than the head of the family and his spouse or in the discretion of the authority an exemption of \$600 of income of each such minor or adult member other than the principal income recipient, from all sources of each member of the family residing in the household who is at least 18 years of age, excepting nonrecurring income, as determined by the

authority, and the income of full-time students, and less an exemption equal to the sum of (i) \$300 for each dependent, (ii) \$300 for each secondary wage earner, (iii) 5 percent of the family's gross income (10 percent in the case of elderly individuals or families), and (iv) extraordinary medical expenses or other expense resulting from unusual circumstances as determined by the authority, in excess of five times the annual rental of the quarters to be furnished such family, and, in computing the rental for the purpose of this section. there shall be included in the rental the average annual cost (as determined by the authority) to occupants of heat, water, electricity, gas, cooking fuel, and other necessary services or facilities, whether or not the charge for such services and facilities is included in the rental, provided, that an authority may adopt as its maximum net income for admission of families any maximum which is less than either: (a) the maximum net family income computed under this subdivision; or (b) the maximum net family income determined pursuant to section 462.491.

- Sec. 15. Minnesota Statutes 1969, Section 462.581, is amended to read:
- 462.581 MUNICIPALITY, POWERS AS TO PROJECTS. For the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of housing and redevelopment projects of housing authorities located within the area in which an authority is authorized to act, any state public body may upon such terms, with or without consideration, as it may determine:
- (1) Dedicate, sell, convey, or lease any of its interests in any property, or grant easements, licenses, or any other rights or privileges therein to an authority. Except in cities of the first class having a population of less than 200,000, the public body may pay the bonds of or make loans or contributions for redevelopment projects, and the receipt or expenditure of any moneys expended hereunder by such state public body shall not be included within the definition of any limitation imposed on per capita taxing or spending in the charter of such state public body; provided that no state public body may use any revenues or money of that state public body to pay the bonds of or make any loans or contributions to any public housing project; except that,
- (i) This proviso shall not be applicable to any public low-rent housing project for which financial assistance is provided by the federal government or any agency or instrumentality thereof which requires a municipality or other local public body to use its revenues or money for a direct loan or grant to such project as a condition for federal financial assistance where such local financial assistance for such project is authorized by a vote of the people on a referendum on the question conducted in accordance with referendum requirements of section 462.465, subdivision 2.

- (2) Cause parks, playgrounds, recreational, community, education, water, sewer or drainage facilities, or any other works which it is otherwise empowered to undertake, to be furnished adjacent to or in connection with such projects;
- (3) Approve (through its governing body or through an agency designated by it for the purpose) redevelopment plans, plan or replan, zone or rezone its parks; in the case of a city or town, make changes in its map; the governing body of any municipality may waive any building code requirements in connection with the development of projects;
- (4) Cause services to be furnished to the authority of the character which it is otherwise empowered to furnish;
- (5) Enter into agreements with respect to the exercise by it of its powers relating to the repair, closing, or demolition of unsafe, unsanitary or unfit buildings;
- (6) Do any and all things necessary or convenient to aid and cooperate in the planning, undertaking, construction, or operation of such projects;
- (7) Incur the entire expense of any public improvements made by it in exercising the powers granted in sections 462.415 to 462.711; and
- (8) Enter into agreements (which may extend over any period, notwithstanding any provision or rule of law to the contrary) with an authority respecting action to be taken by the state public body pursuant to any of the powers granted by sections 462.415 to 462.711.

Sec. 16. Minnesota Statutes 1969, Section 462.465, Subdivisions 2 and 3, are repealed.

Approved June 4, 1971.

CHAPTER 746—S.F.No.1826

[Not Coded]

An act relating to the town of Duluth; conferring certain village powers.

Be it enacted by the Legislature of the State of Minnesota: