

conveyed the interest in subdivided lands offered for disposition if the purchaser complies with the terms of the offer and when appropriate, that release clauses, conveyances in trust or other safeguards have been provided;

(21) Any additional information which the commissioner may by rule require for the protection of purchasers.

Sec. 4. Minnesota Statutes, 1973 Supplement, Section 83.23, Subdivision 4, is amended to read:

Subd. 4. If additional subdivided lands of the same subdivider are subsequently to be offered for disposition, the registration thereof may be consolidated with any earlier registration offering subdivided lands for disposition under the same promotional plan, if the additional subdivided lands are adjacent to those previously registered. An application for consolidation shall be accompanied by an amendment fee of \$50. The filing fee requirements of subdivision 2 of this section shall apply unless the maximum filing fee has been previously paid.

Sec. 5. Minnesota Statutes, 1973 Supplement, Section 83.30, Subdivision 1, is amended to read:

[83.30] ANNUAL REPORT. Subdivision 1. Within 30 days after each annual anniversary date of an order registering subdivided lands, the subdivider shall file a report in the form prescribed by rule of the commissioner. Every annual report shall be accompanied by a fee of \$100.

Sec. 6. Minnesota Statutes, 1973 Supplement, Section 83.38, is amended by adding a subdivision to read:

Subd. 3. For the purpose of rules and forms, the commissioner may by rule classify subdivisions, persons and matters within his jurisdiction, and prescribe different requirements for different classes.

Sec. 7. This bill is effective the day following final enactment.

Approved April 10, 1974.

CHAPTER 441—H.F.No.2950
[Coded in Part]

An act relating to the Minnesota housing finance agency; revising limitations upon agency bonds and notes; providing for rehabilitation loans and grants; appropriating money; amending Minnesota Statutes 1971, Sections 462A.02, Subdivisions 3, 6, and by adding a subdivision; 462A.03, by adding a subdivision; 462A.04, Subdivision 1; 462A.05, by adding subdivisions; 462A.07, Subdivisions 2, 3, 10, and by

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adding subdivisions; 462A.20, by adding a subdivision; 462A.21, Subdivisions 1 and 5, and by adding a subdivision; Minnesota Statutes, 1973 Supplement, Sections 462A.03, Subdivisions 9 and 11; 462A.06, Subdivision 11; 462A.08, Subdivision 1; 462A.21, Subdivisions 2, 3, 4, and by adding a subdivision; and 462A.22, Subdivision 1.

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

Section 1. Minnesota Statutes 1971, Section 462A.02, Subdivision 3, is amended to read:

Subd. 3. HOUSING FINANCE AGENCY; BOND AND NOTES; LOANS AND GRANTS. It is further declared that continuing present patterns of providing housing in the state will limit the ability of the private building industry and the investment industry to produce, without assistance, the needed construction of sanitary, decent and safe residential dwellings at prices or rentals which persons and families of low and moderate income can afford, ~~and~~ will result in a failure to provide sufficient long term mortgage financing for housing for low and moderate income families, and will not assure that additional housing will be provided in sufficient quantity in the areas of need and demand

Sec. 2. Minnesota Statutes 1971, Section 462A.02, Subdivision 6, is amended to read:

Subd. 6. It is further declared that it is a valid public purpose to construct housing for low and moderate income families who would otherwise be unable to obtain adequate housing at prices or rentals they could afford, to encourage such construction in the areas of need and demand with a reasonable balance between non-metropolitan and metropolitan areas of the state, and to assist in the elimination of substandard housing conditions and to prevent the recurrence of such conditions by housing persons of varied economic means and a wide range of incomes in the same developments and neighborhoods properly planned and related to public facilities and sources of employment and services and to provide the necessary powers to accomplish these public purposes.

Sec 3. Minnesota Statutes 1971, Section 462A.02, is amended by adding a subdivision to read:

Subd. 8. It is further found and declared that many residential dwellings occupied by persons and families of low and moderate income do not conform to building, housing maintenance, fire, health or other state, county and city codes and standards applicable to housing; that many have a market value substantially below the market value that they would have if rehabilitated; that many are substantially less desirable to live in than they would be if rehabilitated; that many are substantially defective or are inadequate for the number of persons oc-

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cupying them; that many are uninsurable because of fire risks; that many owners of such dwellings cannot afford to make the needed repairs and improvements without expending more than a reasonable portion of their income for housing, and some are unable to afford any additional amount for housing; and that existing private and public means of enterprise and investment cannot provide financing or assistance on terms and conditions within the means of many such owners. These conditions are adverse to the safety, health, and welfare of the citizens of the state, and contrary to the public policy of preventing and eliminating blight in urban and rural areas. The rehabilitation of such housing is more economical and less disruptive than replacement and the relocation of the occupants. It is therefore a valid public purpose for the state to preserve and promote the safety, health, and welfare of its citizens by exercise of the powers granted to the Minnesota housing finance agency in this chapter.

Sec. 4. Minnesota Statutes, 1973 Supplement, Section 462A.03, Subdivision 9, is amended to read:

Subd. 9. "Housing development fund" and "bond funds" ~~mean~~ means the funds which may be created and fund established in accordance with sections by section 462A.20 and 462A.22, respectively . "Bond fund" means any fund or funds established by the agency for the disposition of the proceeds of its bonds or notes issued as authorized in sections 462A.08 to 462A.17 and any debt service reserve fund established for the security of bonds or notes pursuant to section 462A.22.

Sec. 5. Minnesota Statutes, 1973 Supplement, Section 462A.03, Subdivision 11, is amended to read:

Subd. 11. "Eligible loan" means any mortgage loan, construction loan, rehabilitation loan, or other loan, whether or not federally insured, granted by the agency to an eligible mortgagor.

Sec. 6. Minnesota Statutes 1971, Section 462A.03, is amended by adding a subdivision to read:

Subd. 15. "Rehabilitation" means the repair, reconstruction, or improvement of existing residential housing with the object of making such residential housing decent, safe, sanitary and more desirable to live in, of greater market value or in conformance with state, county, or city health, housing, building, fire prevention, and housing maintenance codes and other public standards applicable to housing, as determined by the agency.

Sec. 7. Minnesota Statutes 1971, Section 462A.04, Subdivision 1, is amended to read:

462A.04 HOUSING FINANCE AGENCY. Subdivision 1. There is created a public body corporate and politic to be known as the "Min-

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nesota Housing Finance Agency." The agency shall consist of the state planning director, state auditor, and ~~three~~five public members appointed by the governor with advice and consent of the senate for terms of four years commencing on the dates their predecessors' terms expire; provided, that the first ~~three~~ public members appointed by the governor shall serve terms of ~~two, three and four~~ years as designated by the governor expiring on January 1, 1973, 1974, and 1975, ~~1976, and 1977~~, respectively. No more than two public members shall reside in the area of jurisdiction of the metropolitan council as provided in Minnesota Statutes, Section 483B.02, Subdivision 1, and no more than one public member shall reside in any one of the development regions established under the provisions of Minnesota Statutes, Section 462.381 to 462.396. Each member shall hold office until his successor has been appointed and has qualified. A certificate of appointment or reappointment of any member shall be conclusive evidence of the due and proper appointment of the member.

Sec. 8. Minnesota Statutes 1971, Section 462A.05, is amended by adding a subdivision to read:

Subd. 14. It may agree to purchase, make, or otherwise participate in the making, and may enter into commitments for the purchase, making, or participation in the making, of eligible loans for rehabilitation to persons and families of low and moderate income, and to sponsors of existing residential housing for occupancy by such persons and families, for the rehabilitation of existing residential housing owned by them. Such loans may be insured or uninsured and may be made with such security, or may be unsecured, as the agency deems advisable. They may be made in amounts sufficient to refinance existing indebtedness secured by the property, if such refinancing is determined by the agency to be necessary to permit the owner to meet his housing cost without expending an unreasonable portion of his income thereon. No loan for rehabilitation shall be made unless the agency determines that such loan will be used primarily to make the housing more desirable to live in, to increase the market value of the housing or for compliance with state, county or municipal building, housing maintenance, fire, health or similar codes and standard applicable to housing. In unincorporated areas and municipalities not having such codes and standards, the agency may, solely for the purpose of administering the provisions of this act, establish such codes and standards. No loan for rehabilitation of any property shall be made in an amount which, with all other existing indebtedness secured by the property, would exceed its market value, as determined by the agency. No loan for rehabilitation of owner occupied residential housing shall be denied solely because the loan will not be used for placing such residential housing in full compliance with all state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing. Rehabilitation loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part, from private lenders upon equivalent terms and conditions.

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Sec. 9. Minnesota Statutes 1971, Section 462A.05, is amended by adding a subdivision to read:

Subd. 15. It may make grants to persons and families of low and moderate income to pay or to assist in paying a loan made pursuant to section 8, or to rehabilitate or to assist in rehabilitating existing residential housing owned or occupied by such persons or families. For the purposes of this section, persons of low and moderate income include administrators appointed pursuant to Minnesota Statutes, 1973 Supplement, Section 566.25, Clause (c). No such grant shall be made unless the agency determines that such grant will be used primarily to make the housing more desirable to live in, to increase the market value of the housing or for compliance with state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing. In unincorporated areas and municipalities not having such codes and standards, the agency may, solely for the purpose of administering this provision, establish such codes and standards. No grant for rehabilitation of owner occupied residential housing shall be denied solely because the grant will not be used for placing such residential housing in full compliance with all state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing. The amount of any such grant shall not exceed the lesser of (a) \$5,000, or (b) the actual cost of the work performed, or (c) that portion of the cost of rehabilitation which the agency determines cannot otherwise be paid by such person or family without spending an unreasonable portion of the income of such person or family thereon. In making such grants, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion thereof will be repaid and shall determine the appropriate security should such repayment be required.

Sec. 10. Minnesota Statutes 1971, Section 462A.05, is amended by adding a subdivision to read:

Subd. 16. (a) It may make payments or expenditures from the housing development fund to persons of low or moderate income, who are recipients of an eligible loan as defined in this act, or who have purchased residential housing from a recipient of such eligible loan, and who are owners and occupants of residential housing constructed or rehabilitated under this act, when, in the agency's determination, such residential housing contains defects or omissions which affect the structural soundness, or the use and the livability of such housing, including but not limited to defects or omissions in materials, hardware, fixtures, design, workmanship and landscaping of whatever kind and nature incorporated in said housing and which are covered by an agency approved warranty, for the purposes of (i) correcting such defects, or (ii) paying the claims of the owner arising from such defects, provided, that this authority shall exist only if the owner has requested assistance from the agency not later than four years after the issuance of the eligible loan, or where such residential housing was rehabilitated

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under this act only if the owner has requested assistance from the agency not later than two years after the issuance of the eligible loan.

(b) If such owner elects to receive payments or expenditures pursuant to this section, the agency is subrogated to the right of such owner to recover damages against any party or persons reasonably calculated to be responsible for such damages.

(c) The agency may require from the seller of such residential housing, or the contractor responsible for the construction or rehabilitation of such housing, an agreement to reimburse the agency for any payments and expenditures made pursuant to this subdivision with respect to such residential housing.

Sec. 11. Minnesota Statutes, 1973 Supplement, Section 462A.06, Subdivision 11, is amended to read:

Subd. 11. It may make and publish rules and regulations respecting its mortgage lending, construction lending, rehabilitation lending, grants, and temporary lending, and any such other rules and regulations as are necessary to effectuate its corporate purpose.

Sec. 12. Minnesota Statutes 1971, Section 462A.07, Subdivision 2, is amended to read:

Subd. 2. It may provide general technical services to assist in the planning, processing, design, construction or rehabilitation, and inspection of residential housing for occupancy by persons and families of low and moderate income.

Sec. 13. Minnesota Statutes 1971, Section 462A.07, Subdivision 3, is amended to read:

Subd. 3. It may provide general consultative project assistance services for residential housing for occupancy by persons and families of low and moderate income and for the residents thereof with respect to management, training and social services, homeownership counseling and continuing technical home maintenance services.

Sec. 14. Minnesota Statutes 1971, Section 462A.07, Subdivision 10, is amended to read:

Subd. 10. It may establish and enforce such rules as may be necessary to insure compliance with chapter 363, and to insure that occupancy of housing assisted under sections 462A.01 to 462A.24 shall be open to all persons regardless of race, religion, sex or age, and ~~that~~ contractors and subcontractors engaged in the construction of such housing ~~assisted by the agency~~, shall provide an equal opportunity for employment to all persons, without discrimination as to race, color, creed, religion or creed, national origin, sex, marital status, age, and status with regard to public assistance or disability.

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Sec. 15. Minnesota Statutes 1971, Section 462A.07, is amended by adding a subdivision to read:

Subd. 12. It may delegate, use or employ any federal, state, regional or local public or private agency or organization, upon such terms as it deems necessary or desirable, to assist in the exercise of any of the powers granted in this act and to carry out the objectives of this act, and may pay for such services from the housing development fund.

Sec. 16. Minnesota Statutes 1971, Section 462A.07, is amended by adding a subdivision to read:

Subd. 13. It may engage in the development and administration of low rent housing, but only if (1) the federal government provides assistance in connection with such housing pursuant to 42 U.S.C. 1401 - 1435, and (2) the applicable county or municipal government body or reservation housing authority has requested the agency to engage in such development and administration. For the purpose of this subdivision, the terms "development", "administration", and "low rent housing" shall have the meanings set forth in 42 U.S.C. 1401 - 1435, as in effect on the date of this act. In the allocation of federal housing assistance funds provided pursuant to this subdivision, the agency shall give priority to programs which increase opportunities for low cost residential housing on or adjacent to the Indian reservations of this state.

Sec. 17. Minnesota Statutes, 1973 Supplement, Section 462A.08, Subdivision 1, is amended to read:

462A.08 BONDS AND NOTES; PURPOSES, TERMS, APPROVAL.
Subdivision 1. The agency from time to time may issue its negotiable bonds and notes in such principal amount as, in the opinion of the agency, shall be necessary to provide sufficient funds for achieving its purposes, including the making of eligible ~~construction loans and mortgage loans~~ and the purchase of eligible securities, the payment of interest on bonds and notes of the agency, the establishment of reserves to secure such bonds and notes, and the payment of all other expenditures of the agency incident to and necessary or convenient to carry out its corporate purposes and powers.

Sec. 18. Minnesota Statutes 1971, Section 462A.20, is amended by adding a subdivision to read:

Subd. 3. Whenever any moneys are appropriated by the state to the agency solely for a specified purpose or purposes, the agency shall establish a separate bookkeeping account or accounts in the housing development fund to record the receipt and disbursement of such moneys and of the income, gain, and loss from the investment and reinvestment thereof.

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Sec. 19. Minnesota Statutes 1971, Section 462A.21, Subdivision 1, is amended to read:

462A.21 HOUSING DEVELOPMENT FUND; ADVANCES, USE REPAYMENT. Subdivision 1. The agency may use the moneys held in the housing development fund for the ~~following~~ purposes provided in this section .

Sec. 20. Minnesota Statutes, 1973 Supplement, Section 462A.21, Subdivision 2, is amended to read:

Subd. 2. ~~To~~ It may make temporary loans to "nonprofit" sponsors to defray development costs, as provided by section 462A.05, subdivision 5. Each such loan shall be repaid in full by the borrower to the agency concurrent with the initial endorsement of such borrower's eligible construction loan, unless the authority extends the period for the repayment of the advances. In no event shall the time of repayment be extended later than the date of the final endorsement of the eligible mortgage loan. If no permanent financing is obtained the loan shall be repaid in accordance with such terms and conditions as the agency has prescribed by rule.

Sec. 21. Minnesota Statutes, 1973 Supplement, Section 462A.21, Subdivision 3, is amended to read:

Subd. 3. ~~To~~ It may make planning grants to local communities, pursuant to rules promulgated by the agency, in such amounts as the agency determines, not to exceed the net costs, exclusive of any federal or other aid or assistance, as are incurred by the local community in planning for land and building acquisition, improvements, renewal, relocation or conservation. Such grants shall be limited to planning for specific sites upon which housing is, or is to be, situated and sites designated for other uses that are reasonably related to such housing.

Sec. 22. Minnesota Statutes, 1973 Supplement, Section 462A.21, Subdivision 4, is amended to read:

Subd. 4. ~~For the payment of~~ It may pay all costs ; and expenses ; ~~and of~~ financing not paid out of a special fund created by a resolution or indenture securing notes or bonds.

Sec. 23. Minnesota Statutes 1971, Section 462A.21, is amended by adding a subdivision to read:

Subd. 4a. It may make rehabilitation grants and expenditures for correction of residential housing defects as provided in sections 9 and 10 of this act.

Sec. 24. Minnesota Statutes 1971, Section 462A.21, Subdivision 5, is amended to read:

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Subd. 5. It may expend moneys in the fund, not otherwise appropriated, for such other agency purposes as previously enumerated in this act as the agency in its discretion shall determine and provide.

Sec. 25. Minnesota Statutes 1971, Section 462A.21, is amended by adding a subdivision to read:

Subd. 6. Notwithstanding the provisions of subdivision 5, the agency shall not expend moneys in the fund for the purpose of making rehabilitation grants except by specific appropriation by the legislature.

Sec. 26. Minnesota Statutes, 1973 Supplement, Section 462A.22, Subdivision 1, is amended to read:

462A.22 **BOND FUND.** Subdivision 1. The aggregate principal amount of bonds and notes which are outstanding at any time, excluding the principal amount of any bonds and notes refunded by the issuance of new bonds or notes, shall not exceed ~~\$150,000,000~~ the sum of:

(a) \$100,000,000 issued for the purpose of providing funds for rehabilitation loans, or refunding bonds or notes issued for this purpose, plus

(b) \$500,000,000 issued for other purposes specified in section 462A.08 .

Sec. 27. The sum of \$....., is appropriated to the Minnesota housing finance agency for the making of rehabilitation grants for residential housing for persons and families of low and moderate income in accordance with the provisions of section 7 of this act, and for the payment of all expenses necessary and incidental to this program. This appropriation is available until the purpose thereof is accomplished.

Sec. 28. The sum of \$1,000,000 is appropriated from the general fund to the Minnesota housing finance agency to be credited to a debt service reserve fund for the security of bonds or notes to be issued to provide funds for rehabilitation loans, or refunding bonds or notes issued for this purpose.

Sec. 29. This bill shall be effective the day following final enactment.

Approved April 10, 1974.

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