

4900.3320 LIMITATIONS ON NEW CONSTRUCTION; METROPOLITAN AREA.

Minnesota Statutes, section 462A.073, limits new construction in the seven-county Twin Cities metropolitan area. The statute allows new housing that is part of a housing affordability initiative that meets one or more of the criteria in items A to F.

A. The program is accepted or designated under the United States Department of Housing and Urban Development (HUD) Affordable Housing Program or any successor program sponsored by HUD to encourage affordable new housing.

B. The program provides that financial resources other than those necessary to complete the mortgage revenue bond sale are applied to reduce the cost of the housing or improve the terms of the mortgage loans provided through the sale. A contribution greater than or equal to five percent of the purchase price of each newly constructed home to be financed with mortgage revenue bond proceeds must be provided to meet this criterion. The contribution may be provided either in whole or in part from federal, state, or local government resources or programs, private foundations, or the Federal Housing Finance Board.

C. The program provides that the applicable local government authority in the jurisdiction in which the new housing is to be constructed takes affirmative steps to relax regulation to result in greater housing affordability. The steps must demonstrably reduce the cost of the housing by at least five percent.

D. The program supports the efforts of housing groups that support self-help or owner built housing initiatives in which at least 15 percent of the labor or materials or both needed to complete the new housing is acquired or donated through the efforts of such groups.

E. The program provides that the new housing is constructed by a nonprofit entity as defined in part 4900.0010, subpart 21, that has as a primary purpose the provision or development of affordable housing to low- and moderate-income homebuyers.

F. The new housing is located on a parcel purchased by the city or conveyed to the city under Minnesota Statutes, section 282.01, subdivision 1.

Statutory Authority: *MS s 14.05; 462A.06*

History: *15 SR 2043; 16 SR 1913; 24 SR 1332*

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