

CHAPTER 462C

MUNICIPAL HOUSING PROGRAMS

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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 upon the following conditions:

- (a) The city develops a housing plan as required by section 462C.03;
- (b) A public hearing is held thereon after one publication of notice in a newspaper circulating generally in the city, at least 30 days before the hearing, after which the plan may be adopted by resolution of the governing body with or without amendment;
- (c) The plan is submitted for review pursuant to section 462C.04, subdivision 1; and
- (d) Each program provided for in the plan is submitted for review pursuant to section 462C.04, subdivision 2.

History: 1979 c 306 s 1; 1982 c 624 s 1

462C.02 DEFINITIONS.

Subdivision 1. For the purposes of sections 462C.01 to 462C.08, the terms defined in this section have the meanings given them.

Subd. 2. "Housing plan" means a plan for an individual city which sets forth the information required by section 462C.03.

Subd. 3. "Program" means an individual component of the housing plan for which one or more issues of revenue bonds or obligations is proposed.

Subd. 4. "Single family housing" means real property and improvements thereon consisting of a one, two, three or four unit dwelling, one unit of which is occupied as a principal residence by the owner of the units, or a unit or an apartment as described in chapter 515 or 515A, or any amendatory or supplemental law, which is owned or to be owned and occupied by one person or family as a principal residence, or a unit in a cooperatively owned group of dwelling units which is occupied as a principal residence. Single family housing may include new construction, or the acquisition and rehabilitation of an existing building and site, or the rehabilitation of and discharge of any interest or lien in an existing building and site.

Subd. 5. "Multifamily housing development" or "development" means an apartment facility, including an apartment described in chapter 515 or 515A or a cooperative, or a group of townhouses, which include four or more dwelling units, each to be rented or sold to or occupied by a person or family for use as a residence, or a building or buildings which include one or more dwelling units, each to be rented by a person or family for use as a residence. A development may include new construction or the acquisition and rehabilitation of an existing building and site or the rehabilitation of and discharge of any interest or lien in an existing building and site.

Subd. 6. "City" means any statutory or home rule charter city, a county housing

and redevelopment authority created by special law or authorized by its county to exercise its powers pursuant to section 462.426, or any public body which (a) is the housing and redevelopment authority in and for a statutory or home rule charter city, the port authority of a statutory or home rule charter city, or an economic development authority of a city established under sections 458C.01 to 458C.23, and (b) is authorized by ordinance to exercise, on behalf of a statutory or home rule charter city, the powers conferred by sections 462C.01 to 462C.10.

Subd. 7. "Adjusted gross income" means gross family income less \$750 for each adult in the family to a maximum of two adults and less \$500 for each other dependent in the family.

Subd. 8. "Rehabilitation" means the improvement of existing single family housing or an existing multifamily housing development to improve the basic livability of the housing or restore it to a decent, safe, and sanitary condition. Improvements may include, without limitation, room additions, renovation, improvement or construction of a garage, repair of sidewalks, and improvements used or useful to conserve energy or to convert or refit an existing residential building for the use of any energy source which does not depend on nuclear fuel or nonrenewable fossil fuel, or which makes available another energy source which is wasted including, without limitation, cogeneration or district heating. Improvements shall not include the construction or improvement of recreational facilities, routine or minor repairs or maintenance, or cosmetic improvements unless coupled with the cure of substantial accumulation of deferred maintenance or other permitted improvements.

Subd. 9. "Targeted area" means

- (a) a development district established pursuant to section 472A.03,
- (b) a development district established pursuant to Laws 1971, chapter 677 as amended,
- (c) a redevelopment project established pursuant to section 462.521,
- (d) an industrial development district established pursuant to section 458.191,
- (e) a census tract in which 70 percent or more of the families have income which is 80 percent or less of the statewide median family income as estimated by the United States Department of Housing and Urban Development,
- (f) an area of chronic economic distress designated by the Minnesota housing finance agency, or
- (g) an economic development district established pursuant to section 458C.14.

Subd. 10. "Mortgage credit certificate" means any certificate which satisfies the definition of such term as contained in section 25(c)(1) of the Internal Revenue Code of 1954, as amended through July 18, 1984.

Subd. 11. "Qualified mortgage credit certificate program" means any program which satisfies the definition of such term as contained in section 25(c)(2) of the Internal Revenue Code of 1954, as amended through July 18, 1984.

History: 1979 c 306 s 2; 1982 c 624 s 2-6; 1Sp1985 c 14 art 8 s 21,22; 1986 c 399 art 2 s 35,36; 1986 c 400 s 35,36; 1986 c 465 art 2 s 11; 1Sp1986 c 3 art 2 s 41

462C.03 CITY HOUSING PLAN.

Subdivision 1. The housing plan shall at a minimum set forth:

- (a) the housing needs of the city and the data demonstrating those needs;
- (b) the plan of the city to meet identified housing needs, and the specific methods to be used to carry out the plan;
- (c) target areas, if any, of the city for each method;
- (d) a general description of the program or programs to be implemented to meet the housing needs identified in the plan;
- (e) methods for monitoring the implementation by participants to insure that the programs will be consistent with the plan and its objectives; and

(f) the administrative capacity of the city to monitor and supervise housing finance programs.

Subd. 1a. In addition to the requirements provided in subdivisions 2 and 3, if applicable, each program to be developed and administered by a city under a housing plan shall, at a minimum, set forth:

(a) a general description of the program;

(b) a designation of the geographic location to which the program will be limited;

(c) in the case of a program for single family housing, the number and qualifications of lenders eligible to participate in the program;

(d) in the case of a program for single family housing, the estimated amount of mortgage or rehabilitation loans to be made or purchased in the program;

(e) the estimated amounts and timing of the sale of revenue bonds required to finance the program, including the funding of appropriate reserves, and paying costs of issuance;

(f) methods for monitoring the implementation by participants to insure that the program will be consistent with the plan and its objectives;

(g) the portion, if any, of the state ceiling for qualified mortgage bonds needed for the program;

(h) an analysis of how the program will meet the needs of low and moderate income families; and

(i) for mortgage credit certificate programs the program shall additionally set forth, or contain as an exhibit, the following:

(1) the range of credit certificate rates to be used and how the rates are assigned to certificate recipients;

(2) the nonissued bond amount as that term is used in section 25(d)(2)(B) of the Internal Revenue Code of 1954, as amended through July 18, 1984;

(3) the form used to elect under section 25(c)(2)(A)(ii) of the Internal Revenue Code of 1954, as amended through July 18, 1984;

(4) the plan submitted to the secretary of the treasury pursuant to section 25(d)(3) of the Internal Revenue Code of 1954, as amended through July 18, 1984; and

(5) how the city will ensure compliance with all of the requirements of section 25 of the Internal Revenue Code of 1954, as amended through July 18, 1984.

Subd. 2. Each single family housing program shall establish limits on gross income for persons and families to be served by the program. The adjusted gross income may not exceed the greater of (a) 110 percent of the median family income as estimated by the United States department of housing and urban development for the nonmetropolitan county or standard metropolitan statistical area, as the case may be, or (b) 100 percent of the income limits established by the Minnesota housing finance agency in which the city is located; except as provided in subdivision 8. The Minnesota housing finance agency shall provide the relevant income data to any city requesting the data.

Subd. 3. The single family housing program shall establish maximum purchase prices or appraised values for single family housing eligible for mortgage loans in the program. The maximum purchase price allowable for each dwelling unit shall not exceed three times the income limit established for the program in subdivision 2, except that, for any program or portion of a program undertaken within a targeted area, the maximum purchase price for each dwelling unit shall not exceed four times the income limit established pursuant to subdivision 2.

Subd. 4. Any financial institution as defined in section 47.0151, doing business within the city which is an approved FHA/VA or FNMA/FHLMC lender shall be eligible for consideration for origination of single family housing loans in any city single family housing program. Other lenders may be eligible as provided in the program. Origination of loans in the single family program may not be limited to a single lender unless other eligible lenders are not interested in participating or the program clearly sets forth why a public purpose would be served by confining participation to one lender.

Subd. 5. In the event that on the date of the adoption of the resolution by the governing body of the city authorizing the sale of the revenue bonds or obligations to be issued to finance a single family housing program any financial institution within the city has entered into a commitment agreement with the Minnesota housing finance agency under which the agency has agreed to purchase mortgage notes and mortgages securing loans for single family housing, and the financial institution has not closed an amount of eligible mortgages equal to at least 95 percent of the total amount provided in the commitment agreement, then the city may not enter into a commitment to purchase loans from the financial institution for its single family housing program. Any city single family housing finance program may not provide loans to consumers at a rate which is less than the rate on loans provided to consumers under the Minnesota housing finance agency program at the time of adoption of the resolution. The executive director of the agency may waive either or both of the requirements of this subdivision in writing.

Subd. 6. Loans under a single family housing program may not be made to one developer or builder or restricted to housing provided by one developer or builder.

Subd. 7. Fifty percent of the money available for loans for each single family housing program subject to the income limits established pursuant to subdivision 2, must be made available to persons and families with adjusted gross incomes of less than 90 percent of the program's income limits for a period of six months from the date when the money becomes available for the program.

Subd. 8. Twenty percent of the aggregate amount of all loans provided under all city housing programs included in the housing plan for single family housing may be provided without regard to income limits or net worth limits if: (a) the single family housing program is used to finance single family housing in a targeted area; or (b) the city has previously developed and administered a housing program for low and moderate income persons and families and the single family housing program will be used to further policies of economic integration, stability and revitalization of residential areas. No single family housing program shall be developed or administered pursuant to this subdivision if the single family housing program will contribute to urban sprawl. A housing program shall be deemed to contribute to urban sprawl if the housing program is to be used to finance single family housing in any previously unincorporated real property annexed by the city pursuant to chapter 414, within one year prior to the date of the resolution adopted pursuant to Laws 1979, Chapter 306.

Subd. 9. The single family housing program may include limitations or prohibitions on the assumption of the loans or other terms which are inconsistent with section 47.20, subdivision 6 or 6a, for notes or bonds or other obligations issued by the city pursuant to section 462C.07.

Subd. 10. Notwithstanding any provision of this chapter, not more than 20 percent of the aggregate dollar amount of bond proceeds and any other funds appropriated by any city within any calendar year to make or purchase loans providing single family housing or dwelling units for sale within multifamily housing developments described in section 462C.05, subdivision 3, shall be appropriated to provide single family housing for persons or families, including renters of the single family housing, whose gross income exceeds the limit in section 462C.03, subdivision 2. If 20 percent of the total amount of funds so appropriated by the city in any calendar year is expended for housing not within the limit, no additional funds may be expended pursuant to any other similar appropriation until the remaining 80 percent is expended for housing within the limit.

Subd. 11. The single family housing program may provide for loans for rehabilitation of single family housing or for the acquisition of rehabilitated housing. The single family housing program may also provide loans for acquisition of and the discharge of any lien or interest in and rehabilitation of single family housing if:

(a) the mortgagor to whom the financing is provided is the first resident of the residence after completion of the rehabilitation;

(b) there is a period of at least 20 years between the date on which the structure was first used and the date on which the physical work on the rehabilitation begins;

(c) 75 percent or more of the existing external walls of the structure are retained in place as external walls in the rehabilitation process; and

(d) the expenditures for the rehabilitation equal 25 percent or more of the mortgagor's "adjusted basis" (as determined pursuant to the Internal Revenue Code of 1954, as amended through December 31, 1981), in the residence, determined at the time of completion of the rehabilitation, or, if later, the date on which the mortgagor acquires the residence.

History: 1979 c 306 s 3; 1980 c 593 s 7; 1981 c 306 s 14; 1982 c 624 s 7; 1Sp1985 c 14 art 8 s 23,24

462C.04 PLAN REVIEW.

Subdivision 1. Any city located within the metropolitan area as defined in section 473.121, subdivision 2, shall submit its housing plan or any amendments to the metropolitan council for review and comment. All other cities shall submit their housing plans or any amendments to the regional development commission for the area in which the city is located, for review and comment. The appropriate reviewing agency shall comment on:

(a) Whether the plan furthers local and regional housing policies;

(b) The compatibility of the housing plan with the housing portion of the comprehensive plan of the city, if any; and

(c) Whether the plan adequately meets the stated housing needs of the city.

The appropriate reviewing agency shall complete its review and comment within 45 days after submission.

Subd. 2. 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 is consistent with the housing plan of the city; and

(b) whether the program is consistent with the metropolitan development guide, if the city is located in the metropolitan area, or adopted policies of the regional development commission.

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. Each program shall be submitted to the Minnesota housing finance agency for review. The agency shall reject any program that:

(a) does not comply with statewide housing policies;

(b) if implemented will cause a material adverse effect on financing programs of the agency, will subject the interest on future bonds of the agency to federal income tax under any limitations imposed at the time by federal law;

(c) provides for administrative and bond issuance costs that are unreasonable; or

(d) does not comply with all other requirements of sections 462C.01 to 462C.08.

The agency shall have 30 days from submission to complete its review and reject a program. Submission shall be the date on which a complete document describing the program is submitted to the agency. If the agency rejects a program it shall communicate the fact of that rejection, in writing, to the city with 15 days of the rejection. If the agency fails to reject a program within 30 days of submission, or fails to communicate a rejection, in writing, to the city within 15 days of the rejection, then the agency is precluded from rejecting the program. For purposes of sections 462C.01 to 462C.08, the agency's failure to reject a program is considered an approval of the program. The agency may collect reasonable fees and charges in connection with its review of a city's housing program. The fees and charges shall be limited to the amounts required to pay the actual costs to the agency.

The Minnesota housing finance agency, in cooperation with the metropolitan council and the regional development commissions, shall report annually to the legislature on the number and amounts of bond issues and the number of housing programs established pursuant to sections 462C.01 to 462C.08.

History: 1979 c 306 s 4; 1982 c 624 s 8; 1983 c 216 art 1 s 70; 1Sp1985 c 14 art 8 s 25

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, or

(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, provided that:

(a) The cost of rehabilitation of an existing building is 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. 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;

(b) At least a substantial portion of such rehabilitation cost is estimated to be incurred for compliance with building codes or conservation of energy;

(c) Each development upon completion shall comply with all applicable code requirements;

(d) 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; and

(e) 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 of the development over, under, or adjacent to, and in conjunction with facilities to be used for purposes other than housing.

Subd. 2. A development shall be designed to be affordable by persons and families with adjusted gross income not in excess of the limits set forth in section 462C.03, subdivision 2, and by other persons and families to the extent determined to be necessary in furtherance of the policy of economic integration stated in section 462A.02, subdivision 6, with at least 20 percent of the dwelling units are held for occupancy by families or individuals with adjusted gross income not in excess of 80 percent of the median family income as estimated by the United States department of housing and urban development for the nonmetropolitan county or standard metropolitan statistical area, as the case may be.

Subd. 3. A development may be located within a targeted area without regard to the limitations and conditions set forth in subdivision 2, and without regard to those set forth in section 462C.03 except section 462C.03, subdivision 10, except that in no case shall the maximum purchase price or appraised value for a dwelling unit in the multifamily housing development exceed four times the income limit established by section 462C.03, subdivision 2, unless the development is in a building officially built before 1900, designated as an historical structure under state, local, or national procedures.

Subd. 4. A development may be designed for rental primarily to elderly or handicapped persons without regard to the limitations and conditions set forth in section 462C.03 and in subdivision 2.

Subd. 5. Each program for a multifamily housing development or developments described in subdivision 1 shall be adopted after public hearing on the program which includes such development or developments and shall be approved by the Minnesota housing finance agency as provided in section 462C.01, and on the basis of the considerations stated in section 462C.04, subdivision 2. The multifamily housing development program may include limitations or prohibitions on the assumption of the loans or other terms which are inconsistent with section 47.20, subdivision 6 or 6a, for bonds or other obligations issued by the city pursuant to section 462C.07.

Subd. 6. The program shall demonstrate need for the development or developments, describe the method of financing proposed, state whether the development is to be constructed pursuant to subdivision 2, 3, or 4, and state the applicable limitations on gross income, if any, of the occupants.

Subd. 7. A development may consist of a combination of a multifamily housing development and a new or existing health care facility, as defined by section 474.02, if the following conditions are satisfied:

(a) The multifamily housing development is designed and intended to be used for rental occupancy;

(b) The multifamily housing development is designed and intended to be used primarily by elderly or physically handicapped persons; and

(c) Nursing, medical, personal care, and other health related assisted living services are available on a 24-hour basis in the development to the residents.

The limitations of section 462C.04, subdivision 2, clause (c), shall not apply to projects defined in this subdivision and approved by the Minnesota housing finance agency before October 1, 1983.

The Minnesota housing finance agency shall provide, in the annual report required by section 462C.04, subdivision 2, information on the costs incurred for the issuance of bonds for projects defined in this subdivision. The report shall also include the Minnesota housing finance agency's recommendations for the regulation of costs of issuance for future issues.

History: 1979 c 306 s 5; 1980 c 593 s 9; 1981 c 306 s 15; 1981 c 327 s 1,2; 1Sp1981 c 4 art 3 s 11; 1982 c 624 s 9-12; 1983 c 185 s 13

462C.06 COUNTY HOUSING AND REDEVELOPMENT AUTHORITY ACTING ON BEHALF OF CITY.

A housing and redevelopment authority in and for a county may exercise the powers conferred by sections 462C.01 to 462C.10 either (1) on its own behalf or (2) on behalf of a city (other than a county housing and redevelopment authority), if the city authorizes the housing and redevelopment authority in and for the county in which the city is located to exercise such powers and the county has authorized its housing and redevelopment authority to exercise its powers pursuant to section 462.426 or the county housing and redevelopment authority has been created by special law; provided, however, that any program undertaken pursuant to this section is subject to the limitations of sections 462C.03 and 462C.04 in the case of a single-family housing program, and subject to the limitations of section 462C.05 in the case of a multifamily housing development program.

History: 1979 c 306 s 6; 1986 c 465 art 2 s 12

462C.07 HOUSING REVENUE BONDS.

Subdivision 1. To finance programs or developments described in any plan the city may, upon approval of the program as provided in section 462C.04, subdivision 2, issue and sell revenue bonds or obligations which shall be payable exclusively from the revenues of the programs or developments. In the purchase or making of single-family housing loans and the purchase or making of multifamily housing loans and the issuance of revenue bonds or other obligations the city may exercise within its corporate limits, any of the powers the Minnesota housing finance agency may exercise under chapter 462A, without limitation under the provisions of chapter 475. The proceeds of revenue bonds issued to make or purchase single-family housing loans that are jointly issued by two or more cities pursuant to section 471.59 may be used to make or purchase single-family housing loans secured by homes in any of the cities.

Subd. 2. [Repealed, 1982 c 624 s 15]

Subd. 3. Upon approval of the housing plan as provided in section 462C.01, clause (c), any port authority referred to in chapter 458 may, until July 1, 1982, issue revenue bonds of the port authority to finance multifamily housing developments undertaken in accordance with the provisions of section 462C.05, and for such purpose the port authority may exercise any and all powers set forth in chapters 458 and 474, provided that nothing herein shall be construed as authorizing a port authority to finance any housing program other than that authorized by section 462C.05. After July 1, 1982, the port authority may issue revenue bonds solely in accordance with the provisions of Laws 1979, Chapter 306, Sections 1 to 16.

History: 1979 c 306 s 7; 1980 c 487 s 17; 1980 c 595 s 6; 1981 c 306 s 16; 1982 c 624 s 13; 1983 c 185 s 14; 1986 c 465 art 2 s 13

462C.08 OTHER HOUSING LEGISLATION.

Sections 462C.01 to 462C.07 do not impair or otherwise affect the validity or provisions for the security of any obligations issued or agreements made pursuant to law before June 2, 1979. Sections 462C.01 to 462C.07 do not preclude or affect or limit the institution or financing or character of a housing program, project or development permitted for any city by any special law in effect on June 2, 1979, except that: (a) section 462C.03 is applicable to any program undertaken pursuant to a special law adopted after January 1, 1979, (b) no such city or agency thereof may issue obligations after January 1, 1980, for the purpose of financing a housing program or development of any kind referred to in sections 462C.01 to 462C.05, unless its plan therefor has previously been reviewed by the appropriate reviewing body and its program has been reviewed and approved by the agency; and all such obligations issued by such cities after January 1, 1980, shall be subject to the limitations set forth in sections 462C.01 to 462C.07.

History: 1979 c 306 s 8

462C.09 Subdivision 1. [Repealed, 1986 c 465 art 1 s 31]

Subd. 2. [Repealed, 1Sp1985 c 14 art 8 s 63]

Subd. 2a. [Repealed, 1986 c 465 art 1 s 31]

Subd. 3. [Repealed, 1986 c 465 art 1 s 31]

Subd. 4. [Repealed, 1986 c 465 art 1 s 31]

Subd. 5. [Repealed, 1986 c 465 art 1 s 31]

Subd. 6. [Repealed, 1986 c 465 art 1 s 31]

462C.10 OFFICIAL ACTION EXCEPTION.

Bonds or other obligations which were approved by official action of a city before April 25, 1979, and exempted from the provisions of the Mortgage Subsidy Bond Tax Act of 1980, Public Law Number 96-499, pursuant to section 1104(b) may be issued without regard to the restrictions of section 462C.07, subdivision 2, except that for the purpose of subsequent bond issues, the exempted issues shall count against the cap provided in section 462C.07, subdivision 2.

History: 1981 c 306 s 18

462C.11 MORTGAGE CREDIT CERTIFICATE PROGRAMS.

Subdivision 1. **City program.** A city may include in the housing plan a program to issue and administer mortgage credit certificates, under a qualified mortgage credit certificate program, to assist in the acquisition, qualified rehabilitation, or qualified home improvement of the recipient's principal residence.

Subd. 2. **Program requirements.** Mortgage credit certificate programs adopted by the city shall comply with all of the provisions of section 25 of the Internal Revenue Code of 1954, as amended through July 18, 1984.

Subd. 3. **Correction amounts.** Correction amounts determined by the secretary of the treasury because of the failure of a mortgage credit certificate program to comply with a federal statute or regulation shall be assessed pursuant to section 462C.09, subdivision 5.

History: 1Sp1985 c 14 art 8 s 29

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

Subdivision 1. **Establishment of housing board ratified.** The establishment of the Minneapolis/St. Paul housing finance board in accordance with a joint powers agreement entered into between the Minneapolis community development agency and the housing and redevelopment authority of the city of St. Paul, and accepted by the cities of Minneapolis and St. Paul under section 471.59, is ratified and approved.

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

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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 458C.01 to 458C.23 in the state of Minnesota.

(c) For the purposes of section 462C.09, the board may be authorized by the cities of Minneapolis and St. Paul, or by any other city with which the board enters into a joint powers agreement, to issue revenue bonds or obligations in an amount not to exceed the amount of bonds allocated by general or special law to such cities, or the board may issue mortgage credit certificates in lieu thereof.

Subd. 3. **Jurisdiction.** Notwithstanding any other provision of law, the territorial jurisdiction of the board shall extend to all of the area within the corporate limits of the cities of Minneapolis and St. Paul and shall for the purposes of any particular project, development, or program undertaken in whole or part for any other city include all of the area within the corporate limits of the city. For the purposes of any provision of law intended to apply within a particular jurisdiction, the provision shall be construed to apply to the entire area within the corporate limits of the cities of Minneapolis and St. Paul, together with the entire area within the corporate limits of any other city with which the board has entered into a joint powers agreement and on whose behalf a project, development, or program is undertaken or implemented, or on whose behalf obligations or other forms of indebtedness are issued by the board.

Subd. 4. **Powers supplementary.** The powers granted by this section are in addition and supplemental to the powers granted by section 471.59, or the law under which a project, development, or program is undertaken or implemented by the board, or under which the board issues obligations or other forms of indebtedness.

History: *1Sp1985 c 14 art 8 s 30; 1986 c 399 art 2 s 37; 1986 c 400 s 37; 1Sp1986 c 3 art 2 s 41*