

## CHAPTER 462C

### MUNICIPAL HOUSING PROGRAMS

462C.02 Definitions.

462C.05 Multifamily housing developments and health care facilities.

**462C.02 DEFINITIONS.***[For text of subsds 1 and 3, see M.S.1998]*

Subd. 4. **Single family housing.** "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, 515A, or 515B, 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, development.** "Multifamily housing development" or "development" means an apartment facility, including an apartment or unit described in chapter 515, 515A, or 515B, 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.

*[For text of subsds 6 to 13, see M.S.1998]***History:** 1999 c 11 art 3 s 15, 16**462C.05 MULTIFAMILY HOUSING DEVELOPMENTS AND HEALTH CARE FACILITIES.**

Subdivision 1. **Use of loans; conditions.** 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;
- (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;
- (e) for the acquisition, or acquisition and improvement, of an existing building and site by a nonprofit corporation which will operate the building as a multifamily housing development for rental primarily to elderly or handicapped persons; or
- (f) the taking out of accumulated equity in connection with a program of federal insurance for the preservation of low-income housing.

With respect to loans made or purchased pursuant to clause (b) or (c), the cost of rehabilitation of an existing building must be 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, except that 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; and at least a sub-

stantial portion of such rehabilitation cost must be estimated to be incurred for compliance with building codes or conservation of energy.

Each development upon completion shall comply with all applicable code requirements. 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, 515A, or 515B, or any supplemental or amendatory law thereof or as contemplated for a development consisting of cooperative housing.

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

*[For text of subds 2 to 7, see M.S.1998]*

**Subd. 8. Revenue agreement and financing lease.** Any revenue agreement or financing lease which includes a provision for a conveyance of real estate to the lessee or contracting party may be terminated in accordance with the revenue agreement or financing lease, notwithstanding that the revenue agreement or financing lease may constitute an equitable mortgage. No financing lease of any development is subject to section 504B.291, unless expressly so provided in the financing lease. Leases of specific dwelling units in the development to tenants are not affected by this subdivision.

**History:** 1999 c 11 art 3 s 17; 1999 c 199 art 2 s 16