

CHAPTER 462A

HOUSING FINANCE AGENCY

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462A.03 DEFINITIONS.

[For text of subs 1 to 12, see M.S.2002]

Subd. 13. **Eligible mortgagor.** "Eligible mortgagor" means a nonprofit or cooperative housing corporation; the Department of Administration for the purpose of developing nursing home beds under section 251.011 or community-based programs as defined in sections 252.50 and 253.28; a limited profit entity or a builder as defined by the agency in its rules, which sponsors or constructs residential housing as defined in subdivision 7; or a natural person of low or moderate income, except that the return to a limited dividend entity shall not exceed ten percent of the capital contribution of the investors or such lesser percentage as the agency shall establish in its rules, provided that residual receipts funds of a limited dividend entity may be used for agency-approved, housing-related investments owned by the limited dividend entity without regard to the limitation on returns. Owners of existing residential housing occupied by renters shall be eligible for rehabilitation loans, only if, as a condition to the issuance of the loan, the owner agrees to conditions established by the agency in its rules relating to rental or other matters that will insure that the housing will be occupied by persons and families of low or moderate income. The agency shall require by rules that the owner give preference to those persons of low or moderate income who occupied the residential housing at the time of application for the loan.

[For text of subs 14 to 23, see M.S.2002]

History: *1Sp2003 c 14 art 6 s 67*

462A.04 HOUSING FINANCE AGENCY.

Subdivision 1. **Creation; members.** There is created a public body corporate and politic to be known as the "Minnesota Housing Finance Agency," which shall perform the governmental functions and exercise the sovereign powers delegated to it in this chapter in furtherance of the public policies and purposes declared in section 462A.02. The agency shall consist of the commissioner of employment and economic development, state auditor, and five public members appointed by the governor with advice and consent of the senate. No more than two public members shall reside in the area of jurisdiction of the Metropolitan Council as provided in section 473.123, subdivision 1, and no more than one public member shall reside in any one of the development regions established under the provisions of sections 462.381 to 462.396. Each member shall hold office until a 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.

[For text of subd 1a, see M.S.2002]

Subd. 4. **Chairs.** The chair of the board of directors shall be designated by the governor from among the public members appointed. The vice-chair of the board shall be the commissioner of employment and economic development.

[For text of subs 6 to 9, see M.S.2002]

History: *1Sp2003 c 4 s 1*

462A.05 SPECIFIC POWERS OF THE AGENCY.

[For text of subds 1 to 3a, see M.S.2002]

Subd. 3b. **Refinancing mortgages.** The agency may make loans to refinance the existing indebtedness, of owners of rental property, secured by federally assisted housing for the purpose of obtaining agreement of the owner to participate in the federally assisted rental housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted. For purposes of this subdivision, "federally assisted rental housing" includes housing that is:

- (1) subject to a project-based housing or rental assistance payment contract funded by the federal government;
- (2) financed by the Rural Housing Service of the United States Department of Agriculture under section 515 of the Housing Act of 1949, as amended; or
- (3) financed under section 236; section 221(d)(3) below market interest rate program; section 202; or section 811 of the Housing and Urban Development Act of 1968, as amended.

[For text of subds 4 to 15a, see M.S.2002]

Subd. 15b. **Energy conservation grants.** It may make grants to assist in energy conservation rehabilitation measures for existing owner occupied housing including, but not limited to: insulation, storm windows and doors, furnace or space heater repair, cleaning or replacement, chimney construction or improvement, weatherstripping and caulking, and structural or other directly related repairs essential for energy conservation. The grant to any household shall not exceed \$2,000.

To be eligible for an emergency energy conservation grant, a household must be certified as eligible to receive emergency residential heating assistance under either the federal or the state program, and either (1) have had a heating cost for the preceding heating season that exceeded 120 percent of the regional average for the preceding heating season for that energy source as determined by the commissioner of employment and economic development, or (2) be eligible to receive a federal energy conservation grant, but be precluded from receiving the grant because of a need for directly related repairs that cannot be paid for under the federal program. The Housing Finance Agency shall make a reasonable effort to determine whether other state or federal loan and grant programs are available and adequate to finance the intended improvements. An emergency energy conservation grant may be made in conjunction with grants or loans from other state or federal programs that finance other needed rehabilitation work. The receipt of a grant pursuant to this section shall not affect the applicant's eligibility for other Housing Finance Agency loan or grant programs.

[For text of subds 15c to 41, see M.S.2002]

History: 2003 c 61 s 1; 1Sp2003 c 4 s 1

462A.057 MINNESOTA URBAN AND RURAL HOMESTEADING PROGRAM.

Subdivision 1. **Establishment; purpose.** The agency may establish the Minnesota urban and rural homesteading program for the purpose of making grants or loans to eligible applicants to acquire, rehabilitate, demolish or remove existing structures and construct new housing, and sell single family residential properties to home buyers committed to strengthening the neighborhood and following a good neighbor policy. If the grant or loan is used for demolition or removal of existing structures, the cleared land must be used for construction of housing owned by persons who meet the income limits of this program and the demolition and new construction must be less expensive than acquisition and rehabilitation.

History: 2003 c 61 s 2

462A.07 ADDITIONAL POWERS AND DUTIES OF THE AGENCY.

[For text of subs 1 to 9a, see M.S.2002]

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

[For text of subs 11 to 16, see M.S.2002]

462A.073 SINGLE-FAMILY MORTGAGE BONDS; LIMITATIONS.

[For text of subd 1, see M.S.2002]

Subd. 2. **Limitation; origination period.** During the first ten months of an origination period, the agency may make loans financed with proceeds of mortgage bonds for the purchase of existing housing. Loans financed with the proceeds of mortgage bonds for new housing in the metropolitan area may be made during the first ten months of an origination period only if the new housing is serviced by the regional wastewater treatment system or by a wastewater treatment system operated and maintained by a local unit of government.

Upon expiration of the first ten-month period, the agency may make loans financed with the proceeds of mortgage bonds for the purchase of new and existing housing.

[For text of subs 4 and 5, see M.S.2002]

History: 2003 c 61 s 3

462A.17 POWERS AND DUTIES OF TRUSTEE.

[For text of subs 1 and 2, see M.S.2002]

Subd. 3. **Ramsey County venue; notice of principal due.** The venue of any action or proceedings brought by the trustees under this chapter, shall be in Ramsey County. Before declaring the principal of notes or bonds due and payable, the trustee shall first give 30 days' notice in writing to the governor, to the agency, and to the commissioner of finance.

History: 2003 c 112 art 2 s 50

462A.18 MONEYS OF AGENCY.

Subdivision 1. **Functions of commissioner of finance.** All moneys of the agency, except as otherwise authorized or provided in this section, shall be paid to the commissioner of finance as agent of the agency, who shall not commingle such moneys with any other moneys. The moneys in such accounts shall be paid out on warrants drawn by the commissioner on requisition of the chair of the agency or of such other officer or employee as the agency shall authorize to make such requisition. All deposits of such moneys shall, if required by the commissioner or the agency, be secured by obligations of the United States or of the state of a market value equal at all times to the amount of the deposit and all banks and trust companies are authorized to give such security for such deposits.

Subd. 2. **Contracts and security.** Notwithstanding the provisions of this section, the agency shall have power to contract with the holders of any of its notes or bonds, as to the custody, collection, securing, investment, and payment of any money of the agency, or any money held in trust or otherwise for the payment of notes or bonds, and to carry out such contract. Money held in trust or otherwise for the payment of notes or bonds or in any way to secure notes or bonds and deposits of such money may be secured in

the same manner as money of the agency, and all banks and trust companies are authorized to give such security for such deposits. All money so paid to the commissioner of finance as agent of the agency, from whatever source, is appropriated to the agency. The agency's notes and bonds are not subject to sections 16C.03, subdivision 4, and 16C.05.

[For text of subd 3, see M.S.2002]

History: 2003 c 112 art 2 s 50

462A.21 HOUSING DEVELOPMENT FUND; ADVANCES, USE REPAYMENT.

[For text of subds 1 to 3, see M.S.2002]

Subd. 3a. **Capacity building revolving loan fund.** It may establish a revolving loan fund for predevelopment costs for nonprofit organizations and local government units engaged in the construction or rehabilitation of low- and moderate-income housing, and for the purposes specified in sections 462A.05, subdivision 5; and 462A.07, subdivisions 2, 3, 3a, 5, 5a, 6, 7, 11, and 16. The agency may delegate the authority to administer the revolving loan fund for designated areas in the state to existing nonprofit organizations. For purposes of the authority to administer the revolving loan fund under this subdivision, a nonprofit organization includes a private nonprofit corporation that is formed under laws other than the laws of this state, provided that the nonprofit corporation has an office located in this state. Nonprofit entities selected to exercise such delegated powers must have sufficient professional housing development expertise, as determined by the agency, to evaluate the economic feasibility of an applicant's proposed project. Loans to nonprofit organizations or local government units under this subdivision may be made with or without interest as determined by the agency.

[For text of subds 3b to 30, see M.S.2002]

History: 2003 c 61 s 4

462A.22 BOND FUND.

Subdivision 1. **Debt ceiling.** 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 the sum of \$3,000,000,000.

[For text of subds 2 to 6, see M.S.2002]

Subd. 7. **Transfer of excess.** To the extent consistent with the resolutions and indentures securing outstanding bonds and notes, the agency may periodically transfer to any other fund or account from any debt service reserve fund, any excess in that fund over the amount deemed by the agency to be reasonably necessary for the purpose of the fund.

[For text of subds 8 to 10, see M.S.2002]

History: 2003 c 61 s 5,6