

462A.30 DEFINITIONS.

Subdivision 1. **Applicability.** The definitions in this section apply to sections 462A.02, subdivision 11, 462A.30, and 462A.31.

Subd. 2. [Repealed, 1Sp2001 c 4 art 4 s 39]

Subd. 3. **First option to purchase.** "First option to purchase" means a right of a neighborhood land trust or the agency to purchase all or any portion of the improvements and leasehold interest of a lessee, sublessee, or other resident of property subject to a ground lease, prior to the rights of any other party and at a limited equity price.

Subd. 4. **Ground lease.** "Ground lease" means a lease of real property in which the lease does not include buildings or other improvements.

Subd. 5. **Leasehold interest.** "Leasehold interest" means the real property interest of a lessee in a ground lease in which the neighborhood land trust is the lessor.

Subd. 6. **Limited equity formula.** "Limited equity formula" means a method, approved by the agency, for calculation of the limited equity price, designed to maintain the affordability of the housing and the public subsidy.

Subd. 7. **Limited equity price.** "Limited equity price" means a price for the sale of any building or other improvement located on land owned by a neighborhood land trust determined by means of the limited equity formula.

Subd. 8. **Neighborhood land trust.** "Neighborhood land trust" means a city or a nonprofit corporation organized under chapter 317A that complies with section 462A.31 and that qualifies for tax exempt status under United States Code, title 26, section 501(c)(3), and that meets all other criteria for neighborhood land trusts set by the agency.

Subd. 9. **Persons and families of low and moderate income.** "Persons and families of low and moderate income" means persons or families whose income does not exceed:

(1) 80 percent of the greater of state median income, or area or county median income as determined by the Department of Housing and Urban Development; or

(2) the amount that qualifies the organization for tax exempt status under United States Code, title 26, section 501(c)(3), whichever is less.

History: 1991 c 287 s 2; 1992 c 522 s 37-39; 1994 c 586 s 10