

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 420  
**Version:** Delete-everything amendment  
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**Subject:** Housing Improvement Areas  
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### Overview

This is a delete-everything amendment extending statewide the changes proposed in the original version of H.F. 420, which applied only to the city of Brooklyn Park. The bill allows an economic development authority (EDA) as well as a city to implement and administer a housing improvement area and allows the creation of more than one housing improvement area in a city. If the governing body of the EDA is the same as the governing body of the city, the bill would allow the EDA as well as the city to pledge the full faith, credit, and taxing power of the city to ensure payment of bonds issued to pay for housing improvements if the proceeds of fees in the housing improvement area are insufficient. The bill would also repeal the June 30, 2001 sunset of the ability to create housing improvement areas.

Currently, a city may establish a housing improvement area by ordinance at the request of homeowners in the area, and may charge fees and special assessments to the homeowners to pay for the improvements. The ordinance must include findings that without the housing improvement area, the proposed improvements could not be made by the housing owners or condominium association, and that the improvements are necessary to maintain and preserve the housing units in the area. Owners who have already made the planned improvements are exempt from part of the fees imposed to pay for the improvements.

- 1 Adds apartments as described in chapter 515B, the "Minnesota Common Interest Ownership Act," to the definition of "housing unit" for the purposes of housing improvement areas.
- 2 Defines "authority" to mean economic development authority (EDA) for the purposes of housing improvement areas.
- 3 Defines "implementing entity" to mean the city or EDA designated in the enabling ordinance as responsible for implementing and administering the housing improvement area.
- 4 Allows the governing body of a city to designate one or more housing improvement areas.
- 5 Extends public hearing requirements to EDAs as well as cities.

- 6** Extends the authority to impose fees for housing improvement areas to EDAs as well as cities. Provides that fees may be imposed in a sufficient amount to reimburse the implementing entity for advances made or for the payment of principal, interest, or premiums on bonds issued by the implementing entity to pay for housing improvements.
- 7** Extends the authority to collect fees to EDAs as well as cities.
- 8** Extends the authority to issue obligations to pay for housing improvements to EDAs as well as cities. Provides that if the governing body of the city is the same as the governing bond of the EDA, the EDA as well as the city may pledge the full faith, credit, and taxing power of the city to pay the principal and interest of bonds issued for the improvements if the fee proceeds are insufficient.
- 9** Extends the authority to create an advisory board for the housing improvement area to EDAs as well as cities.
- 10** Provides for the annual report of affected condominium associations to be submitted to the implementing authority, whether it is a city or an EDA.
- 11 Repealer.** Repeals the sunset date of June 30, 2001.