

HOUSE RESEARCH

Bill Summary

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Overview

The bill allows an economic development authority (EDA) or a housing and redevelopment authority (HRA) to implement and administer a housing improvement area. Current statute gives this authority only to cities. The bill also allows the creation of more than one housing improvement area in a city. If the governing body of the EDA or HRA is the same as the governing body of the city, the bill would allow the EDA or HRA 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 housing units 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) or housing and redevelopment authority (HRA) for the purposes of housing improvement areas.
- 3 Defines "implementing entity" to mean the city, EDA, or HRA 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 and HRAs as well as cities.

- 6 Extends the authority to impose fees for housing improvement areas to EDAs and HRAs 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 and HRAs as well as cities.
- 8 Extends the authority to issue obligations to pay for housing improvements to EDAs and HRAs as well as cities. Provides that if the governing body of the city is the same as the governing bond of the EDA or HRA, the EDA or the HRA 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 and HRAs 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, an EDA, or an HRA.
- 11 **Repealer.** Repeals the sunset date of June 30, 2001.