

**ORDINANCE
Of the
City of Minneapolis**

By Goodman and Hodges

Amending Title 16 of the Minneapolis Code of Ordinances relating to *Planning and Development* by adding a new Chapter 421 authorizing Housing Improvement Areas and establishing Article 1 entitled "Calhoun Place Housing Improvement Area."

The City Council of The City of Minneapolis do ordain as follows:

Section 1. That the Minneapolis Code of Ordinances be amended by adding thereto a new Chapter 421 to read as follows:

CHAPTER 421. HOUSING IMPROVEMENT AREAS

The City of Minneapolis ("City") is authorized under Minnesota Statutes, Sections 428A.11 to 428A.21 (the "Housing Improvement Act") to establish by ordinance housing improvement areas within which housing improvements are made or constructed and the costs of the improvements are paid in whole or in part from fees imposed within the area.

ARTICLE 1. - CALHOUN PLACE HOUSING IMPROVEMENT AREA

421.10 Calhoun Place Housing Improvement Area. (a) The City has determined a need to establish the Calhoun Place Housing Improvement Area as further defined herein, in order to facilitate certain improvements to property known as the "Calhoun Place Condominium," all in accordance with the Housing Improvement Act.

(b) The City has consulted with the Calhoun Place Condominium Association (the "Association") and with residents in the Calhoun Place Housing Improvement Area regarding the establishment of such area and the housing improvements to be constructed and financed under this ordinance.

421.20. Findings. (a) The Council finds that, in accordance with Section 428A.12 of the Housing Improvement Act and the City's Housing Improvement Area policy, owners of at least 75 percent of the housing units within the Calhoun Place Improvement Area have filed a petition with the City Clerk requesting a public hearing regarding establishment of such housing improvement area.

(b) The Council has on January 29, 2013 conducted a public hearing, duly noticed in accordance with the Housing Improvement Act, regarding adoption of this ordinance at which all persons, including owners of property with the Calhoun Place Housing Improvement Area were given an opportunity to be heard.

(c) The Council finds that, without establishment of the Calhoun Place Housing Improvement Area, the Housing Improvements (as hereinafter defined) could not be made by the Association or the housing unit owners.

(d) The Council further finds that designation of the Calhoun Place Housing Improvement Area is needed to maintain and preserve the housing units within such area.

(e) For the purpose of providing full disclosure of public expenditures and financing arrangements for the Calhoun Place Housing Improvement Area (as required under Section 428A.13, subd. 1a(1) of the Housing Improvement Act), the Council determines that the City expects to finance Housing Improvements by issuing general obligation bonds primarily secured by the housing improvement fee imposed on unit owners within the Calhoun Place Housing Improvement act, and also secured by the City's full faith and credit and taxing powers, as further described in Section 6 hereof.

(f) In accordance with Section 428A.13, subd. 1a(2) of the Housing Improvement Act, the Council determines that the Association will contract for construction of the Housing Improvements.

421.30. Housing Improvement Area Defined. (a) The Calhoun Place Housing Improvement Area is hereby defined as the area of the City legally described as follows: Common Interest Community Number 1227, Lots 16, 17, 18, 19, 20, 21 and 27 Auditor's Subdivision Number 164, Hennepin County, Minnesota, according to the recorded plat thereof, on file and of record in the Office of the Registrar of Titles in and for Hennepin County, Minnesota.

(b) The Calhoun Place Housing Improvement Area contains 107 housing units as of the date of adoption of this ordinance, along with common areas.

421.40. Housing Improvements Defined. (a) For the purposes of this ordinance and the Calhoun Place Housing Improvement Area, the term "Housing Improvements" shall mean the following improvements to housing units and common areas within the Calhoun Place Housing Improvement Area:

(1) Complete replacement of the Exterior Insulation and Finishing System (EFIS), including the sheathing below it.

(2) Replacement of all the windows and balcony doors, including lowering the balcony door thresholds down to the level of the balconies.

(3) Repainting the balcony railings and all of the other metal components of the balconies and their support systems.

(4) Resurface balcony decks.

(b) Housing Improvements shall also be deemed to include:

(1) All costs of architectural and engineering services, overhead, and all similar soft costs in connection with the activities described in Section 4.01, including without limitation costs of a professional construction manager.

(2) All administration, legal and consultant costs in connection with the Calhoun Place Housing Improvement Area; and

(3) Costs of financing the Housing Improvements under the Housing Improvement Act, whether through issuance of bonds or through advances of City funds, including the amount of any debt service reserve fund and City process expenses or other expenses deemed reasonable and necessary by the City in connection with such bonds and the financing described herein.

421.50. Housing Improvement Fee. (a) The City may, by resolution adopted in accordance with the petition, hearing and notice procedures required under the Housing Improvement Act, impose a fee on the housing units within the Calhoun Place Housing Improvement Area, at a rate, term or amount sufficient to produce revenues required to provide the Housing Improvements (hereinafter referred to as the "Housing Improvement Fee"), subject to the terms and conditions set forth in this Section.

(b) Any Housing Improvement Fee shall be imposed on the basis of each unit's ownership percentage as defined in the Declaration for Calhoun Place Condominium Common Interest Community Number 1227 (the "Declaration"). The Council specifically finds that such allocation is more fair and reasonable than a fee based upon the tax capacity or square footage of each housing unit, because the Association and unit owners themselves have determined that the percentage share for each unit set forth in the Declaration is an equitable means of allocating common costs such as the Housing Improvements.

(c) The Housing Improvement Fee shall be imposed and payable for a period no greater than 19 years from January first of the first year fees are due and payable.

(d) Any Housing Improvement Fee shall not be prepayable except as otherwise specified in the resolution imposing the Housing Improvement Fee.

(e) The resolution imposing the Housing Improvement Fee may provide that any fee not prepaid by the housing unit owner shall be deemed to include interest on unpaid Housing Improvements costs at a rate to be calculated at the time of bond closing by the City Finance Officer.

(f) The Housing Improvement Fee shall be collected at the same time and in the same manner as provided for payment and collection of ad valorem taxes, in accordance with Section 428A.15 of the Housing Improvement Act and Minnesota Statutes, Section 428A.05. As set forth in Section 428A.14, subd. 2 of the Housing Improvement Act, the Housing Improvement Fee is not included in the calculation of levies or limits on levies imposed under any law or charter.

(g) The Housing Improvement Fee shall not exceed the maximum annual amount specified in the notice of public hearing regarding the approval of such fee; provided, however, that the Housing Improvement Fee may be reduced after approval of the resolution setting the Housing Improvement Fee, based on the actual bond issuance terms in the manner specified in such resolution.

421.60. Issuance of Bonds. At any time after the effective date of this ordinance and after the Association completes construction of the Housing Improvements as determined by the City, the Council may issue bonds in the principal amount necessary to finance the cost of the Housing Improvements that have not been prepaid together with up to \$350,000 of financing costs including capitalized interest, debt service reserve, costs of issuance of the bonds and city processing fee, provided that the principal amount of the bonds will not exceed \$2,350,000.

Such bonds shall be issued pursuant to and in accordance with Section 428A.16 of the Housing Improvement Act.

421.70. Annual Reports. (a) On August 15, 2013 and each August 15 thereafter until the Housing Improvement Fee and all interest thereon is paid in full and all Housing Improvement Fee revenues have been expended, the Association (and any successor in interest) shall be required to submit to the Minneapolis Department of Community Planning and Economic Development a copy of the Association's audited financial statements.

(b) The Association (and any successor in interest) shall also submit to the City any other reports or information at the times and as required by any contract entered into between that entity and the City.

421.80. Notice of Right to File Objections. Within five days after the adoption of this ordinance, the Department of Finance and Property Services is authorized and directed to mail to the owner of each housing unit in the Calhoun Place Housing Improvement Area: a summary of this ordinance; notice that owners subject to the proposed Housing Improvement Fee have a right to veto this ordinance if owners of at least 45 percent of the housing units within the Calhoun Place Housing Improvement Area file an objection with the City Clerk before the effective date of this ordinance; and notice that a copy of this ordinance is on file with the City Clerk for public inspection.

421.90. Amendment. This ordinance may be amended by the Council upon compliance with the public hearing and notice requirements set forth in Section 428A.13 of the Housing Improvement Act.

421.100. Effective Date. This ordinance shall be effective 60 days after the later of adoption hereof, or the date of publication of this ordinance, subject to the veto rights of housing unit owners under Section 428A.18 of the Housing Improvement Act and Section 8.01 hereof.