



*Lynn Fitch*  
**ATTORNEY GENERAL**  
OPINIONS AND POLICY

June 30, 2021

Amy Lassitter St. Pé, Esq.  
Pascagoula Redevelopment Authority  
2901 Magnolia Street  
Pascagoula, Mississippi 39567

Re: Loans Made to Private Developers Pursuant to the Urban Renewal Law

Dear Ms. St. Pé:

The Office of the Attorney General has received your request for an official opinion.

### **Background**

The Pascagoula Redevelopment Authority (“PRA”) is the urban renewal agency of the City of Pascagoula, organized and existing under the Urban Renewal Law, Mississippi Code Annotated Section 43-35-1 *et seq.* According to your request, the PRA has received financial assistance from the State in the form of funds appropriated from the Gulf Coast Restoration Fund (“GCRF”) and anticipates receiving additional GCRF funds and other forms of financial assistance from the state.

### **Question Presented**

Does Section 43-35-15, particularly subsection (e) read together with subsection (f), authorize the PRA to loan developers funds that the PRA receives as financial assistance from the State to be utilized on an urban renewal project in an urban renewal area?

### **Brief Response**

Yes, the PRA may loan funds that it receives from the State pursuant to Section 43-35-15(e) to a developer pursuant to Section 43-35-15(f) to be utilized for an urban renewal project in accordance with the Urban Renewal Law.

### **Applicable Law and Discussion**

Section 43-35-15 grants municipalities the powers:

(e) *To borrow money and to apply for and accept advances, loans, grants, contributions and any other form of financial assistance from the federal government, the state, county, or other public body, or from any sources, public or private, for the purposes of this article, and to give such security as may be required and to enter into and carry out contracts in connection therewith . . . .*

(f) To accept funds under the provisions of the Housing and Community Development Act of 1974, P. L. 93-383, or amendments thereto, and to make grants or loans to individuals who own property in the designated area and who qualify according to the provisions of the act, such grants or loans to be made from funds accepted under the provisions of said P. L. 93-383, as amended, or from the grants and contributions derived under the provisions of subsection (e) of this section; *and to make loans from funds derived from subsection (e) of this section* or from the proceeds of revenue bonds issued pursuant to the authority of Section 43-35-21, Mississippi Code of 1972.

Miss. Code Ann. § 43-35-15 (emphasis added.) Subsection (f), by its plain terms, grants municipalities the power to make loans from funds derived from subsection (e), which would include funds obtained as advances, loans, grants, contributions, or any other financial assistance from the State, for the purposes of the Urban Renewal Law.<sup>1</sup>

Notably, any expenditure of GCRF funds must be in accordance with any restrictions imposed by applicable appropriations bills and Section 57-119-1 *et seq.*, which creates and governs the GCRF.

If this office may be of any further assistance to you, please do not hesitate to contact us.

Sincerely,

LYNN FITCH, ATTORNEY GENERAL

By: */s/ Beebe Garrard*

Beebe Garrard  
Special Assistant Attorney General

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<sup>1</sup> To the extent that previous opinions of this office have analyzed Section 43-35-15(f), finding that a municipality may only provide loans to individuals who own property in a designated renewal area *and* qualify under the provisions of the Housing and Community Development Act of 1974, those opinions do not appear to have analyzed the latter portion of subsection (f), which authorizes municipalities “to make loans from funds derived from subsection (e) of this section . . . .” MS AG Op., *Moran* at \*2 (Apr. 10, 2015) (analyzing grant program under Section 43-35-15(f)); MS AG Op., *Abide* at \*3 (Oct. 12, 2018) (same). Reading this language together with subsection (e), we find no requirement that funds acquired under subsection (e) and loaned pursuant to the latter portion of subsection (f) relate to the Housing and Community Development Act of 1974. The phrase “and to make loans from funds derived from subsection (e) of this section” provides authority to loan funds wholly separate from the Housing and Community Development Act of 1974. To the extent *Moran* and *Abide* are inconsistent with our findings here, they are modified to conform hereto.