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ARTICLE 1

APPROPRIATIONS

Section 1. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agency for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

APPROPRIATIONS

Available for the Year

Ending June 30

2026

2027

Sec. 2. HOUSING FINANCE AGENCY

Subdivision 1. Total Appropriation

\$

96,948,000

\$

82,798,000

(a) The amounts that may be spent for each purpose are specified in the following subdivisions.

(b) Unless otherwise specified, the appropriations for the programs in this section are appropriated and made available for the purposes of the housing development fund. Except as otherwise indicated, the amounts appropriated are part of the agency's permanent budget base.

(c) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner must not use any amount of this total appropriation for administrative costs.

House Language UES2298-2

ARTICLE 1

HOUSING BUDGET APPROPRIATIONS

TIONS.

the columns marked "Appropriations" are appropriated to the agency in this article. The appropriations are from the general fund, or are available for the fiscal years indicated for each purpose. The " used in this article mean that the appropriations listed under them year ending June 30, 2026, or June 30, 2027, respectively. "The 2026. "The second year" is fiscal year 2027. "The biennium" is 7.

APPROPRIATIONS

Available for the Year

Ending June 30

20262027

FINANCE AGENCY

ropriation\$158,698,000\$83,248,000

be spent for each
ne following

ified, the
grams in this section
e available for the
evelopment fund.
ated, the amounts
e agency's

REVISOR FULL-TEXT SIDE-BY-SIDE

2.17	Subd. 2. Challenge Program	<u>12,925,000</u>	<u>12,925,000</u>
2.18	<u>(a) This appropriation is for the economic development and housing challenge program under Minnesota Statutes, section 462A.33 and 462A.07, subdivision 14.</u>		
2.19			
2.20			
2.21			
2.22	<u>(b) Of this amount, \$1,208,000 each year shall be made available during the first 11 months of the fiscal year exclusively for housing projects for American Indians. Any funds not committed to housing projects for American Indians within the annual consolidated request for funding processes may be available for any eligible activity under Minnesota Statutes, sections 462A.33 and 462A.07, subdivision 14.</u>		
2.23			
2.24			
2.25			
2.26			
2.27			
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2.29			
2.30			
2.31			
3.1	Subd. 3. Workforce Housing Development	<u>2,000,000</u>	<u>2,000,000</u>
3.2	<u>This appropriation is for the Greater Minnesota workforce housing development program under Minnesota Statutes, section 462A.39. If requested by the applicant and approved by the agency, funded properties may include a portion of income and rent restricted units. Funded properties may include owner-occupied homes.</u>		
3.3			
3.4			
3.5			
3.6			
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3.9			
3.10	Subd. 4. Manufactured Home Park Infrastructure Grants	<u>1,000,000</u>	<u>1,000,000</u>
3.11	<u>This appropriation is for manufactured home park infrastructure grants under Minnesota Statutes, section 462A.2035, subdivision 1b.</u>		
3.12			
3.13			
3.14			

2.13	<u>Subd. 2. Challenge Program</u>	<u>22,925,000</u>	<u>12,925,000</u>		
2.14	<u>(a) This appropriation is for the economic development and housing challenge program under Minnesota Statutes, <u>sections 462A.33 and 462A.07, subdivision 14.</u></u>				
2.15					
2.16					
2.17					
2.18					
2.19	<u>(b) Of this amount, \$1,208,000 each year shall be made available during the first 11 months of the fiscal year exclusively for housing projects for American Indians. Any funds not committed to housing projects for American Indians within the annual consolidated request for funding processes may be available for any eligible activity under Minnesota Statutes, sections 462A.33 and 462A.07, subdivision 14.</u>				
2.20					
2.21					
2.22					
2.23					
2.24					
2.25					
2.26					
2.27					
2.28				<u>(c) The base for this program in fiscal year 2028 and beyond is \$12,925,000.</u>	<u>12,000,000</u>
2.29					
2.30	<u>Subd. 3. Workforce Housing Development</u>				
2.31	<u>(a) This appropriation is for the <u>greater</u> Minnesota workforce housing development program under Minnesota Statutes, section 462A.39. If requested by the applicant and approved by the agency, funded properties may include a portion of income and rent restricted units. Funded properties may include owner-occupied homes.</u>				
2.32					
2.33					
3.1					
3.2					
3.3					
3.4					
3.5					
3.6	<u>(b) The base for this program in fiscal year 2028 and beyond is \$2,000,000.</u>	<u>3,000,000</u>	<u>1,000,000</u>		
3.7					
3.8	<u>Subd. 4. Manufactured Home Park Infrastructure Grants</u>				
3.9					
3.10	<u>(a) This appropriation is for manufactured home park infrastructure grants under Minnesota Statutes, section 462A.2035, subdivision 1b.</u>				
3.11					
3.12					
3.13					

3.15	<u>Subd. 5. Workforce Homeownership Program</u>	<u>250,000</u>	<u>250,000</u>
3.16	<u>This appropriation is for the workforce</u>		
3.17	<u>homeownership program under Minnesota</u>		
3.18	<u>Statutes, section 462A.38.</u>		
3.19	<u>Subd. 6. Rent Assistance Program</u>	<u>23,000,000</u>	<u>23,000,000</u>
3.20	<u>This appropriation is for the rent assistance</u>		
3.21	<u>program under Minnesota Statutes, section</u>		
3.22	<u>462A.2095.</u>		
3.23	<u>Subd. 7. Housing Trust Fund</u>	<u>11,646,000</u>	<u>11,646,000</u>
3.24	<u>This appropriation is for deposit in the housing</u>		
3.25	<u>trust fund account created under Minnesota</u>		
3.26	<u>Statutes, section 462A.201, and may be used</u>		
3.27	<u>for the purposes provided in that section.</u>		
3.28	<u>Subd. 8. Homework Starts with Home</u>	<u>2,750,000</u>	<u>2,750,000</u>
3.29	<u>This appropriation is for the homework starts</u>		
3.30	<u>with home program under Minnesota Statutes,</u>		
3.31	<u>sections 462A.201, subdivision 2, paragraph</u>		
3.32	<u>(a), clause (4), and 462A.204, subdivision 8,</u>		
3.33	<u>to provide assistance to homeless families,</u>		
4.1	<u>those at risk of homelessness, or highly mobile</u>		
4.2	<u>families.</u>		
4.3	<u>Subd. 9. Rental Assistance for Mentally Ill</u>	<u>5,338,000</u>	<u>5,338,000</u>
4.4	<u>(a) This appropriation is for the rental housing</u>		
4.5	<u>assistance program for persons with a mental</u>		
4.6	<u>illness or families with an adult member with</u>		
4.7	<u>a mental illness under Minnesota Statutes,</u>		
4.8	<u>section 462A.2097. Among comparable</u>		
4.9	<u>proposals, the agency shall prioritize those</u>		
4.10	<u>proposals that target, in part, eligible persons</u>		

3.14	<u>(b) The base for this program in fiscal year</u>		
3.15	<u>2028 and beyond is \$1,000,000.</u>		
3.16	<u>Subd. 5. Workforce Homeownership Program</u>	<u>3,250,000</u>	<u>250,000</u>
3.17	<u>(a) This appropriation is for the workforce</u>		
3.18	<u>homeownership program under Minnesota</u>		
3.19	<u>Statutes, section 462A.38.</u>		
3.20	<u>(b) The base for this program in fiscal year</u>		
3.21	<u>2028 and beyond is \$250,000.</u>		
3.22	<u>Subd. 6. Rent Assistance Program</u>	<u>23,000,000</u>	<u>23,000,000</u>
3.23	<u>This appropriation is for the rent assistance</u>		
3.24	<u>program under Minnesota Statutes, section</u>		
3.25	<u>462A.2095.</u>		
3.26	<u>Subd. 7. Housing Trust Fund</u>	<u>11,646,000</u>	<u>11,646,000</u>
3.27	<u>This appropriation is for deposit in the housing</u>		
3.28	<u>trust fund account created under Minnesota</u>		
3.29	<u>Statutes, section 462A.201, and may be used</u>		
3.30	<u>for the purposes provided in that section.</u>		
4.1	<u>Subd. 8. Homework Starts with Home</u>	<u>2,750,000</u>	<u>2,750,000</u>
4.2	<u>This appropriation is for the homework starts</u>		
4.3	<u>with home program under Minnesota Statutes,</u>		
4.4	<u>sections 462A.201, subdivision 2, paragraph</u>		
4.5	<u>(a), clause (4), and 462A.204, subdivision 8,</u>		
4.6	<u>to provide assistance to homeless families,</u>		
4.7	<u>those at risk of homelessness, or highly mobile</u>		
4.8	<u>families.</u>		
4.9	<u>Subd. 9. Rental Assistance for Mentally Ill</u>	<u>5,338,000</u>	<u>5,338,000</u>
4.10	<u>(a) This appropriation is for the rental housing</u>		
4.11	<u>assistance program for persons with a mental</u>		
4.12	<u>illness or families with an adult member with</u>		
4.13	<u>a mental illness under Minnesota Statutes,</u>		
4.14	<u>section 462A.2097. Among comparable</u>		
4.15	<u>proposals, the agency shall prioritize those</u>		
4.16	<u>proposals that target, in part, eligible persons</u>		

4.11	<u>who desire to move to more integrated,</u>		
4.12	<u>community-based settings.</u>		
4.13	<u>(b) Notwithstanding any law to the contrary,</u>		
4.14	<u>this appropriation may be used for risk</u>		
4.15	<u>mitigation funds, landlord incentives, or other</u>		
4.16	<u>costs necessary to decrease the risk of</u>		
4.17	<u>homelessness, as determined by the agency.</u>		
4.18	<u>Subd. 10. Family Homeless Prevention</u>	<u>20,419,000</u>	<u>10,269,000</u>
4.19	<u>(a) This appropriation is for the family</u>		
4.20	<u>homeless prevention and assistance program</u>		
4.21	<u>under Minnesota Statutes, section 462A.204.</u>		
4.22	<u>(b) Notwithstanding any law to the contrary,</u>		
4.23	<u>this appropriation may be used for program</u>		
4.24	<u>costs necessary to decrease the risk of</u>		
4.25	<u>homelessness and improve the effectiveness</u>		
4.26	<u>of the program, as determined by the agency.</u>		
4.27	<u>(c) When a new grantee works with a current</u>		
4.28	<u>or former grantee in a given geographic area,</u>		
4.29	<u>a new grantee may work with either an</u>		
4.30	<u>advisory committee as required under</u>		
4.31	<u>Minnesota Statutes, section 462A.204,</u>		
4.32	<u>subdivision 6, or the local continuum of care</u>		
4.33	<u>and is not required to meet the requirements</u>		
5.1	<u>of Minnesota Statutes, section 462A.204,</u>		
5.2	<u>subdivision 4.</u>		
5.3	<u>Subd. 11. Home Ownership Assistance Fund</u>	<u>885,000</u>	<u>885,000</u>
5.4	<u>This appropriation is for the home ownership</u>		
5.5	<u>assistance program under Minnesota Statutes,</u>		
5.6	<u>section 462A.21, subdivision 8. The agency</u>		
5.7	<u>shall continue to strengthen its efforts to</u>		
5.8	<u>address the disparity gap in the</u>		
5.9	<u>homeownership rate between white</u>		
5.10	<u>households and <u>indigenous</u> American Indians</u>		
5.11	<u>and communities of color. To better</u>		
5.12	<u>understand and address the disparity gap, the</u>		

4.17	<u>who desire to move to more integrated,</u>		
4.18	<u>community-based settings.</u>		
4.19	<u>(b) Notwithstanding any law to the contrary,</u>		
4.20	<u>this appropriation may be used for risk</u>		
4.21	<u>mitigation funds, landlord incentives, or other</u>		
4.22	<u>costs necessary to decrease the risk of</u>		
4.23	<u>homelessness, as determined by the agency.</u>		
4.24	<u>Subd. 10. Family Homeless Prevention</u>	<u>40,419,000</u>	<u>10,719,000</u>
4.25	<u>(a) This appropriation is for the family</u>		
4.26	<u>homeless prevention and assistance program</u>		
4.27	<u>under Minnesota Statutes, section 462A.204.</u>		
4.28	<u>(b) Notwithstanding any law to the contrary,</u>		
4.29	<u>this appropriation may be used for program</u>		
4.30	<u>costs necessary to decrease the risk of</u>		
4.31	<u>homelessness and improve the effectiveness</u>		
4.32	<u>of the program, as determined by the agency.</u>		
4.33	<u>(c) When a new grantee works with a current</u>		
4.34	<u>or former grantee in a given geographic area,</u>		
5.1	<u>a new grantee may work with either an</u>		
5.2	<u>advisory committee as required under</u>		
5.3	<u>Minnesota Statutes, section 462A.204,</u>		
5.4	<u>subdivision 6, or the local continuum of care</u>		
5.5	<u>and is not required to meet the requirements</u>		
5.6	<u>of Minnesota Statutes, section 462A.204,</u>		
5.7	<u>subdivision 4.</u>		
5.8	<u>(d) The base for this program in fiscal year</u>		
5.9	<u>2028 and beyond is \$10,719,000.</u>		
5.10	<u>Subd. 11. Home Ownership Assistance Fund</u>	<u>885,000</u>	<u>885,000</u>
5.11	<u>This appropriation is for the home ownership</u>		
5.12	<u>assistance program under Minnesota Statutes,</u>		
5.13	<u>section 462A.21, subdivision 8. The agency</u>		
5.14	<u>shall continue to strengthen its efforts to</u>		
5.15	<u>address the disparity gap in the</u>		
5.16	<u>homeownership rate between white</u>		
5.17	<u>households and <u>Indigenous</u> American Indians</u>		
5.18	<u>and communities of color. To better</u>		
5.19	<u>understand and address the disparity gap, the</u>		

5.13	<u>agency is required to collect, on a voluntary</u>		
5.14	<u>basis, demographic information regarding</u>		
5.15	<u>race, color, national origin, and sex of</u>		
5.16	<u>applicants for agency programs intended to</u>		
5.17	<u>benefit homeowners and homebuyers.</u>		
5.18	Subd. 12. <u>Affordable Rental Investment Fund</u>	<u>4,218,000</u>	<u>4,218,000</u>
5.19	<u>(a) This appropriation is for the affordable</u>		
5.20	<u>rental investment fund program under</u>		
5.21	<u>Minnesota Statutes, section 462A.21,</u>		
5.22	<u>subdivision 8b, to finance the acquisition,</u>		
5.23	<u>rehabilitation, and debt restructuring of</u>		
5.24	<u>federally assisted rental property and for</u>		
5.25	<u>making equity take-out loans under Minnesota</u>		
5.26	<u>Statutes, section 462A.05, subdivision 39.</u>		
5.27	<u>(b) The owner of federally assisted rental</u>		
5.28	<u>property must agree to participate in the</u>		
5.29	<u>applicable federally assisted housing program</u>		
5.30	<u>and to extend any existing low-income</u>		
5.31	<u>affordability restrictions on the housing for</u>		
5.32	<u>the maximum term permitted.</u>		
5.33	<u>(c) The appropriation also may be used to</u>		
5.34	<u>finance the acquisition, rehabilitation, and debt</u>		
6.1	<u>restructuring of existing supportive housing</u>		
6.2	<u>properties and naturally occurring affordable</u>		
6.3	<u>housing as determined by the commissioner.</u>		
6.4	<u>For purposes of this paragraph, "supportive</u>		
6.5	<u>housing" means affordable rental housing with</u>		
6.6	<u>links to services necessary for individuals,</u>		
6.7	<u>youth, and families with children to maintain</u>		
6.8	<u>housing stability.</u>		
6.9	Subd. 13. <u>Owner-Occupied Housing</u>		
6.10	<u>Rehabilitation</u>	<u>2,772,000</u>	<u>2,772,000</u>
6.11	<u>(a) This appropriation is for the rehabilitation</u>		
6.12	<u>of owner-occupied housing under Minnesota</u>		
6.13	<u>Statutes, section 462A.05, subdivisions 14 and</u>		
6.14	<u>14a.</u>		
6.15	<u>(b) Notwithstanding any law to the contrary,</u>		
6.16	<u>grants or loans under this subdivision may be</u>		

5.20	<u>agency is required to collect, on a voluntary</u>		
5.21	<u>basis, demographic information regarding</u>		
5.22	<u>race, color, national origin, and sex of</u>		
5.23	<u>applicants for agency programs intended to</u>		
5.24	<u>benefit homeowners and homebuyers.</u>		
5.25	Subd. 12. <u>Affordable Rental Investment Fund</u>	<u>4,218,000</u>	<u>4,218,000</u>
5.26	<u>(a) This appropriation is for the affordable</u>		
5.27	<u>rental investment fund program under</u>		
5.28	<u>Minnesota Statutes, section 462A.21,</u>		
5.29	<u>subdivision 8b, to finance the acquisition,</u>		
5.30	<u>rehabilitation, and debt restructuring of</u>		
5.31	<u>federally assisted rental property and for</u>		
5.32	<u>making equity take-out loans under Minnesota</u>		
5.33	<u>Statutes, section 462A.05, subdivision 39.</u>		
6.1	<u>(b) The owner of federally assisted rental</u>		
6.2	<u>property must agree to participate in the</u>		
6.3	<u>applicable federally assisted housing program</u>		
6.4	<u>and to extend any existing low-income</u>		
6.5	<u>affordability restrictions on the housing for</u>		
6.6	<u>the maximum term permitted.</u>		
6.7	<u>(c) The appropriation also may be used to</u>		
6.8	<u>finance the acquisition, rehabilitation, and debt</u>		
6.9	<u>restructuring of existing supportive housing</u>		
6.10	<u>properties and naturally occurring affordable</u>		
6.11	<u>housing as determined by the commissioner.</u>		
6.12	<u>For purposes of this paragraph, "supportive</u>		
6.13	<u>housing" means affordable rental housing with</u>		
6.14	<u>links to services necessary for individuals,</u>		
6.15	<u>youth, and families with children to maintain</u>		
6.16	<u>housing stability.</u>		
6.17	Subd. 13. <u>Owner-Occupied Housing</u>		
6.18	<u>Rehabilitation</u>	<u>2,772,000</u>	<u>2,772,000</u>
6.19	<u>(a) This appropriation is for the rehabilitation</u>		
6.20	<u>of owner-occupied housing under Minnesota</u>		
6.21	<u>Statutes, section 462A.05, subdivisions 14 and</u>		
6.22	<u>14a.</u>		
6.23	<u>(b) Notwithstanding any law to the contrary,</u>		
6.24	<u>grants or loans under this subdivision may be</u>		

6.17	<u>made without rent or income restrictions of</u>		
6.18	<u>owners or tenants. To the extent practicable,</u>		
6.19	<u>grants or loans must be made available</u>		
6.20	<u>statewide.</u>		
6.21	<u>Subd. 14. Rental Housing Rehabilitation</u>	<u>3,743,000</u>	<u>3,743,000</u>
6.22	<u>(a) This appropriation is for the rehabilitation</u>		
6.23	<u>of eligible rental housing under Minnesota</u>		
6.24	<u>Statutes, section 462A.05, subdivision 14. In</u>		
6.25	<u>administering a rehabilitation program for</u>		
6.26	<u>rental housing, the agency may apply the</u>		
6.27	<u>processes and priorities adopted for</u>		
6.28	<u>administration of the economic development</u>		
6.29	<u>and housing challenge program under</u>		
6.30	<u>Minnesota Statutes, section 462A.33, and may</u>		
6.31	<u>provide grants or forgivable loans if approved</u>		
6.32	<u>by the agency.</u>		
6.33	<u>(b) Notwithstanding any law to the contrary,</u>		
6.34	<u>grants or loans under this subdivision may be</u>		
6.35	<u>made without rent or income restrictions of</u>		
7.1	<u>owners or tenants. To the extent practicable,</u>		
7.2	<u>grants or loans must be made available</u>		
7.3	<u>statewide.</u>		
7.4	<u>Subd. 15. Homeownership Education,</u>	<u>857,000</u>	<u>857,000</u>
7.5	<u>Counseling, and Training</u>		
7.6	<u>This appropriation is for the homeownership</u>		
7.7	<u>education, counseling, and training program</u>		
7.8	<u>under Minnesota Statutes, section 462A.209.</u>		
7.9	<u>Subd. 16. Capacity Building Grants</u>	<u>645,000</u>	<u>645,000</u>
7.10	<u>This appropriation is for capacity building</u>		
7.11	<u>grants under Minnesota Statutes, section</u>		
7.12	<u>462A.21, subdivision 3b.</u>		
7.13	<u>Subd. 17. Build Wealth MN</u>	<u>500,000</u>	<u>500,000</u>
7.14	<u>This appropriation is for a grant to Build</u>		
7.15	<u>Wealth Minnesota to provide a family</u>		
7.16	<u>stabilization plan program including program</u>		

6.25	<u>made without rent or income restrictions of</u>		
6.26	<u>owners or tenants. To the extent practicable,</u>		
6.27	<u>grants or loans must be made available</u>		
6.28	<u>statewide.</u>		
6.29	<u>Subd. 14. Rental Housing Rehabilitation</u>	<u>3,743,000</u>	<u>3,743,000</u>
6.30	<u>(a) This appropriation is for the rehabilitation</u>		
6.31	<u>of eligible rental housing under Minnesota</u>		
6.32	<u>Statutes, section 462A.05, subdivision 14. In</u>		
6.33	<u>administering a rehabilitation program for</u>		
6.34	<u>rental housing, the agency may apply the</u>		
6.35	<u>processes and priorities adopted for</u>		
7.1	<u>administration of the economic development</u>		
7.2	<u>and housing challenge program under</u>		
7.3	<u>Minnesota Statutes, section 462A.33, and may</u>		
7.4	<u>provide grants or forgivable loans if approved</u>		
7.5	<u>by the agency.</u>		
7.6	<u>(b) Notwithstanding any law to the contrary,</u>		
7.7	<u>grants or loans under this subdivision may be</u>		
7.8	<u>made without rent or income restrictions of</u>		
7.9	<u>owners or tenants. To the extent practicable,</u>		
7.10	<u>grants or loans must be made available</u>		
7.11	<u>statewide.</u>		
7.12	<u>Subd. 15. Homeownership Education,</u>	<u>857,000</u>	<u>857,000</u>
7.13	<u>Counseling, and Training</u>		
7.14	<u>This appropriation is for the homeownership</u>		
7.15	<u>education, counseling, and training program</u>		
7.16	<u>under Minnesota Statutes, section 462A.209.</u>		
7.17	<u>Subd. 16. Capacity Building Grants</u>	<u>645,000</u>	<u>645,000</u>
7.18	<u>This appropriation is for capacity building</u>		
7.19	<u>grants under Minnesota Statutes, section</u>		
7.20	<u>462A.21, subdivision 3b.</u>		
7.21	<u>Subd. 17. Build Wealth MN</u>	<u>500,000</u>	<u>500,000</u>
7.22	<u>This appropriation is for a grant to Build</u>		
7.23	<u>Wealth Minnesota to provide a family</u>		
7.24	<u>stabilization plan program including program</u>		

7.17	outreach, financial literacy education, and		
7.18	<u>budget and debt counseling.</u>		
7.19	Subd. 18. Greater Minnesota Housing		
7.20	<u>Infrastructure Grant Program</u>	<u>2,000,000</u>	<u>-0-</u>
7.21	<u>This appropriation is for the greater Minnesota</u>		
7.22	<u>housing infrastructure grant program under</u>		
7.23	<u>Minnesota Statutes, section 462A.395. The</u>		
7.24	<u>base for this appropriation is \$500,000 in fiscal</u>		
7.25	<u>year 2028 and each year thereafter.</u>		
7.26	Subd. 19. Community-Based First-Generation		
7.27	<u>Homebuyers Down Payment Assistance</u>		
7.28	<u>Program</u>	<u>2,000,000</u>	<u>-0-</u>
7.29	<u>This appropriation is for a grant to Midwest</u>		
7.30	<u>Minnesota Community Development</u>		
7.31	<u>Corporation (MMCDC), through its wholly</u>		
7.32	<u>owned subsidiary CDC Investments, Inc., for</u>		
7.33	<u>the community-based first-generation</u>		
7.34	<u>homebuyers down payment assistance</u>		
8.1	<u>program under Minnesota Statutes, section</u>		
8.2	<u>462A.415. At the end of each biennium,</u>		
8.3	<u>MMCDC must remit any unused funds to the</u>		
8.4	<u>Minnesota Housing Finance Agency. Funds</u>		
8.5	<u>remitted to the agency under this subdivision</u>		
8.6	<u>are appropriated to the agency to administer</u>		
8.7	<u>the workforce and affordable homeownership</u>		
8.8	<u>development program under Minnesota</u>		
8.9	<u>Statutes, section 462A.38. The base for this</u>		
8.10	<u>appropriation is \$450,000 in fiscal year 2028</u>		
8.11	<u>and each year thereafter.</u>		

7.25	outreach, financial literacy education, and		
7.26	<u>budget and debt counseling.</u>		
7.27	Subd. 18. Greater Minnesota Housing		
7.28	<u>Infrastructure Grants</u>	<u>20,000,000</u>	<u>-0-</u>
7.29	<u>This appropriation is for the greater Minnesota</u>		
7.30	<u>housing infrastructure grant program under</u>		
7.31	<u>Minnesota Statutes, section 462A.395. This</u>		
7.32	<u>is a onetime appropriation.</u>		
8.1	Subd. 19. Statewide Tenant Education and		
8.2	<u>Hotline Service</u>	<u>500,000</u>	<u>-0-</u>
8.3	<u>This appropriation is for a statewide tenant</u>		
8.4	<u>education and hotline service that provides</u>		
8.5	<u>free and confidential legal advice for all</u>		

Senate Language S2298-3		Housing Finance and Policy		House Language UES2298-2	
8.12	Subd. 20. <u>Availability and Transfer of Funds</u>			8.6	<u>Minnesota renters. This is a onetime</u>
8.13	Money appropriated in the first year in this			8.7	<u>appropriation.</u>
8.14	article is available the second year. <u>The</u>			8.8	Subd. 20. <u>Accessible Housing Task Force</u>
8.15	<u>commissioner may shift or transfer money in</u>				<u>150,000</u>
8.16	<u>the second year in subdivisions 2, 3, 4, 5, 12,</u>			8.9	<u>This appropriation is for administration of the</u>
8.17	<u>13, and 14 to address high-priority housing</u>			8.10	<u>Accessible Housing Task Force established</u>
8.18	<u>needs.</u>			8.11	<u>in this act. This is a onetime appropriation.</u>
8.19	Sec. 3. <u>LEGISLATIVE COORDINATING</u>			8.12	Subd. 21. <u>Policies to Stabilize Affordable</u>
8.20	<u>COMMISSION</u>	\$	<u>200,000</u>	8.13	<u>Housing</u>
8.21	<u>\$200,000 the first year is to provide</u>				<u>100,000</u>
8.22	<u>administrative support to the Task Force on</u>			8.14	<u>This appropriation is for administration of</u>
8.23	<u>Homeowners and Commercial Property</u>			8.15	<u>article 3, sections 1, 2, and 6. This is a onetime</u>
8.24	<u>Insurance established in article 2, section 18.</u>			8.16	<u>appropriation.</u>
8.25	<u>This is a onetime appropriation.</u>			8.17	Subd. 22. <u>Availability</u>
8.26	Sec. 4. <u>Laws 2023, chapter 37, article 1, section 2, subdivision 29, as amended by Laws</u>			8.18	<u>Money appropriated in the first year in this</u>
8.27	<u>2024, chapter 127, article 14, section 11, is amended to read:</u>			8.19	<u>article is available the second year.</u>
8.28					
8.29	Subd. 29. <u>Community Stabilization</u>				
8.30	(a) <u>This appropriation is for the community</u>				
8.31	<u>stabilization program. This a onetime</u>				
8.32	<u>appropriation.</u>				

8.33 (b) The first year and second year
8.34 appropriations are available as follows:

9.1 (1) \$10,000,000 is for a grant to AEON for
9.2 Huntington Place;

9.3 (2) notwithstanding Minnesota Statutes,
9.4 sections 16B.98, subdivisions 5 and 12, and
9.5 16B.981, subdivision 2, \$3,250,000 is for a
9.6 grant to the Wilder Park Association to assist
9.7 with the cost of a major capital repair project
9.8 for the rehabilitation of portions of the
9.9 owner-occupied senior high-rise facility. The
9.10 grantee must verify that 50 percent of units
9.11 are occupied by households with incomes at
9.12 or below 60 percent of area median income;

9.13 (3) \$41,750,000 is for multiunit rental housing;
9.14 and

9.15 ~~(4) \$10,000,000 is for single family housing;~~
9.16 ~~and~~

9.17 ~~(5) (4) \$50,000,000 is for recapitalization of~~
9.18 ~~distressed buildings. Of this amount, up to~~
9.19 ~~\$15,000,000 is for preservation or~~
9.20 ~~recapitalization of housing that includes~~
9.21 ~~supportive housing.~~

9.22 (c) Notwithstanding Minnesota Statutes,
9.23 section 16B.98, subdivision 14, the
9.24 commissioner may use up to one percent of
9.25 this appropriation for administrative costs for
9.26 the grants in paragraph (b), clauses (1) and
9.27 (2). This is a onetime appropriation.

9.28 EFFECTIVE DATE. This section is effective the day following final enactment.

9.29 Sec. 5. TRANSFER; HOUSING SUPPORT ACCOUNT.

9.30 The commissioner of management and budget must transfer any unencumbered balance
9.31 from the housing support account under Minnesota Statutes, section 462A.43, to the general
9.32 fund by June 15, 2025.

9.33 EFFECTIVE DATE. This section is effective the day following final enactment.

8.20 Sec. 3. TRANSFER; HOUSING SUPPORT ACCOUNT.

8.21 The commissioner of management and budget must transfer any unencumbered balance
8.22 from the housing support account, under Minnesota Statutes, section 462A.43, to the general
8.23 fund by June 15, 2025.

8.24 EFFECTIVE DATE. This section is effective the day following final enactment.

10.1 Sec. 6. **REPEALER.**

10.2 (a) Minnesota Statutes 2024, section 16A.287, is repealed.

10.3 (b) Minnesota Statutes 2024, section 462A.43, is repealed.

10.4 **EFFECTIVE DATE.** Paragraph (a) is effective the day following final enactment.

10.5 **ARTICLE 2**

10.6 **POLICY**

10.7 Section 1. Minnesota Statutes 2024, section 327C.095, subdivision 12, is amended to read:

10.8 Subd. 12. **Payment to the Minnesota manufactured home relocation trust fund.** (a)

10.9 If a manufactured home owner is required to move due to the conversion of all or a portion

10.10 of a manufactured home park to another use, the closure of a park, or cessation of use of

10.11 the land as a manufactured home park, the manufactured park owner shall, upon the change

10.12 in use, pay to the Minnesota Housing Finance Agency for deposit in the Minnesota

10.13 manufactured home relocation trust fund under section 462A.35, the lesser amount of the

10.14 actual costs of moving or purchasing the manufactured home approved by the neutral third

10.15 party and paid by the Minnesota Housing Finance Agency under subdivision 13, paragraph

10.16 (a) or (e), or \$3,250 for each single section manufactured home, and \$6,000 for each

10.17 multisection manufactured home, for which a manufactured home owner has made

10.18 application for payment of relocation costs under subdivision 13, paragraph (c). The

10.19 manufactured home park owner shall make payments required under this section to the

10.20 Minnesota manufactured home relocation trust fund within 60 days of receipt of invoice

10.21 from the neutral third party.

10.22 (b) A manufactured home park owner is not required to make the payment prescribed

10.23 under paragraph (a), nor is a manufactured home owner entitled to compensation under

10.24 subdivision 13, paragraph (a) or (e), if:

10.25 (1) the manufactured home park owner relocates the manufactured home owner to

10.26 another space in the manufactured home park or to another manufactured home park at the

10.27 park owner's expense;

10.28 (2) the manufactured home owner is vacating the premises and has informed the

10.29 manufactured home park owner or manager of this prior to the mailing date of the closure

10.30 statement under subdivision 1;

10.31 (3) a manufactured home owner has abandoned the manufactured home, or the

10.32 manufactured home owner is not current on the monthly lot rental, personal property taxes;

11.1 (4) the manufactured home owner has a pending eviction action for nonpayment of lot

11.2 rental amount under section 327C.09, which was filed against the manufactured home owner

11.3 prior to the mailing date of the closure statement under subdivision 1, and the writ of recovery

11.4 has been ordered by the district court;

8.25 Sec. 4. **REPEALER.**

8.26 (a) Minnesota Statutes 2024, section 16A.287, is repealed.

8.27 (b) Minnesota Statutes 2024, section 462A.43, is repealed.

8.28 **EFFECTIVE DATE.** Paragraph (a) is effective June 30, 2025.

11.12 **ARTICLE 3**

11.13 **HOUSING POLICY**

11.5 (5) the conversion of all or a portion of a manufactured home park to another use, the
 11.6 closure of a park, or cessation of use of the land as a manufactured home park is the result
 11.7 of a taking or exercise of the power of eminent domain by a governmental entity or public
 11.8 utility; or

11.9 (6) the owner of the manufactured home is not a resident of the manufactured home
 11.10 park, as defined in section 327C.015, subdivision 14; the owner of the manufactured home
 11.11 is a resident, but came to reside in the manufactured home park after the mailing date of
 11.12 the closure statement under subdivision 1; or the owner of the manufactured home has not
 11.13 paid the \$15 assessment when due under paragraph (c).

11.14 (c) If the unencumbered fund balance in the manufactured home relocation trust fund
 11.15 is less than \$2,000,000 as of June 30 of each year, the Minnesota Housing Finance Agency
 11.16 shall assess each manufactured home park owner by mail the total amount of \$15 for each
 11.17 licensed lot in their park, payable on or before December 15 of that year. Failure to notify
 11.18 and timely assess the manufactured home park owner by July 31 of any year shall waive
 11.19 the assessment and payment obligations of the manufactured home park owner for that year.
 11.20 Together with said assessment notice, each year the Minnesota Housing Finance Agency
 11.21 shall prepare and distribute to park owners a letter explaining whether funds are being
 11.22 collected for that year, information about the collection, an invoice for all licensed lots, a
 11.23 notice for distribution to the residents, and a sample form for the park owners to collect
 11.24 information on which park residents and lots have been accounted for. The agency must
 11.25 also include information in the letter about the tax credit available for sales of manufactured
 11.26 home parks to cooperatives in section 290.0694 and about notice requirements for unsolicited
 11.27 sales in section 327C.097. The agency may include additional information in the letter about
 11.28 programs and resources available to manufactured home park residents and owners. In a
 11.29 font no smaller than 14-point, the notice provided by the Minnesota Housing Finance Agency
 11.30 for distribution to residents by the park owner will include the payment deadline of October
 11.31 31 and the following language: "THIS IS NOT AN OPTIONAL FEE. IF YOU OWN A
 11.32 MANUFACTURED HOME ON A LOT YOU RENT IN A MANUFACTURED HOME
 11.33 PARK, AND YOU RESIDE IN THAT HOME, YOU MUST PAY WHEN PROVIDED
 11.34 NOTICE." If assessed under this paragraph, the park owner may recoup the cost of the \$15
 11.35 assessment as a lump sum or as a monthly fee of no more than \$1.25 collected from park
 12.1 residents together with monthly lot rent as provided in section 327C.03, subdivision 6. If,
 12.2 by September 15, a park owner provides the notice to residents for the \$15 lump sum, a
 12.3 park owner may adjust payment for lots in their park that are vacant or otherwise not eligible
 12.4 for contribution to the trust fund under section 327C.095, subdivision 12, paragraph (b),
 12.5 and for park residents who have not paid the \$15 assessment when due to the park owner
 12.6 by October 31, and deduct from the assessment accordingly. The Minnesota Housing Finance
 12.7 Agency shall deposit any payments in the Minnesota manufactured home relocation trust
 12.8 fund and maintain an annual record for each manufactured home park of the amount received
 12.9 for that park and the number of deductions made for each of the following reasons: vacant
 12.10 lots, ineligible lots, and uncollected fees.

12.11 (d) This subdivision and subdivision 13, paragraph (c), clause (5), are enforceable by
12.12 the neutral third party, on behalf of the Minnesota Housing Finance Agency, or by action
12.13 in a court of appropriate jurisdiction. The court may award a prevailing party reasonable
12.14 attorney fees, court costs, and disbursements.

12.15 Sec. 2. Minnesota Statutes 2024, section 462A.051, subdivision 2, is amended to read:

12.16 Subd. 2. **Application.** This section applies to all forms of financial assistance provided
12.17 by the Minnesota Housing Finance Agency, as well as the allocation and award of federal
12.18 low-income housing credits by all allocating agencies as defined under section 462A.221,
12.19 for the development, construction, rehabilitation, renovation, or retrofitting of ~~multunit~~
12.20 ~~residential~~ multifamily housing, including loans, grants, tax credits, loan guarantees, loan
12.21 insurance, and other financial assistance.

12.22 Sec. 3. Minnesota Statutes 2024, section 462A.07, subdivision 19, is amended to read:

12.23 Subd. 19. **Report to the legislature.** (a) By February 15 each year, the commissioner
12.24 must submit a report to the chairs and ranking minority members of the legislative committees
12.25 having jurisdiction over housing finance and policy containing the following information:

12.26 (1) the total number of applications for funding;
12.27 (2) the amount of funding requested;
12.28 (3) the amounts of funding awarded; and
12.29 (4) the number of housing units that are affected by funding awards, including the number
12.30 of:

12.31 (i) newly constructed owner-occupied units;
13.1 (ii) renovated owner-occupied units;
13.2 (iii) newly constructed rental units; and
13.3 (iv) renovated rental units.

13.4 (b) This reporting requirement applies to appropriations for competitive development
13.5 programs made in Laws 2023 and in subsequent laws.

13.6 (c) By January 5 each year, the commissioner must report on the financial stability of
13.7 the affordable housing industry. The report must include:

13.8 (1) the ratio of operating expenses to revenue in affordable rental housing projects; and
13.9 (2) the percent of rents collected on time, divided into four regions of the state;

H2309-2

1.15 Section 1. Minnesota Statutes 2024, section 462A.051, subdivision 2, is amended to read:

1.16 Subd. 2. **Application.** This section applies to all forms of financial assistance provided
1.17 by the Minnesota Housing Finance Agency, as well as the allocation and award of federal
1.18 low-income housing credits by all allocating agencies as defined under section 462A.221,
1.19 for the development, construction, rehabilitation, renovation, or retrofitting of ~~multunit~~
1.20 ~~residential~~ multifamily housing, including loans, grants, tax credits, loan guarantees, loan
1.21 insurance, and other financial assistance.

UES2298-2

11.14 Section 1. Minnesota Statutes 2024, section 462A.07, subdivision 19, is amended to read:

11.15 Subd. 19. **Report to the legislature.** (a) By February 15 each year, the commissioner
11.16 must submit a report to the chairs and ranking minority members of the legislative committees
11.17 having jurisdiction over housing finance and policy containing the following information:

11.18 (1) the total number of applications for funding;
11.19 (2) the amount of funding requested;
11.20 (3) the amounts of funding awarded; and
11.21 (4) the number of housing units that are affected by funding awards, including the number
11.22 of:

11.23 (i) newly constructed owner-occupied units;
11.24 (ii) renovated owner-occupied units;
11.25 (iii) newly constructed rental units; and
11.26 (iv) renovated rental units.

11.27 (b) This reporting requirement applies to appropriations for competitive development
11.28 programs made in Laws 2023 and in subsequent laws.

11.29 (c) By January 5 each year, the commissioner must report on the financial stability of
11.30 the affordable housing industry. The report must include:

12.1 (1) the ratio of operating expenses to revenue in affordable rental housing projects; and
12.2 (2) the percent of rents collected on time, divided into four regions of the state;

13.10 (i) the cities of St. Paul and Minneapolis;
13.11 (ii) the metropolitan counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and
13.12 Washington, except for the cities of St. Paul and Minneapolis;
13.13 (iii) urban greater Minnesota, including the cities of Duluth, Mankato, Moorhead,
13.14 Rochester, and St. Cloud; and
13.15 (iv) rural greater Minnesota, which includes all of Minnesota except for the places listed
13.16 in items (i), (ii), and (iii).
13.17 Sec. 4. Minnesota Statutes 2024, section 462A.07, is amended by adding a subdivision to
13.18 read:
13.19 Subd. 21. **Affordable housing annual meeting.** At least once each year, the
13.20 commissioner must convene a meeting with the Interagency Council to End Homelessness
13.21 and the cities and counties with high levels of cost-burdened households, meaning ~~the cities~~
13.22 and counties where gross rent or homeownership costs are 30 percent or more of household
13.23 income. The purpose of the meeting is to discuss:
13.24 (1) resources received by cities and counties;
13.25 (2) regional needs for affordable housing; and
13.26 (3) recommendations for the collaborative use of funds to effectively address
13.27 homelessness, housing insecurity, security of affordable housing, and the lack of housing
13.28 supply.

12.3 (i) the cities of St. Paul and Minneapolis;
12.4 (ii) the metropolitan counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and
12.5 Washington, except for the cities of St. Paul and Minneapolis;
12.6 (iii) urban greater Minnesota, including the cities of Duluth, Mankato, Moorhead,
12.7 Rochester, and St. Cloud; and
12.8 (iv) rural greater Minnesota, which includes all of Minnesota, except for the places listed
12.9 in items (i), (ii), and (iii).
12.10 Sec. 2. Minnesota Statutes 2024, section 462A.07, is amended by adding a subdivision to
12.11 read:
12.12 Subd. 21. **Affordable housing annual meeting.** At least once each year, the
12.13 commissioner must convene a meeting with the Interagency Council to End Homelessness
12.14 and the cities and counties with high levels of cost-burdened households, meaning ~~those~~
12.15 where gross rent or homeownership costs are 30 percent or more of household income. The
12.16 purpose of the meeting is to discuss:
12.17 (1) resources received by cities and counties;
12.18 (2) regional needs for affordable housing; and
12.19 (3) recommendations for the collaborative use of funds to effectively address
12.20 homelessness, housing insecurity, security of affordable housing, and the lack of housing
12.21 supply.

H2309-2

1.22 Sec. 2. Minnesota Statutes 2024, section 462A.07, is amended by adding a subdivision to
1.23 read:
1.24 Subd. 21. **Promotion of materials on rights and obligations of landlords and**
1.25 **residential tenants.** The commissioner shall publish information on the rights and obligations
2.1 of landlords and residential tenants, including promotion of the statement required under
2.2 section 504B.275. The commissioner must prominently display this information on the
2.3 agency website.
2.4 Sec. 3. Minnesota Statutes 2024, section 462A.2095, subdivision 2, is amended to read:
2.5 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
2.6 meanings given.
2.7 (b) "Eligible household" means a household with an annual income of up to 50 percent
2.8 of the area median income as determined by the United States Department of Housing and
2.9 Urban Development, adjusted for family size, that is paying more than 30 percent of the
2.10 household's annual income on rent. Eligibility is determined at the time a household first
2.11 receives rent assistance under this section. ~~Eligibility~~ Income shall be recertified every year

14.1 Sec. 5. Minnesota Statutes 2024, section 462A.2095, subdivision 3, is amended to read:

14.2 Subd. 3. **Grants to program administrators.** (a) The agency may make grants to

14.3 program administrators to provide rental assistance for eligible households. Notwithstanding

14.4 section 16C.06, the commissioner may use a formula to determine award amounts to program

14.5 administrators. For both tenant-based and project-based assistance, program administrators

14.6 shall pay assistance directly to housing providers. Rental assistance may be provided in the

14.7 form of tenant-based assistance or project-based assistance. Notwithstanding the amounts

14.8 awarded under subdivision 1, paragraph (b), and to the extent practicable, the agency must

14.9 make grants statewide in proportion to the number of households eligible for assistance in

14.10 each county according to the most recent American Community Survey of the United States

14.11 Census Bureau. The agency may, at its discretion, redistribute unused or underutilized

14.12 money among eligible program administrators to increase program efficiency and

14.13 effectiveness.

14.14 (b) The program administrator may use its existing procedures to administer the rent

14.15 assistance program or may develop alternative procedures with the goals of reaching

14.16 households most in need and incentivizing landlord participation. The agency must approve

14.17 a program administrator's alternative procedures. Priority for rental assistance shall be given

14.18 to households with children 18 years of age and under, and annual incomes of up to 30

14.19 percent of the area median income. Program administrators may establish additional priority

14.20 populations based on local need.

14.21 Sec. 6. Minnesota Statutes 2024, section 462A.222, is amended by adding a subdivision

14.22 to read:

14.23 Subd. 5. **Limitation on rental increases.** A project awarded tax credits under this section

14.24 must not increase rent in any 12-month period by a percentage exceeding the lesser of:

2.12 thereafter for the purposes of determining the amount of rent assistance under subdivision

2.13 4. Eligible household does not include a household receiving federal tenant-based or

2.14 project-based assistance under Section 8 of the United States Housing Act of 1937, as

2.15 amended.

2.16 (c) "Program administrator" means:

2.17 (1) a housing and redevelopment authority or other local government agency or authority

2.18 that administers federal tenant-based or project-based assistance under Section 8 of the

2.19 United States Housing Act of 1937, as amended;

2.20 (2) a Tribal government or Tribally designated housing entity; or

2.21 (3) if there is no entity under clause (1) or (2) with the capacity to administer the program,

2.22 a nongovernmental organization determined by the agency to have the capacity to administer

2.23 the program.

2.24 Sec. 4. Minnesota Statutes 2024, section 462A.2095, subdivision 3, is amended to read:

2.25 Subd. 3. **Grants to program administrators.** (a) The agency may make grants to

2.26 program administrators to provide rental assistance for eligible households. Notwithstanding

2.27 section 16C.06, the commissioner may use a formula to determine award amounts to program

2.28 administrators. For both tenant-based and project-based assistance, program administrators

2.29 shall pay assistance directly to housing providers. Rental assistance may be provided in the

2.30 form of tenant-based assistance or project-based assistance. Notwithstanding the amounts

2.31 awarded under subdivision 1, paragraph (b), and to the extent practicable, the agency must

2.32 make grants statewide in proportion to the number of households eligible for assistance in

3.1 each county according to the most recent American Community Survey of the United States

3.2 Census Bureau. The agency may, at its discretion, redistribute unused or underutilized funds

3.3 among eligible program administrators to increase program efficiency and effectiveness.

3.4 (b) The program administrator may use its existing procedures to administer the rent

3.5 assistance program or may develop alternative procedures with the goals of reaching

3.6 households most in need and incentivizing landlord participation. The agency must approve

3.7 a program administrator's alternative procedures. Priority for rental assistance shall be given

3.8 to households with children 18 years of age and under, and annual incomes of up to 30

3.9 percent of the area median income. Program administrators may establish additional priority

3.10 populations based on local need.

14.25 (1) the percent change in the Consumer Price Index for all urban consumers, as published
14.26 by the Bureau of Labor Statistics of the Department of Labor, for the most recent 12-month
14.27 period; or

14.28 (2) the percent change in the area median income levels for a household size of four
14.29 between the current and previous calendar years.

14.30 **EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to rent
14.31 increases that take effect on or after that date.

15.1 Sec. 7. Minnesota Statutes 2024, section 462A.33, subdivision 2, is amended to read:

15.2 Subd. 2. **Eligible recipients.** Challenge grants or loans may be made to a city; a federally
15.3 recognized American Indian Tribe or subdivision located in Minnesota; a Tribal housing
15.4 corporation; a private developer; a nonprofit organization; a school district; a cooperative
15.5 unit, as defined in section 123A.24, subdivision 2; a charter school; a contract alternative
15.6 school; a Tribal contract school; or the owner of the housing, including individuals. For the
15.7 purpose of this section, "city" has the meaning given it in section 462A.03, subdivision 21.
15.8 To the extent practicable, grants and loans shall be made so that an approximately equal
15.9 number of housing units are financed in the metropolitan area and in the nonmetropolitan
15.10 area.

15.11 Sec. 8. Minnesota Statutes 2024, section 462A.33, subdivision 9, is amended to read:

15.12 Subd. 9. **Grant funding to schools.** A school district; a cooperative unit, as defined in
15.13 section 123A.24, subdivision 2; ~~or a charter school; a contract alternative school; or a Tribal~~
15.14 ~~contract school~~ may receive funding under this section in the form of a grant less than
15.15 \$100,000. A school district; intermediate district; ~~or a charter school; contract alternative~~
15.16 ~~school; or Tribal contract~~ school that uses a grant under this section to construct a home for
15.17 owner occupancy must require the future occupant to participate in the homeownership
15.18 education counseling and training program under section 462A.209.

3.11 Sec. 5. Minnesota Statutes 2024, section 462A.33, subdivision 9, is amended to read:

3.12 Subd. 9. **Grant funding to schools.** A school district; a cooperative unit, as defined in
3.13 section 123A.24, subdivision 2; or a charter school may receive funding under this section
3.14 in the form of a grant less than \$100,000. A school district, intermediate district, or charter
3.15 school that uses a grant under this section to construct a home for owner occupancy must
3.16 require the future occupant to participate in the homeownership education counseling and
3.17 training program under section 462A.209. A nonprofit organization contracted by a school
3.18 district; a cooperative unit, as defined in section 123A.24, subdivision 2; or a charter school
3.19 may receive funding under the requirements of this subdivision.

3.20 Sec. 6. Minnesota Statutes 2024, section 462A.37, subdivision 2, is amended to read:

3.21 Subd. 2. **Authorization.** (a) The agency may issue up to \$30,000,000 in aggregate
3.22 principal amount of housing infrastructure bonds in one or more series to which the payment
3.23 made under this section may be pledged. The housing infrastructure bonds authorized in
3.24 this subdivision may be issued to fund loans, or grants for the purposes of clauses (4) and
3.25 (7), on terms and conditions the agency deems appropriate, made for one or more of the
3.26 following purposes:

3.27 (1) to finance the costs of the construction, acquisition, adaptive reuse, and rehabilitation
3.28 of supportive housing where at least 50 percent of units are set aside for individuals and
3.29 families who are without a permanent residence;

3.30 (2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned
3.31 housing to be used for affordable rental housing or for affordable home ownership and the

- 3.32 costs of new construction of rental housing on abandoned or foreclosed property where the
3.33 existing structures will be demolished or removed;
- 4.1 (3) to finance that portion of the costs of acquisition of property that is attributable to
4.2 the land to be leased by community land trusts to low- and moderate-income home buyers;
- 4.3 (4) to finance the acquisition, improvement, and infrastructure of manufactured home
4.4 parks under section 462A.2035, subdivision 1b;
- 4.5 (5) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction
4.6 of senior housing;
- 4.7 (6) to finance the costs of acquisition, rehabilitation, and replacement of federally assisted
4.8 rental housing and for the refinancing of costs of the construction, acquisition, and
4.9 rehabilitation of federally assisted rental housing, including providing funds to refund, in
4.10 whole or in part, outstanding bonds previously issued by the agency or another government
4.11 unit to finance or refinance such costs;
- 4.12 (7) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction
4.13 of single-family housing;
- 4.14 (8) to finance the costs of construction, acquisition, adaptive reuse, and rehabilitation
4.15 of permanent housing that is affordable to households with incomes at or below 50 percent
4.16 of the area median income for the applicable county or metropolitan area as published by
4.17 the Department of Housing and Urban Development, as adjusted for household size; and
- 4.18 (9) to finance the costs of construction, acquisition, rehabilitation, conversion, and
4.19 development of cooperatively owned housing created under chapter 308A, 308B, or 308C
4.20 that is affordable to low- and moderate-income households.
- 4.21 (b) Among comparable proposals for permanent supportive housing, preference shall
4.22 be given to permanent supportive housing for veterans and other individuals or families
4.23 who:
- 4.24 (1) either have been without a permanent residence for at least 12 months or at least four
4.25 times in the last three years; or
- 4.26 (2) are at significant risk of lacking a permanent residence for 12 months or at least four
4.27 times in the last three years.
- 4.28 (c) Among comparable proposals for senior housing, the agency must give priority to
4.29 requests for projects that:
- 4.30 (1) demonstrate a commitment to maintaining the housing financed as affordable to
4.31 senior households;
- 5.1 (2) leverage other sources of funding to finance the project, including the use of
5.2 low-income housing tax credits;

15.19 Sec. 9. Minnesota Statutes 2024, section 462A.40, subdivision 3, is amended to read:

15.20 Subd. 3. **Eligible recipients; definitions; restrictions; use of funds.** (a) The agency

15.21 may award a grant or a loan to any recipient that qualifies under subdivision 2. The agency

15.22 must not award a grant or a loan to a disqualified individual or disqualified business.

15.23 (b) For the purposes of this subdivision disqualified individual means:

5.3 (3) provide access to services to residents and demonstrate the ability to increase physical

5.4 supports and support services as residents age and experience increasing levels of disability;

5.5 and

5.6 (4) include households with incomes that do not exceed 30 percent of the median

5.7 household income for the metropolitan area.

5.8 (d) To the extent practicable, the agency shall balance the loans made between projects

5.9 in the metropolitan area and projects outside the metropolitan area. Of the loans made to

5.10 projects outside the metropolitan area, the agency shall, to the extent practicable, balance

5.11 the loans made between projects in counties or cities with a population of 20,000 or less,

5.12 as established by the most recent decennial census, and projects in counties or cities with

5.13 populations in excess of 20,000.

5.14 (e) Among comparable proposals for permanent housing, the agency must give preference

5.15 to projects that will provide housing that is affordable to households at or below 30 percent

5.16 of the area median income.

5.17 (f) If a loan recipient uses the loan for new construction as defined by the agency on a

5.18 building containing more than four units, the loan recipient must construct, convert, or

5.19 otherwise adapt the building to include:

5.20 (1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are

5.21 accessible units, and each accessible unit includes at least one roll-in shower, water closet,

5.22 and kitchen work surface meeting the requirements of section 1002 of the current State

5.23 Building Code Accessibility Provisions for Dwelling Units in Minnesota; and

5.24 (2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are

5.25 sensory-accessible units that include:

5.26 (A) soundproofing between shared walls for first and second floor units;

5.27 (B) no florescent lighting in units and common areas;

5.28 (C) low-fume paint;

5.29 (D) low-chemical carpet; and

5.30 (E) low-chemical carpet glue in units and common areas.

5.31 Nothing in this paragraph relieves a project funded by the agency from meeting other

5.32 applicable accessibility requirements.

- 15.24 (1) an individual who or an individual whose immediate family member made a
 15.25 contribution to the account in the current or prior taxable year and received a credit certificate;
- 15.26 (2) an individual who or an individual whose immediate family member owns the housing
 15.27 for which the grant or loan will be used;
- 15.28 (3) an individual who meets the following criteria:
- 15.29 (i) the individual is an officer or principal of a business entity; and
- 15.30 (ii) that business entity made a contribution to the account in the current or previous
 15.31 taxable year and received a credit certificate; or
- 16.1 (4) an individual who meets the following criteria:
- 16.2 (i) the individual directly owns, controls, or holds the power to vote 20 percent or more
 16.3 of the outstanding securities of a business entity; and
- 16.4 (ii) that business entity made a contribution to the account in the current or previous
 16.5 taxable year and received a credit certificate.
- 16.6 (c) For the purposes of this subdivision disqualified business means a business entity
 16.7 that:
- 16.8 (1) made a contribution to the account in the current or prior taxable year and received
 16.9 a credit certificate;
- 16.10 (2) has an officer or principal who is an individual who made a contribution to the
 16.11 account in the current or previous taxable year and received a credit certificate; or
- 16.12 (3) meets the following criteria:
- 16.13 (i) the business entity is directly owned, controlled, or is subject to the power to vote 20
 16.14 percent or more of the outstanding securities by an individual or business entity; and
- 16.15 (ii) that controlling individual or business entity made a contribution to the account in
 16.16 the current or previous taxable year and received a credit certificate.
- 16.17 (d) For purposes of this subdivision, "immediate family" means the taxpayer's spouse,
 16.18 parent or parent's spouse, sibling or sibling's spouse, or child or child's spouse. For a married
 16.19 couple filing a joint return, the limitations in this subdivision apply collectively to the
 16.20 taxpayer and spouse.
- 16.21 (e) For purposes of this subdivision, "officer or principal" excludes an individual serving
 16.22 as a volunteer board member of a nonprofit organization governed by chapter 317A.
- 16.23 ~~(e)~~ (f) Before applying for a grant or loan, all recipients must sign a disclosure that the
 16.24 disqualifications under this subdivision do not apply. The Minnesota Housing Finance
 16.25 Agency must prescribe the form of the disclosure. The Minnesota Housing Finance Agency
 16.26 may rely on the disclosure to determine the eligibility of recipients under paragraph (a).

16.27 ~~(f)~~ (g) The agency may award grants or loans to a city as defined in section 462A.03,
16.28 subdivision 21; a federally recognized American Indian tribe or subdivision located in
16.29 Minnesota; a tribal housing corporation; a private developer; a nonprofit organization; a
16.30 housing and redevelopment authority under sections 469.001 to 469.047; a public housing
16.31 authority or agency authorized by law to exercise any of the powers granted by sections
16.32 469.001 to 469.047; or the owner of the housing. The provisions of subdivision 2, and
17.1 paragraphs (a) to ~~(e)~~ (f) and ~~(g)~~ (h) of this subdivision, regarding the use of funds and eligible
17.2 recipients apply to grants and loans awarded under this paragraph.

17.3 ~~(g)~~ (h) Except for projects receiving funding under section 462A.39, eligible recipients
17.4 must use the funds to serve households that meet the income limits as provided in section
17.5 462A.33, subdivision 5.

17.6 Sec. 10. **[462A.415] COMMUNITY-BASED FIRST-GENERATION HOMEBUYERS**
17.7 **DOWN PAYMENT ASSISTANCE PROGRAM.**

17.8 Subdivision 1. **Establishment.** A community-based first-generation homebuyers down
17.9 payment assistance program is established as a noncompetitive program under the
17.10 administration of a community development financial institution (CDFI) as defined under
17.11 the Riegle Community Development and Regulatory Improvement Act of 1994 to provide
17.12 targeted assistance to eligible homebuyers.

17.13 Subd. 2. **Administration.** The community-based first-generation homebuyers down
17.14 payment assistance program is available statewide and shall be administered by a designated
17.15 central CDFI. The administering CDFI may originate and service funds and authorize other
17.16 CDFIs, Tribal entities, and nonprofit organizations administering down payment assistance
17.17 to reserve, originate, fund, and service funds for eligible homebuyers. Administrative costs
17.18 must not exceed ten percent of the fiscal year appropriation.

17.19 Subd. 3. **Eligible homebuyer.** For purposes of this section, "eligible homebuyer" means
17.20 an adult person:

17.21 (1) whose income is at or below 100 percent of the statewide median income at the time
17.22 of application;

17.23 (2) who is preapproved for a first mortgage loan; and

17.24 (3)(i) who either never owned a home or who owned a home but lost it due to foreclosure;
17.25 and

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14.12 Sec. 5. Laws 2023, chapter 37, article 2, section 9, is amended to read:

14.13 Sec. 9. **COMMUNITY-BASED FIRST-GENERATION HOMEBUYERS**
14.14 **ASSISTANCE PROGRAM.**

14.15 Subdivision 1. **Establishment.** A community-based first-generation homebuyers down
14.16 payment assistance program is established as a pilot project program under the administration
14.17 of the Midwest Minnesota Community Development Corporation (MMCDC), a community
14.18 development financial institution (CDFI) as defined under the Riegle Community
14.19 Development and Regulatory Improvement Act of 1994, to provide targeted assistance to
14.20 eligible households homebuyers.

15.25 Subd. 4. **Administration.** The community-based first-generation homebuyers down
15.26 payment assistance program is available statewide and shall be administered by MMCDC,
15.27 the designated central CDFI. MMCDC may originate and service funds and authorize other
15.28 CDFIs, Tribal entities, and nonprofit organizations administering down payment assistance
15.29 to reserve, originate, fund, and service funds for eligible households homebuyers.
15.30 Administrative costs must not exceed \$3,200 per loan ten percent of the fiscal year
15.31 appropriation.

14.21 Subd. 2. **Eligible household homebuyer.** For purposes of this section, "eligible
14.22 household" "eligible homebuyer" means a household an adult person:

14.23 (1) whose income is at or below 100 percent of the area statewide median income at the
14.24 time of purchase application; and

14.25 ~~(2) that includes at least one adult member;~~

14.26 ~~(2)~~ (2) who is preapproved for a first mortgage loan; and

14.27 ~~(3)(i)~~ (3)(i) who either never owned a home or who owned a home but lost it due to
14.28 foreclosure; and

17.26 (ii) whose parent or prior legal guardian either never owned a home or owned a home
17.27 but lost it due to foreclosure.

17.28 The eligible homebuyer must complete an approved homebuyer education course prior to
17.29 signing a purchase agreement and, following the purchase of the home, must occupy it as
17.30 their primary residence.

17.31 Subd. 4. **Use of funds.** Assistance under this section is limited to ten percent of the
17.32 purchase price of a one unit or two unit home, not to exceed \$32,000. Beginning in fiscal
18.1 year 2027, the maximum amount of assistance may be increased to up to ten percent of the
18.2 median home sales price as reported in the previous year's Minnesota Realtors Annual
18.3 Report on the Minnesota Housing Market. Funds are reserved at the issuance of preapproval.
18.4 Reservation of funds is not contingent on having an executed purchase agreement. The
18.5 assistance must be provided in the form of a no-interest loan that is forgiven over five years,
18.6 forgivable at a rate of 20 percent per year on the day after the anniversary date of the note,
18.7 with the final 20 percent forgiven on the down payment assistance loan maturity date. There
18.8 is no monthly pro rata or partial-year credit. The loan has no monthly payment and does
18.9 not accrue interest. The prorated balance due is repayable if the property converts to
18.10 nonowner occupancy, is sold, is subjected to an ineligible refinance, is subjected to an
18.11 unauthorized transfer of title, or is subjected to a completed foreclosure action within the
18.12 five-year loan term. Recapture can be waived in the event of financial or personal hardship.
18.13 The administering CDFI may retain recaptured funds for assisting eligible homebuyers as
18.14 provided in this section. Funds may be used for closing costs, down payment, or principal
18.15 reduction. The eligible household may select any first mortgage lender or broker of their
18.16 choice, provided that the funds are used in conjunction with a conforming first mortgage
18.17 loan that is fully amortizing and meets the standards of a qualified mortgage or meets the
18.18 minimum standards for exemption under Code of Federal Regulations, title 12, section
18.19 1026.43. Funds may be used in conjunction with other programs the eligible household may
18.20 qualify for and the loan placed in any priority position.

18.21 Subd. 5. **Report to legislature.** By January 15 each year, the administering CDFI must
18.22 report to the chairs and ranking minority members of the legislative committees with
18.23 jurisdiction over housing finance and policy the following information:

18.24 (1) the number and amounts of loans closed;

18.25 (2) the mean and median loan amount;

18.26 (3) the number and amounts of loans issued by race or ethnic categories;

18.27 (4) the mean and median home purchase price;

18.28 (5) the interest rates and types of mortgages;

18.29 (6) the total amount returned to the fund;

14.29 ~~(iii)~~ (ii) whose parent or prior legal guardian either never owned a home or owned a
14.30 home but lost it due to foreclosure.

14.31 ~~At least one adult household member meeting the criteria under clause (2)~~ The eligible
14.32 homebuyer must complete an approved homebuyer education course prior to signing a
15.1 purchase agreement and, following the purchase of the home, must occupy it as their primary
15.2 residence.

15.3 Subd. 3. **Use of funds.** Assistance under this section is limited to ten percent of the
15.4 purchase price of a one or two unit home, not to exceed \$32,000. Beginning in fiscal year
15.5 2027, the maximum amount of assistance may be increased to up to ten percent of the
15.6 median home sales price as reported in the previous year's Minnesota Realtors Annual
15.7 Report on the Minnesota Housing Market. Funds are reserved at the issuance of preapproval.
15.8 Reservation of funds is not contingent on having an executed purchase agreement. The
15.9 assistance must be provided in the form of a no-interest loan that is forgiven over five years,
15.10 forgivable at a rate of 20 percent per year on the day after the anniversary date of the note,
15.11 with the final 20 percent forgiven on the down payment assistance loan maturity date. There
15.12 is no monthly pro rata or partial-year credit. The loan has no monthly payment and does not
15.13 accrue interest. The prorated balance due is repayable if the property converts to nonowner
15.14 occupancy, is sold, is subjected to an ineligible refinance, is subjected to an unauthorized
15.15 transfer of title, or is subjected to a completed foreclosure action within the five-year loan
15.16 term. Recapture can be waived in the event of financial or personal hardship. MMCDC may
15.17 retain recaptured funds for assisting eligible homebuyers as provided in this section. Funds
15.18 may be used for closing costs, down payment, or principal reduction. The eligible household
15.19 may select any first mortgage lender or broker of their choice, provided that the funds are
15.20 used in conjunction with a conforming first mortgage loan that is fully amortizing and meets
15.21 the standards of a qualified mortgage or meets the minimum standards for exemption under
15.22 Code of Federal Regulations, title 12, section 1026.43. Funds may be used in conjunction
15.23 with other programs the eligible household may qualify for and the loan placed in any
15.24 priority position.

15.32 Subd. 5. **Report to legislature.** By January 15 each year, the fund administrator,
15.33 MMCDC, must report to the chairs and ranking minority members of the legislative
15.34 committees with jurisdiction over housing finance and policy the following information:

15.35 (1) the number and amount of loans closed;

16.1 (2) the median loan amount;

16.2 (3) the number and amount of loans issued by race or ethnic categories;

16.3 (4) the median home purchase price;

16.4 (5) the interest rates and types of mortgages;

16.5 (6) the credit scores of both applicants and households served;

18.30 (7) the number and amounts of loans issued by county;

18.31 (8) the number of each type of housing purchased, including but not limited to

18.32 single-family houses, townhouses, condominiums, and manufactured housing; and

19.1 (9) the mean and median price of each type of housing, including but not limited to

19.2 single-family houses, townhouses, condominiums, and manufactured housing.

19.3 Sec. 11. Minnesota Statutes 2024, section 507.18, subdivision 5, is amended to read:

19.4 Subd. 5. **Discharge of restrictive covenants related to protected classes.** The owner

19.5 of any interest in real property may record, at no cost, the statutory form provided in

19.6 subdivision 6 in the office of the county recorder of any county where the real property is

19.7 located to discharge and release a restrictive covenant related to a protected class permanently

19.8 from the title. This subdivision does not apply to real property registered under chapters

19.9 508 and 508A. The discharge of the restrictive covenant is valid and enforceable under the

19.10 law of Minnesota when the statutory form provided in subdivision 6 is properly recorded,

19.11 but the instrument containing such restrictive covenants shall have full force in all other

19.12 respects and shall be construed as if no such restrictive covenant were contained therein. A

19.13 restrictive covenant affecting a protected class is void regardless of whether a statutory form

19.14 as provided for in this section has been recorded in the office of the county recorder in the

19.15 county where the real property affected by the restrictive covenant is located.

19.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

19.17 Sec. 12. Minnesota Statutes 2024, section 507.18, subdivision 6, is amended to read:

19.18 Subd. 6. **Filing; recording.** (a) The county recorder must accept the statutory form

19.19 provided in this subdivision for recording when the form:

19.20 (1) has been executed before a notary;

19.21 (2) contains the legal description of the real property affected by the restrictive covenant

19.22 related to a protected class;

19.23 (3) contains the date of recording of the instrument containing the restrictive covenant,

19.24 and the volume and page number or document number of the instrument; and

19.25 (4) complies with all other recording requirements, and applicable recording fees have

19.26 been paid.

19.27 (b) The commissioner of commerce must provide electronic copies of the statutory form

19.28 in this subdivision to the public free of at no cost.

19.29 (c) The recording of this form does not alter or affect the duration or expiration of

19.30 covenants, conditions, or restrictions under section 500.20 and may not be used to extend

19.31 the effect of a covenant, condition, or restriction.

16.6 (7) the total amount returned to the fund; and

16.7 (8) the number and amount of loans issued by county.

20.1 (d) The statutory form that follows may be used to discharge restrictive covenants on
20.2 property that limit the ownership, occupancy, use, or financing based on protected class:

20.3 DISCHARGE OF RESTRICTIVE COVENANT AFFECTING PROTECTED CLASSES

20.4 Pursuant to Minnesota Statutes, section 507.18, any restrictive covenant affecting a
20.5 protected class, including covenants which were placed on the real property with the intent
20.6 of restricting the use, occupancy, ownership, or financing because of a person's race, color,
20.7 creed, national origin, or religious beliefs, is discharged and released from the land described
20.8 herein.

20.9 State of Minnesota, County of

20.10 I/we,, having an ownership
20.11 or other interest in all or part of the real property described herein, solemnly swear that the
20.12 contents of this form are true to the best of my/our knowledge, except as to those matters
20.13 stated on information and belief, and that as to those matters I/we believe them to be true.

20.14 Name and Address of Owner(s)

20.15 The real property owned by owner(s) is located in County,
20.16 Minnesota, and is legally described as follows:

20.17 OWNER(s),, swears and affirms
20.18 that Owner(s) is/are 18 years of age or older and is/are not under any legal incapacity and
20.19 that the information provided in this form is true and correct based on the information
20.20 available and based on reasonable information and belief:

20.21 (1) a restrictive covenant which had the intent to restrict the use, occupancy, ownership,
20.22 or financing of this property based on a protected class, including race, color, creed, national
20.23 origin, or religion, existed at one time related to the property described in this form;

20.24 (2) the restrictive covenant is contained in an instrument dated, and
20.25 recorded as Document Number (or in Book of, Page.....)
20.26 in the Office of the County Recorder of, Minnesota;

20.27 (3) restrictive covenants relating to or affecting protected classes are unenforceable and
20.28 void pursuant to Minnesota Statutes, sections 507.18 and 363A.09, the United States
20.29 Constitution, and the Minnesota Constitution;

20.30 (4) Minnesota Statutes, section 507.18, provides for the discharge of a restrictive covenant
20.31 of the nature described herein through the use of this statutory form to permanently discharge
21.1 such covenants from the land described herein and release the current and future landowner(s)
21.2 from any such restrictive covenant related to or affecting protected classes;

21.3 (5) the instrument containing such restrictive covenants shall have full force in all other
21.4 respects and shall be construed as if no such restrictive covenant was contained therein; and

21.5 (6) the filing of this form does not alter or change the duration or expiration of covenants,
21.6 conditions, or restrictions under Minnesota Statutes, section 500.20.

21.7 The affiant(s) know(s) the matters herein stated are true and make(s) this affidavit for
21.8 the purpose of documenting the discharge of the illegal and unenforceable restrictive
21.9 covenants affecting protected classes.

21.10

21.11 Affiant (Owner(s) Signature)

21.12 Signed and sworn before me on
21.13 (Date), by

21.14(Affiant/Owner)

21.15

21.16 Signature of Notary

21.17 Stamp

21.18 My commission expires

21.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

21.20 Sec. 13. Laws 2023, chapter 37, article 1, section 2, subdivision 20, is amended to read:

21.21	Subd. 20. Community-Based First-Generation		
21.22	Homebuyers Down Payment Assistance	100,000,000	-0-

21.23 This appropriation is for a grant to Midwest
21.24 Minnesota Community Development
21.25 Corporation (MMCDC) to act as the
21.26 administrator of the community-based
21.27 first-generation homebuyers down payment
21.28 assistance program. The funds shall be
21.29 available to MMCDC for a three-year period
21.30 commencing with issuance of the funds to
21.31 MMCDC. At the expiration of that period, any
21.32 unused funds shall be remitted to the agency.
21.33 ~~Any funds recaptured by MMCDC after the~~
21.34 ~~expiration of that period shall be remitted to~~
22.1 ~~the agency.~~ Funds remitted to the agency
22.2 under this paragraph are appropriated to the
22.3 agency for administration of the

13.24 Sec. 4. Laws 2023, chapter 37, article 1, section 2, subdivision 20, is amended to read:

13.25	Subd. 20. Community-Based First-Generation		
13.26	Homebuyers Down Payment Assistance	100,000,000	-0-

13.27 This appropriation is for a grant to Midwest
13.28 Minnesota Community Development
13.29 Corporation (MMCDC) to act as the
13.30 administrator of the community-based
13.31 first-generation homebuyers down payment
13.32 assistance program. The funds shall be
14.1 available to MMCDC for a three-year period
14.2 commencing with issuance of the funds to
14.3 MMCDC. At the expiration of that period, any
14.4 unused funds shall be remitted to the agency.
14.5 ~~Any funds recaptured by MMCDC after the~~
14.6 ~~expiration of that period shall be remitted to~~
14.7 ~~the agency.~~ Funds remitted to the agency
14.8 under this paragraph are appropriated to the
14.9 agency for administration of the

22.4 first-generation homebuyers down payment
22.5 assistance fund.

22.6 Sec. 14. Laws 2023, chapter 37, article 1, section 2, subdivision 21, is amended to read:

22.7 Subd. 21. **Local Housing Trust Fund Grants** 4,800,000 -0-

22.8 (a) This appropriation is for deposit in the
22.9 housing development fund for grants to local
22.10 housing trust funds established under
22.11 Minnesota Statutes, section 462C.16, to
22.12 incentivize local funding. This is a onetime
22.13 appropriation.

22.14 (b) A grantee is eligible to receive a grant
22.15 amount equal to 100 percent of the public
22.16 revenue committed to the local housing trust
22.17 fund from any source other than the state or
22.18 federal government, up to \$150,000, and in
22.19 addition, an amount equal to 50 percent of the
22.20 public revenue committed to the local housing
22.21 trust fund from any source other than the state
22.22 or federal government that is more than
22.23 \$150,000 but not more than \$300,000.

22.24 (c) A grantee must use grant funds within ~~eight~~
22.25 five years of receipt for purposes (1)
22.26 authorized under Minnesota Statutes, section
22.27 462C.16, subdivision 3, and (2) benefiting
22.28 households with incomes at or below 115
22.29 percent of the state median income. A grantee
22.30 must return any grant funds not used for these
22.31 purposes within eight years of receipt to the
22.32 commissioner of the Minnesota Housing
22.33 Finance Agency for deposit into the housing
22.34 development fund.

23.1 Sec. 15. Laws 2023, chapter 37, article 2, section 10, is amended to read:
23.2 Sec. 10. **HIGH-RISE SPRINKLER SYSTEM GRANT AND LOAN PROGRAM.**

23.3 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

23.4 (b) "Eligible building" means an existing residential building in which:

14.10 first-generation homebuyers down payment
14.11 assistance fund.

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7.21 Sec. 10. Laws 2023, chapter 37, article 1, section 2, subdivision 21, is amended to read:

7.22 Subd. 21. **Local Housing Trust Fund Grants** 4,800,000 -0-

7.23 (a) This appropriation is for deposit in the
7.24 housing development fund for grants to local
7.25 housing trust funds established under
7.26 Minnesota Statutes, section 462C.16, to
7.27 incentivize local funding. This is a onetime
7.28 appropriation.

7.29 (b) A grantee is eligible to receive a grant
7.30 amount equal to 100 percent of the public
7.31 revenue committed to the local housing trust
8.1 fund from any source other than the state or
8.2 federal government, up to \$150,000, and in
8.3 addition, an amount equal to 50 percent of the
8.4 public revenue committed to the local housing
8.5 trust fund from any source other than the state
8.6 or federal government that is more than
8.7 \$150,000 but not more than \$300,000.

8.8 (c) A grantee must use grant funds within ~~eight~~
8.9 five years of receipt for purposes (1)
8.10 authorized under Minnesota Statutes, section
8.11 462C.16, subdivision 3, and (2) benefiting
8.12 households with incomes at or below 115
8.13 percent of the state median income. A grantee
8.14 must return any grant funds not used for these
8.15 purposes within eight years of receipt to the
8.16 commissioner of the Minnesota Housing
8.17 Finance Agency for deposit into the housing
8.18 development fund.

8.19 Sec. 11. Laws 2023, chapter 37, article 2, section 10, is amended to read:
8.20 Sec. 10. **HIGH-RISE SPRINKLER SYSTEM GRANT AND LOAN PROGRAM.**

8.21 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

8.22 (b) "Eligible building" means an existing residential building in which:

23.5 (1) ~~at least one story used for human occupancy is the building is seven stories or more~~
 23.6 ~~in height or 75 feet or more above the lowest level of fire department vehicle access; and~~

23.7 (2) at least two-thirds of its units are affordable to households with an annual income at
 23.8 or below ~~50~~ 60 percent of the area median income as determined by the United States
 23.9 Department of Housing and Urban Development, adjusted for family size, ~~that is paying~~
 23.10 ~~no more than 30 percent of annual income on rent.~~

23.11 (c) "Sprinkler system" means the same as the term "fire protection system" as defined
 23.12 in Minnesota Statutes, section 299M.01.

23.13 Subd. 2. ~~Grant program~~ **Use of funds.** The commissioner of the Housing Finance
 23.14 Agency must make grants or loans to owners of eligible buildings for installation of sprinkler
 23.15 systems and, if necessary, for relocation of residents during the installation of sprinkler
 23.16 systems. Priority shall be given to nonprofit applicants. The maximum grant per eligible
 23.17 building shall be \$2,000,000. Each grant to a nonprofit organization shall require a 25
 23.18 percent match. Each grant to a for-profit organization shall require a 50 percent match.

23.19 **Sec. 16. POLICY FRAMEWORK FOR TARGETED STABILIZATION OF**
 23.20 **REGULATED AFFORDABLE HOUSING.**

23.21 (a) The commissioner of the Housing Finance Agency must work with affordable housing
 23.22 stakeholders, including the Interagency Stabilization Group, to develop a policy framework
 23.23 for targeted stabilization of affordable rental housing. In developing this framework, the
 23.24 commissioner must identify:

23.25 (1) strategies, tools, and funding mechanisms for targeted stabilization of affordable
 23.26 rental housing and recapitalization of distressed properties;

23.27 (2) potential improvements for regulatory relief for affordable rental housing providers
 23.28 and must implement these improvements where feasible;

23.29 (3) a specific plan for relief when an operator of permanent housing cannot identify and
 23.30 secure adequate service funding that matches the tenants' needs; and

24.1 (4) a strategy with the commissioner of human services to integrate the awarding of state
 24.2 service dollars to permanent supportive housing so that state service dollars can accompany
 24.3 capital awards in the consolidated request for proposal process.

24.4 (b) The commissioner of the Housing Finance Agency must report quarterly to the
 24.5 Minnesota Housing Finance Agency Board of Directors on the policy framework,
 24.6 improvements implemented, and any potential changes to legislation that may be needed
 24.7 to support targeted stabilization of regulated affordable housing and recapitalization of
 24.8 distressed properties.

8.23 (1) ~~at least one story used for human occupancy is the building is seven stories or more~~
 8.24 ~~in height or 75 feet or more above the lowest level of fire department vehicle access; and~~

8.25 (2) at least two-thirds of its units are affordable to households with an annual income at
 8.26 or below ~~50~~ 60 percent of the area median income as determined by the United States
 8.27 Department of Housing and Urban Development, adjusted for family size, ~~that is paying~~
 8.28 ~~no more than 30 percent of annual income on rent.~~

8.29 (c) "Sprinkler system" means the same as the term "fire protection system" as defined
 8.30 in Minnesota Statutes, section 299M.01.

8.31 Subd. 2. ~~Grant program~~ **Use of funds.** The commissioner of the Housing Finance
 8.32 Agency must make grants or loans to owners of eligible buildings for installation of sprinkler
 9.1 systems and, if necessary, for relocation of residents during the installation of sprinkler
 9.2 systems. Priority shall be given to nonprofit applicants. The maximum grant per eligible
 9.3 building shall be \$2,000,000. Each grant to a nonprofit organization shall require a 25
 9.4 percent match. Each grant to a for-profit organization shall require a 50 percent match.

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16.8 **Sec. 6. POLICY FRAMEWORK FOR TARGETED STABILIZATION OF**
 16.9 **REGULATED AFFORDABLE HOUSING.**

16.10 (a) The commissioner of housing finance must work with affordable housing stakeholders,
 16.11 including the Interagency Stabilization Group, to develop a policy framework for targeted
 16.12 stabilization of affordable rental housing. In developing this framework, the commissioner
 16.13 must identify:

16.14 (1) strategies, tools, and funding mechanisms for targeted stabilization of affordable
 16.15 rental housing and recapitalization of distressed properties;

16.16 (2) potential improvements for regulatory relief for affordable rental housing providers
 16.17 and implement these improvements where feasible;

16.18 (3) a specific plan for relief when an operator of permanent housing cannot identify and
 16.19 secure adequate service funding that matches the tenants' needs; and

16.20 (4) a strategy with the commissioner of human services to integrate the awarding of state
 16.21 service dollars to permanent supportive housing so that state service dollars can accompany
 16.22 capital awards in the consolidated request for proposal process.

16.23 (b) The commissioner must report quarterly to the Minnesota Housing Finance Agency
 16.24 Board of Directors on the policy framework, improvements implemented, and any potential
 16.25 changes to legislation that may be needed to support targeted stabilization of regulated
 16.26 affordable housing and recapitalization of distressed properties.

24.9 (c) By January 5, 2026, the commissioner of the Housing Finance Agency must report
24.10 to the chairs and ranking minority members of the legislative committees having jurisdiction
24.11 over housing finance and policy on the policy framework, improvements implemented, and
24.12 any potential changes to legislation that may be needed to support targeted stabilization of
24.13 regulated affordable housing and recapitalization of distressed properties.

24.14 Sec. 17. **INTERAGENCY STABILIZATION GROUP.**

24.15 The commissioner of the Housing Finance Agency may convene regular meetings of
24.16 public funders and affordable housing stakeholders to seek funding solutions that support
24.17 the preservation and stabilization of affordable properties.

16.27 (c) By January 5, 2026, the commissioner must report to the chairs and ranking minority
16.28 members of the legislative committees having jurisdiction over housing finance and policy
16.29 on the policy framework, improvements implemented, and any potential changes to
16.30 legislation that may be needed to support targeted stabilization of regulated affordable
16.31 housing and recapitalization of distressed properties.

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1.13 **ARTICLE 1**

1.14 **MINNESOTA HOUSING FINANCE AGENCY**

6.1 Sec. 7. Minnesota Statutes 2024, section 462C.16, subdivision 1, is amended to read:

6.2 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
6.3 the meanings given to them.

6.4 (b) "Commissioner" means the commissioner of the Minnesota Housing Finance Agency.

6.5 (c) "Fund" means a local housing trust fund or a regional housing trust fund.

6.6 (d) "Local government" means any statutory or home rule charter city, a housing and
6.7 redevelopment authority, or a county.

6.8 (e) "Local housing trust fund" means a fund established by a local government with one
6.9 or more dedicated sources of public revenue for housing.

6.10 (f) "Regional housing trust fund" means a fund established and administered under a
6.11 joint powers agreement entered into by two or more local governments with one or more
6.12 dedicated sources of public revenue for housing.

6.13 Sec. 8. Minnesota Statutes 2024, section 477A.35, subdivision 5, is amended to read:

6.14 Subd. 5. **Use of proceeds.** (a) Any funds distributed under this section must be spent on
6.15 a qualifying project. Funds are considered spent on a qualifying project if:

6.16 (1) a tier I city or county demonstrates to the Minnesota Housing Finance Agency that
6.17 the city or county cannot expend funds on a qualifying project by the deadline imposed by
6.18 paragraph (b) due to factors outside the control of the city or county; and

6.19 (2) the funds are transferred to a local housing trust fund.

- 6.20 Funds transferred to a local housing trust fund under this paragraph must be spent on a
6.21 project or household that meets the affordability requirements of subdivision 4, paragraph
6.22 (a).
- 6.23 (b) Funds must be spent by December 31 in the third year following the year after the
6.24 aid was received. The requirements of this paragraph are satisfied if funds are:
- 6.25 (1) committed to a qualifying project by December 31 in the third year following the
6.26 year after the aid was received; and
- 6.27 (2) expended by December 31 in the fourth year following the year after the aid was
6.28 received.
- 6.29 (c) An aid recipient may not use aid money to reimburse itself for prior expenditures.
- 7.1 (d) Any program income generated from funds distributed under this section must be
7.2 used on a qualifying project.
- 7.3 Sec. 9. Minnesota Statutes 2024, section 477A.36, subdivision 5, is amended to read:
- 7.4 Subd. 5. **Use of proceeds.** (a) Any funds distributed under this section must be spent on
7.5 a qualifying project. If a tier I city or county demonstrates to the Minnesota Housing Finance
7.6 Agency that the tier I city or county cannot expend funds on a qualifying project by the
7.7 deadline imposed by paragraph (b) due to factors outside the control of the tier I city or
7.8 county, funds shall be considered spent on a qualifying project if the funds are transferred
7.9 to a local housing trust fund. Funds transferred to a local housing trust fund must be spent
7.10 on a project or household that meets the affordability requirements of subdivision 4,
7.11 paragraph (a).
- 7.12 (b) Funds must be spent by December 31 in the third year following the year after the
7.13 aid was received. The requirements of this paragraph are satisfied if funds are:
- 7.14 (1) committed to a qualifying project by December 31 in the third year following the
7.15 year after the aid was received; and
- 7.16 (2) expended by December 31 in the fourth year following the year after the aid was
7.17 received.
- 7.18 (c) An aid recipient may not use aid funds to reimburse itself for prior expenditures.
- 7.19 (d) Any program income generated from funds distributed under this section must be
7.20 used on a qualifying project.

9.5 **ARTICLE 2**

9.6 **PUBLIC CORPORATION FOR RENTAL PROPERTY**

9.7 Section 1. Minnesota Statutes 2024, section 15.082, is amended to read:

9.8 **15.082 OBLIGATIONS OF PUBLIC CORPORATIONS.**

9.9 Notwithstanding any other law, the state is not liable for obligations of a public

9.10 corporation created by statute. Upon dissolution of the public corporation, its wholly owned

9.11 assets become state property. Partially owned assets become state property to the extent

9.12 that state money was used to acquire them.

9.13 This section does not apply to a public corporation governed by chapter 119 or section

9.14 469.0121.

9.15 **EFFECTIVE DATE.** This section is effective July 1, 2025.

9.16 Sec. 2. Minnesota Statutes 2024, section 462A.202, subdivision 3a, is amended to read:

9.17 Subd. 3a. **Permanent rental housing.** The agency may make loans, with or without

9.18 interest, to cities and counties to finance the construction, acquisition, or rehabilitation of

9.19 affordable, permanent, and publicly owned rental housing, including housing owned by a

9.20 public corporation created pursuant to section 469.0121. Loans made under this subdivision

9.21 are subject to the restrictions of subdivision 7. In making loans under this subdivision, the

9.22 agency shall give priority to projects that increase the supply of affordable family housing.

9.23 Sec. 3. Minnesota Statutes 2024, section 462C.02, subdivision 6, is amended to read:

9.24 Subd. 6. **City.** "City" means any statutory or home rule charter city, a county housing

9.25 and redevelopment authority created by special law or authorized by its county to exercise

9.26 its powers pursuant to section 469.004, or any public body which (a) is the housing and

9.27 redevelopment authority in and for a statutory or home rule charter city, the port authority

9.28 of a statutory or home rule charter city, ~~or~~ an economic development authority of a city

9.29 established under sections 469.090 to 469.108, or a public corporation created pursuant to

9.30 section 469.0121, and (b) is authorized by ordinance to exercise, on behalf of a statutory or

9.31 home rule charter city, the powers conferred by sections 462C.01 to 462C.10.

10.1 Sec. 4. Minnesota Statutes 2024, section 469.012, subdivision 2j, is amended to read:

10.2 Subd. 2j. **May be in LLP, LLC, or corporation; bound as if HRA.** (a) An authority

10.3 may become a member or shareholder in and enter into or form limited partnerships, limited

10.4 liability companies, or corporations for the purpose of developing, constructing, rehabilitating,

10.5 managing, supporting, or preserving housing projects and housing development projects,

10.6 including low-income housing tax credit projects. These limited partnerships, limited liability

10.7 companies, or corporations are subject to all of the provisions of sections 469.001 to 469.047

10.8 and other laws that apply to housing and redevelopment authorities, as if the limited

10.9 partnership, limited liability company, or corporation were a housing and redevelopment
10.10 authority.

10.11 (b) An authority may create a public corporation in accordance with section 469.0121
10.12 for the purpose of purchasing, owning, and operating real property converted through the
10.13 federal Rental Assistance Demonstration program under Public Law 112-55, as amended.

10.14 **EFFECTIVE DATE.** This section is effective July 1, 2025.

10.15 Sec. 5. **[469.0121] PUBLIC CORPORATION; RENTAL ASSISTANCE**
10.16 **DEMONSTRATION PROGRAM.**

10.17 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
10.18 the meanings given.

10.19 (b) "Authority" has the meaning given under section 469.002, subdivision 2.

10.20 (c) "Board" means the board of directors of a corporation created under this section.

10.21 (d) "Corporation" means a public corporation created under this section.

10.22 (e) "RAD" means the federal Rental Assistance Demonstration program under Public
10.23 Law 112-55, as amended.

10.24 Subd. 2. **Public corporation created.** An authority may create a public corporation to
10.25 purchase, own, and operate real property that has been converted through RAD to preserve
10.26 and improve public housing properties. A public corporation created under this section is
10.27 also a political subdivision of the state and is limited to the powers in this section.

10.28 Subd. 3. **Corporation powers.** (a) The corporation has the following general powers:

10.29 (1) to have succession until dissolved by law;

10.30 (2) to sue and be sued in its corporate name;

10.31 (3) to adopt, alter, and use a corporate seal which shall be judicially noticed;

11.1 (4) to accept, hold, and administer gifts and bequests of money, securities, or other
11.2 personal property of whatsoever character, absolutely or in trust, for the purposes for which
11.3 the corporation is created. Unless otherwise restricted by the terms of the gift or bequest,
11.4 the corporation is authorized to sell, exchange, or otherwise dispose of and to invest or
11.5 reinvest in such investments as the corporation may determine with the money, securities,
11.6 or other property given or bequeathed to the corporation. The principal of and income from
11.7 the corporate funds and all other revenues received by the corporation from any source
11.8 whatsoever shall be placed in such depositories as the board of directors shall determine
11.9 and shall be subject to expenditure for corporate purposes;

11.10 (5) to enter into contracts generally and to execute all instruments necessary or appropriate
11.11 to carry out the corporate purposes;

- 11.12 (6) to appoint and prescribe the duties of officers, agents, and employees as may be
 11.13 necessary to carry out the work of the corporation and to compensate officers, agents, and
 11.14 employees;
- 11.15 (7) to purchase all supplies and materials necessary for carrying out the purposes of the
 11.16 corporation;
- 11.17 (8) to accept from the United States, the state of Minnesota, or any of their agencies
 11.18 money or other assistance whether by gift, loan, or otherwise to carry out the purposes of
 11.19 the corporation, and enter into contracts with the United States, the state of Minnesota, any
 11.20 of the agencies of either, or any of the political subdivisions of the state as it may deem
 11.21 proper and consistent with the purposes of this section;
- 11.22 (9) to contract and make cooperative agreements with federal, state, and municipal
 11.23 departments and agencies and private corporations, associations, and individuals for the use
 11.24 of the corporation property, including but not limited to rental agreements; and
- 11.25 (10) to acquire real or personal property or any interest therein in any manner authorized
 11.26 under section 469.012, subdivision 1g, including by the exercise of eminent domain.
- 11.27 (b) A corporation may acquire properties converted under RAD, subject to restrictions
 11.28 and conditions compatible with funding acquisitions of and improvements to real property
 11.29 with state general obligation bond proceeds. The commissioner of management and budget
 11.30 must determine the necessary restrictions and conditions under this paragraph.
- 11.31 Subd. 4. **Board of directors.** (a) A corporation is governed by a board of directors, with
 11.32 each commissioner of the authority that created the corporation serving as a member.
- 12.1 (b) The term of a director shall coincide with their term as a commissioner of the authority
 12.2 that created the corporation, except that a director's term shall continue after their term as
 12.3 a commissioner is complete until a successor commissioner is duly appointed and qualified.
- 12.4 (c) Board members must not be compensated for their service as board members but
 12.5 may receive reimbursement for reasonable expenses incurred in connection with their duties
 12.6 as board members. The state auditor must review the reimbursements to board members
 12.7 each year.
- 12.8 (d) The board must annually elect from among its members a chair and other officers
 12.9 necessary for the performance of its duties.
- 12.10 Subd. 5. **Bylaws.** The board of directors must adopt bylaws and rules as it deems
 12.11 necessary for the administration of its functions and the accomplishment of its purpose,
 12.12 including among other matters the establishment of a business office and the rules, the use
 12.13 of the project-based rental assistance properties, and the administration of corporation funds.
- 12.14 Subd. 6. **Place of business.** The board must locate and maintain the corporation's place
 12.15 of business in the city in which the authority that created the corporation is located.

- 12.16 Subd. 7. **Open meetings; data practices.** Meetings of the board are subject to chapter
12.17 13D and meetings of the board conducted by interactive technology are subject to section
12.18 13D.02. The board is subject to chapter 13, the Minnesota Government Data Practices Act,
12.19 and shall protect data classified as not public from unlawful disclosure.
- 12.20 Subd. 8. **Compliance.** The corporation must comply with all federal, state, and local
12.21 laws, rules, ordinances, and other regulations required to own and operate properties as
12.22 project-based rental assistance properties.
- 12.23 Subd. 9. **Dissolution.** Upon dissolution of the corporation for any reason, its wholly
12.24 owned assets become property of the authority that created the corporation.
- 12.25 **EFFECTIVE DATE.** This section is effective July 1, 2025.

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- 9.1 **ARTICLE 2**
- 9.2 **BONDING AUTHORITY AND DEBT SERVICE APPROPRIATIONS**
- 9.3 Section 1. Minnesota Statutes 2024, section 462A.37, is amended by adding a subdivision
9.4 to read:
- 9.5 Subd. 2k. **Additional authorization.** In addition to the amount authorized in subdivisions
9.6 2 to 2j and 3a, the agency may issue up to \$100,000,000 in one or more series to which the
9.7 payments under this section may be pledged.
- 9.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 9.9 Sec. 2. Minnesota Statutes 2024, section 462A.37, subdivision 5, is amended to read:
- 9.10 Subd. 5. **Additional appropriation.** (a) The agency must certify annually to the
9.11 commissioner of management and budget the actual amount of annual debt service on each
9.12 series of bonds issued under this section.
- 9.13 (b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure
9.14 bonds issued under subdivision 2a, or housing infrastructure bonds issued to refund those
9.15 bonds, remain outstanding, the commissioner of management and budget must transfer to
9.16 the housing infrastructure bond account established under section 462A.21, subdivision 33,
9.17 the amount certified under paragraph (a), not to exceed \$6,400,000 annually. The amounts
9.18 necessary to make the transfers are appropriated from the general fund to the commissioner
9.19 of management and budget.
- 9.20 (c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure
9.21 bonds issued under subdivision 2b, or housing infrastructure bonds issued to refund those
9.22 bonds, remain outstanding, the commissioner of management and budget must transfer to
9.23 the housing infrastructure bond account established under section 462A.21, subdivision 33,
9.24 the amount certified under paragraph (a), not to exceed \$800,000 annually. The amounts

- 9.25 necessary to make the transfers are appropriated from the general fund to the commissioner
9.26 of management and budget.
- 9.27 (d) Each July 15, beginning in 2019 and through 2040, if any housing infrastructure
9.28 bonds issued under subdivision 2c, or housing infrastructure bonds issued to refund those
9.29 bonds, remain outstanding, the commissioner of management and budget must transfer to
9.30 the housing infrastructure bond account established under section 462A.21, subdivision 33,
9.31 the amount certified under paragraph (a), not to exceed \$2,800,000 annually. The amounts
9.32 necessary to make the transfers are appropriated from the general fund to the commissioner
9.33 of management and budget.
- 10.1 (e) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure
10.2 bonds issued under subdivision 2d, or housing infrastructure bonds issued to refund those
10.3 bonds, remain outstanding, the commissioner of management and budget must transfer to
10.4 the housing infrastructure bond account established under section 462A.21, subdivision 33,
10.5 the amount certified under paragraph (a). The amounts necessary to make the transfers are
10.6 appropriated from the general fund to the commissioner of management and budget.
- 10.7 (f) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure
10.8 bonds issued under subdivision 2e, or housing infrastructure bonds issued to refund those
10.9 bonds, remain outstanding, the commissioner of management and budget must transfer to
10.10 the housing infrastructure bond account established under section 462A.21, subdivision 33,
10.11 the amount certified under paragraph (a). The amounts necessary to make the transfers are
10.12 appropriated from the general fund to the commissioner of management and budget.
- 10.13 (g) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure
10.14 bonds issued under subdivision 2f, or housing infrastructure bonds issued to refund those
10.15 bonds, remain outstanding, the commissioner of management and budget must transfer to
10.16 the housing infrastructure bond account established under section 462A.21, subdivision 33,
10.17 the amount certified under paragraph (a). The amounts necessary to make the transfers are
10.18 appropriated from the general fund to the commissioner of management and budget.
- 10.19 (h) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure
10.20 bonds issued under subdivision 2g, or housing infrastructure bonds issued to refund those
10.21 bonds, remain outstanding, the commissioner of management and budget must transfer to
10.22 the housing infrastructure bond account established under section 462A.21, subdivision 33,
10.23 the amount certified under paragraph (a). The amounts necessary to make the transfers are
10.24 appropriated from the general fund to the commissioner of management and budget.
- 10.25 (i) Each July 15, beginning in 2023 and through 2044, if any housing infrastructure
10.26 bonds issued under subdivision 2h, or housing infrastructure bonds issued to refund those
10.27 bonds, remain outstanding, the commissioner of management and budget must transfer to
10.28 the housing infrastructure bond account established under section 462A.21, subdivision 33,
10.29 the amount certified under paragraph (a). The amounts necessary to make the transfers are
10.30 appropriated from the general fund to the commissioner of management and budget.

- 10.31 (j) Each July 15, beginning in 2026 and through 2047, if any housing infrastructure
10.32 bonds issued under subdivision 2j, or housing infrastructure bonds issued to refund those
10.33 bonds, remain outstanding, the commissioner of management and budget must transfer to
10.34 the housing infrastructure bond account established under section 462A.21, subdivision 33,
11.1 the amount certified under paragraph (a). The amounts necessary to make the transfers are
11.2 appropriated from the general fund to the commissioner of management and budget.
- 11.3 (k) Each July 15, beginning in 2027 and through 2048, if any housing infrastructure
11.4 bonds issued under subdivision 2k, or housing infrastructure bonds issued to refund those
11.5 bonds, remain outstanding, the commissioner of management and budget must transfer to
11.6 the housing infrastructure bond account established under section 462A.21, subdivision 33,
11.7 the amount certified under paragraph (a). The amounts necessary to make the transfers are
11.8 appropriated from the general fund to the commissioner of management and budget.
- 11.9 (l) The agency may pledge to the payment of the housing infrastructure bonds the
11.10 payments to be made by the state under this section.
- 11.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 12.22 Sec. 3. Minnesota Statutes 2024, section 462A.07, is amended by adding a subdivision to
12.23 read:
- 12.24 Subd. 22. **Local actions to support housing.** (a) When assessing applications for funding
12.25 for any competitive development program, the commissioner shall award an additional point
12.26 or points to the applicant, not to exceed five percent of the total available points in a given
12.27 competitive development program, if the applicant's proposed project is located within a
12.28 jurisdiction that meets any of the following criteria:
- 12.29 (1) the jurisdiction allows for the development of multifamily housing in at least 50
12.30 percent of the area within the jurisdiction zoned as a commercial district, excluding areas
12.31 covered by state or local shoreland regulations;
- 13.1 (2) the jurisdiction allows for duplexes, accessory dwelling units, or townhomes within
13.2 50 percent of the area within the jurisdiction zoned for single-family housing, excluding
13.3 areas covered by state or local shoreland regulations;
- 13.4 (3) the jurisdiction does not have parking mandates greater than one stall per unit of
13.5 housing for single-family housing;
- 13.6 (4) the jurisdiction does not have parking mandates greater than one stall per unit of
13.7 housing for multifamily developments;
- 13.8 (5) the jurisdiction does not mandate lot sizes larger than one-eighth of an acre for new
13.9 single-family home construction, excluding areas covered by state or local shoreland
13.10 regulations;
- 13.11 (6) the jurisdiction does not place aesthetic mandates on new single-family construction,
13.12 including type of exterior finish materials, including siding; the presence of shutters, columns,

- 13.13 gables, decks, balconies, or porches; or minimum garage square footage, size, width, or
13.14 depth;
- 13.15 (7) the jurisdiction has a density bonus for affordable housing that provides for an increase
13.16 in floor area and lot coverage if the housing is affordable housing; or
- 13.17 (8) the jurisdiction has adopted an inclusionary zoning policy for the purpose of increasing
13.18 the supply of affordable housing.
- 13.19 (b) The commissioner shall conduct community engagement when updating the scoring
13.20 criteria for competitive development programs, which shall include engagement with
13.21 organizations that represent municipalities and other housing organizations.
- 13.22 **EFFECTIVE DATE.** This section is effective the day following final enactment and
13.23 applies to selection criteria and scoring systems developed on or after that day.
- 17.1 Sec. 7. **ACCESSIBLE HOUSING TASK FORCE.**
- 17.2 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
17.3 the meanings given.
- 17.4 (b) "Accessible housing" means housing that is designed, constructed, or modified to
17.5 enable persons with disabilities to live independently. Accessible housing may be made
17.6 accessible through design or additional features, such as modified bathrooms, cabinetry,
17.7 appliances, furniture, space, shelves, or cupboards that improve the overall ability of persons
17.8 with disabilities to function in the housing.
- 17.9 (c) "Person with a disability" has the meaning given in Minnesota Statutes, section
17.10 256.481.
- 17.11 Subd. 2. **Establishment of task force.** An Accessible Housing Task Force is established
17.12 to:
- 17.13 (1) examine the housing experiences of persons with disabilities, including their
17.14 experiences seeking accessible housing or independent housing;
- 17.15 (2) examine the practices of housing providers related to accessible housing and
17.16 independent housing and the issues preventing housing providers from providing accessible
17.17 housing or independent housing units to persons with disabilities; and
- 17.18 (3) recommend legislation to increase the supply of safe and affordable, accessible
17.19 housing and independent housing units.
- 17.20 Subd. 3. **Membership.** (a) The task force consists of the following members appointed
17.21 by the governor:
- 17.22 (1) five persons with disabilities who have experienced a lack of accessible housing;
- 17.23 (2) two parents of adult persons who have experienced a lack of affordable housing;

- 17.24 (3) one representative of the Minnesota Council on Disability;
- 17.25 (4) one representative of Arc Minnesota;
- 17.26 (5) one representative of the Minnesota Consortium for Citizens with Disabilities;
- 17.27 (6) one representative of the Minnesota Housing Finance Agency;
- 17.28 (7) one representative of the Minnesota Department of Human Services;
- 17.29 (8) one representative of the Minnesota Department of Health;
- 17.30 (9) one staff person working for a housing stabilization services program;
- 18.1 (10) one representative of a housing contractor who has built accessible housing;
- 18.2 (11) one representative of a housing developer who has developed property that includes
- 18.3 accessible housing;
- 18.4 (12) one representative of an organization or a local government agency that helps find
- 18.5 housing for people with disabilities;
- 18.6 (13) one person aged 65 or older to represent aging seniors;
- 18.7 (14) one member of the Minnesota Board on Aging; and
- 18.8 (15) two representatives of organizations or groups who advocate for persons with
- 18.9 disabilities.
- 18.10 (b) Appointments must be made no later than July 1, 2025, and must include
- 18.11 representatives of both the metropolitan area and greater Minnesota.
- 18.12 (c) Task force members must serve without compensation, except for public members.
- 18.13 Members eligible for compensation must receive expenses as provided in Minnesota Statutes,
- 18.14 section 15.059, subdivision 6.
- 18.15 (d) Vacancies must be filled by the governor consistent with the qualifications of the
- 18.16 vacating member required by this subdivision.
- 18.17 Subd. 4. **Meetings; officers.** (a) The Minnesota Housing Finance Agency shall convene
- 18.18 the first meeting of the task force no later than August 15, 2025, and shall provide accessible
- 18.19 physical or virtual meeting space as necessary for the task force to conduct its work.
- 18.20 (b) At its first meeting, the task force shall elect a chair and vice-chair from among the
- 18.21 task force members and may elect other officers as necessary.
- 18.22 (c) The task force shall meet according to a schedule determined by the members or
- 18.23 upon the call of the task force's chair. The task force must meet as often as necessary to
- 18.24 accomplish the duties under subdivision 5.

24.18 Sec. 18. **TASK FORCE ON HOMEOWNERS AND COMMERCIAL PROPERTY**

24.19 **INSURANCE.**

24.20 Subdivision 1. **Establishment.** A task force is established to evaluate issues and provide

24.21 recommendations relating to insurance affordability of single-family housing and multifamily

24.22 rental housing and for preventing disruptions or loss to the development, preservation, and

24.23 long-term sustainability of Minnesota's housing infrastructure.

24.24 Subd. 2. **Membership.** (a) The task force consists of the following:

24.25 (1) one member appointed by the commissioner of commerce;

24.26 (2) one member appointed by the speaker of the house;

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18.25 (d) Meetings of the task force are subject to Minnesota Statutes, chapter 13D.

18.26 Subd. 5. **Duties.** (a) The task force must seek input from:

18.27 (1) individuals who are experiencing or who have experienced the lack of affordable,

18.28 accessible housing;

18.29 (2) providers of accessible housing; and

18.30 (3) any other persons or organizations with experience or expertise in affordable,

18.31 accessible housing.

19.1 (b) The task force must:

19.2 (1) research and analyze how other states, cities, and counties address a lack of affordable,

19.3 accessible housing; and

19.4 (2) develop recommendations to establish statewide education on affordable, accessible

19.5 housing to ensure that local units of government include affordable, accessible housing and

19.6 affordable housing policies in local planning.

19.7 Subd. 6. **Report.** (a) No later than February 1, 2026, the task force shall submit an initial

19.8 report to the chairs and ranking minority members of the legislative committees and divisions

19.9 with jurisdiction over housing on the findings and recommendations of the task force for

19.10 improving the supply, quality, and affordability of accessible housing statewide.

19.11 (b) No later than August 31, 2026, the task force shall submit a final report to the chairs

19.12 and ranking minority members of the legislative committees and divisions with jurisdiction

19.13 over housing on the findings and recommendations in paragraph (a).

19.14 Subd. 7. **Expiration.** The task force expires the day following submission of the final

19.15 report under subdivision 6.

19.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

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- 24.27 (3) one member appointed by the house minority leader;
- 24.28 (4) one member appointed by the senate majority leader;
- 24.29 (5) one member appointed by the senate minority leader;
- 24.30 (6) one member appointed by the Minnesota Consortium of Community Developers;
- 25.1 (7) two members appointed by the Insurance Federation of Minnesota, one with expertise
 25.2 in homeowners insurance and one with expertise in commercial insurance;
- 25.3 (8) one member appointed by Big I Minnesota;
- 25.4 (9) one member appointed by the Minnesota Realtors;
- 25.5 (10) one member appointed by the Minnesota Community Development Financial
 25.6 Institutions Coalition;
- 25.7 (11) one member appointed by the Minnesota Homeownership Center;
- 25.8 (12) one member appointed by the Housing Justice Center;
- 25.9 (13) one member appointed by the Professional Insurance Agents of Minnesota;
- 25.10 (14) one member appointed by the Minnesota Bankers Association;
- 25.11 (15) one member appointed by the Minnesota Commercial Real Estate Association;
- 25.12 (16) one member appointed by the Minnesota Multi Housing Association; and
- 25.13 (17) one member appointed by Ceres with expertise in climate risk mitigation and
 25.14 insurance markets.
- 25.15 (b) The appointing authorities must make the appointments by August 15, 2025.
- 25.16 Subd. 3. **Duties.** (a) The task force must identify recommendations to strengthen and
 25.17 stabilize the homeowners and commercial property insurance industry.
- 25.18 (b) The task force must consult with the commissioner of the Housing Finance Agency,
 25.19 the commissioner of employment and economic development, other relevant state and local
 25.20 agencies, and key stakeholders in the insurance and housing industries.
- 25.21 (c) The task force must review:
- 25.22 (1) risk mitigation and property resilience to natural hazards, and the effect on insurance
 25.23 costs;

- 25.24 (2) the effect of liability laws on insurance costs and whether tort reform could reduce
 25.25 costs;
- 25.26 (3) minimum notice for coverage changes, including enforcement and oversight;
- 25.27 (4) public reporting of aggregated data relating to insurance plan costs and coverage;
- 25.28 (5) the reinsurance market for homeowners and commercial property insurance;
- 26.1 (6) the current state-supported insurance program and the potential to expand the program
 26.2 to include a catastrophic reinsurance fund and a self-insured pool;
- 26.3 (7) factors that increase claim costs, including but not limited to post-loss contractors,
 26.4 fraudulent claims, climate, inflation, and discontinued building materials;
- 26.5 (8) regulatory factors that increase insurance costs or decrease access to insurance
 26.6 products; and
- 26.7 (9) other areas that would strengthen and stabilize the homeowners and commercial
 26.8 property insurance industry.
- 26.9 Subd. 4. **Administration.** The Legislative Coordinating Commission must provide
 26.10 administrative support to the task force. Upon request of the task force, the commissioners
 26.11 of commerce, the Housing Finance Agency, and employment and economic development
 26.12 must provide technical support and expertise.
- 26.13 Subd. 5. **Meetings.** (a) The Legislative Coordinating Commission must ensure the first
 26.14 meeting of the task force convenes no later than September 15, 2025, and must provide
 26.15 accessible physical or virtual meeting space as necessary for the task force to conduct work.
- 26.16 (b) At the first meeting, the task force must elect a chair or cochaIRS from those appointed
 26.17 by the house and senate by a majority vote of those members present and may elect a
 26.18 vice-chair as necessary.
- 26.19 (c) The task force must establish a schedule for meetings and must meet as necessary
 26.20 to accomplish the duties under subdivision 3.
- 26.21 (d) The task force is subject to Minnesota Statutes, chapter 13D.
- 26.22 Subd. 6. **Report required.** (a) The task force must submit a report to the commissioners
 26.23 of commerce, the Housing Finance Agency, and employment and economic development
 26.24 and the chairs and ranking minority members of the legislative committees having jurisdiction
 26.25 over the agencies listed in this paragraph by February 15, 2026.
- 26.26 (b) The report must:

- 26.27 (1) summarize the activities of the task force;
 - 26.28 (2) provide findings and recommendations adopted by the task force;
 - 26.29 (3) make recommendations related to tort reform that could reduce insurance costs;
 - 26.30 (4) include any draft legislation required to implement recommendations; and
 - 26.31 (5) include other information the task force believes is necessary to report.
- 27.1 Subd. 7. **Expiration.** The task force expires upon submission of the report required
- 27.2 under subdivision 6.
- 27.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.