

1.1 ..... moves to amend H.F. No. 2335 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 HOUSING APPROPRIATIONS

1.5 Section 1. APPROPRIATIONS.

1.6 The sums shown in the columns marked "Appropriations" are appropriated to the agency  
1.7 for the purposes specified in this article. The appropriations are from the general fund, or  
1.8 another named fund, and are available for the fiscal years indicated for each purpose. The  
1.9 figures "2024" and "2025" used in this article mean that the appropriations listed under them  
1.10 are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The  
1.11 first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is  
1.12 fiscal years 2024 and 2025.

1.13 APPROPRIATIONS

1.14 Available for the Year

1.15 Ending June 30

1.16 2024

2025

1.17 Sec. 2. HOUSING FINANCE AGENCY

1.18 Subdivision 1. Total Appropriation                     \$   653,298,000   \$   457,298,000

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

1.22 (b) Unless otherwise specified, this  
1.23 appropriation is for transfer to the housing  
1.24 development fund for the programs specified

2.1	<u>in this section. Except as otherwise indicated,</u>		
2.2	<u>this transfer is part of the agency's permanent</u>		
2.3	<u>budget base.</u>		
2.4	<b><u>Subd. 2. Challenge Program</u></b>	<u>25,000,000</u>	<u>25,000,000</u>
2.5	<u>This appropriation is for the economic</u>		
2.6	<u>development and housing challenge program</u>		
2.7	<u>under Minnesota Statutes, sections 462A.33</u>		
2.8	<u>and 462A.07, subdivision 14. This</u>		
2.9	<u>appropriation is onetime.</u>		
2.10	<b><u>Subd. 3. Workforce Housing Development</u></b>	<u>20,000,000</u>	<u>20,000,000</u>
2.11	<u>This appropriation is for the workforce</u>		
2.12	<u>housing development program under</u>		
2.13	<u>Minnesota Statutes, section 462A.39. This</u>		
2.14	<u>appropriation is onetime.</u>		
2.15	<b><u>Subd. 4. Family Homeless Prevention and</u></b>		
2.16	<b><u>Assistance</u></b>	<u>-0-</u>	<u>75,000,000</u>
2.17	<u>This appropriation is for the family homeless</u>		
2.18	<u>prevention and assistance program under</u>		
2.19	<u>Minnesota Statutes, section 462A.204. This</u>		
2.20	<u>appropriation is onetime.</u>		
2.21	<b><u>Subd. 5. Bridges</u></b>	<u>1,000,000</u>	<u>1,000,000</u>
2.22	<u>This appropriation is for the bridges rental</u>		
2.23	<u>assistance program under Minnesota Statutes,</u>		
2.24	<u>section 462A.2097.</u>		
2.25	<b><u>Subd. 6. Supportive Housing</u></b>	<u>2,500,000</u>	<u>2,500,000</u>
2.26	<u>This appropriation is for the supportive</u>		
2.27	<u>housing program under Minnesota Statutes,</u>		
2.28	<u>section 462A.42. This is a onetime</u>		
2.29	<u>appropriation.</u>		
2.30	<b><u>Subd. 7. Homeownership Education, Counseling,</u></b>		
2.31	<b><u>and Training</u></b>	<u>1,000,000</u>	<u>1,000,000</u>
2.32	<u>This appropriation is for the homeownership</u>		
2.33	<u>education, counseling, and training program</u>		

3.1	<u>under Minnesota Statutes, section 462A.209.</u>		
3.2	<u>This is a onetime appropriation.</u>		
3.3	<b><u>Subd. 8. Capacity-Building Grants</u></b>	<u>4,000,000</u>	<u>4,000,000</u>
3.4	<u>This appropriation is for capacity-building</u>		
3.5	<u>grants under Minnesota Statutes, section</u>		
3.6	<u>462A.21, subdivision 3b. This is a onetime</u>		
3.7	<u>appropriation.</u>		
3.8	<b><u>Subd. 9. Housing Infrastructure Bonds</u></b>	<u>100,000,000</u>	<u>100,000,000</u>
3.9	<u>This appropriation is for the housing</u>		
3.10	<u>infrastructure program for the eligible</u>		
3.11	<u>purposes under Minnesota Statutes, section</u>		
3.12	<u>462A.37, subdivision 2. This is a onetime</u>		
3.13	<u>appropriation.</u>		
3.14	<b><u>Subd. 10. Homeownership Investment Grants</u></b>	<u>40,000,000</u>	<u>40,000,000</u>
3.15	<u>This appropriation is for the homeownership</u>		
3.16	<u>investment grants program. This is a onetime</u>		
3.17	<u>appropriation.</u>		
3.18	<b><u>Subd. 11. Manufactured Home Lending Grants</u></b>	<u>25,000,000</u>	<u>-0-</u>
3.19	<u>This appropriation is for the manufactured</u>		
3.20	<u>home lending grants program. This is a</u>		
3.21	<u>onetime appropriation.</u>		
3.22	<b><u>Subd. 12. Manufactured Home Park Cooperative</u></b>		
3.23	<b><u>Purchase</u></b>	<u>10,000,000</u>	<u>-0-</u>
3.24	<u>This appropriation is for the manufactured</u>		
3.25	<u>home park cooperative purchase program. This</u>		
3.26	<u>is a onetime appropriation.</u>		
3.27	<b><u>Subd. 13. Local Housing Trust Fund</u></b>	<u>8,700,000</u>	<u>-0-</u>
3.28	<u>This appropriation is for local housing trust</u>		
3.29	<u>fund grants. This is a onetime appropriation.</u>		
3.30	<b><u>Subd. 14. Rent Assistance</u></b>	<u>50,000,000</u>	<u>50,000,000</u>
3.31	<u>This appropriation is for deposit in the state</u>		
3.32	<u>rent assistance account in the housing</u>		

4.1 development fund for expenditure on the rent  
 4.2 assistance program under Minnesota Statutes,  
 4.3 section 462A.2095. Of this amount,  
 4.4 \$12,000,000 is added to the agency's  
 4.5 permanent budget base.

4.6 **Subd. 15. First-Generation Homebuyers Down**  
 4.7 **Payment Assistance Fund**

150,000,000

-0-

4.8 This appropriation is for the first-generation  
 4.9 homebuyers down payment assistance fund.  
 4.10 This appropriation is onetime and available  
 4.11 until June 30, 2026.

4.12 **Subd. 16. Build Wealth MN**

1,000,000

1,000,000

4.13 This appropriation is for a grant to Build  
 4.14 Wealth Minnesota to provide a family  
 4.15 stabilization plan program including program  
 4.16 outreach, financial literacy education, and  
 4.17 budget and debt counseling. This is a onetime  
 4.18 appropriation.

4.19 **Subd. 17. First-Time Homebuyer, Fee-Based**  
 4.20 **Home Purchase Financing**

5,000,000

5,000,000

4.21 This appropriation is for the first-time  
 4.22 homebuyer, fee-based home purchase  
 4.23 financing program. This appropriation is  
 4.24 onetime.

4.25 **Subd. 18. Community Stabilization**

75,000,000

75,000,000

4.26 This appropriation is for the community  
 4.27 stabilization program under Minnesota  
 4.28 Statutes, section 462A.41. This a onetime  
 4.29 appropriation. Of this amount, \$10,000,000 is  
 4.30 for a grant to AEON for Huntington Place.

4.31 **Subd. 19. High-Rise Sprinkler System Grant**

10,000,000

-0-

4.32 This appropriation is for the high-rise sprinkler  
 4.33 system grant program. This appropriation is  
 4.34 onetime. Of this amount, up to \$4,000,000

5.1 must be for a grant to CommonBond  
 5.2 Communities for installation of sprinkler  
 5.3 systems at two buildings known as Seward  
 5.4 Tower West located at 2515 South 9th Street  
 5.5 in Minneapolis and Seward Tower East  
 5.6 located at 2910 East Franklin Avenue in  
 5.7 Minneapolis.

5.8 **Subd. 20. Lead Safe Homes** 4,000,000 -0-

5.9 This appropriation is for the lead safe homes  
 5.10 grant program. This appropriation is onetime.

5.11 **Subd. 21. Landlord Risk Mitigation Fund** 500,000 -0-

5.12 (a) This appropriation is for grants to eligible  
 5.13 applicants to create or expand risk mitigation  
 5.14 programs to reduce landlord financial risks  
 5.15 for renting to persons eligible for services  
 5.16 under Minnesota Statutes, sections 245.4661,  
 5.17 subdivision 9, paragraph (a), clause (2);  
 5.18 462A.204; and 462A.2097. This appropriation  
 5.19 is onetime.

5.20 (b) Eligible programs may reimburse landlords  
 5.21 for costs, including but not limited to  
 5.22 nonpayment of rent or damage costs above  
 5.23 those costs covered by security deposits. The  
 5.24 agency may give higher priority to applicants  
 5.25 that demonstrate a matching amount of money  
 5.26 by a local unit of government, business, or  
 5.27 nonprofit organization. Grantees must  
 5.28 establish a procedure to review and validate  
 5.29 claims and reimbursements under this grant  
 5.30 program.

5.31 (c) Eligible grantees include but are not limited  
 5.32 to nonprofit organizations under Minnesota  
 5.33 Statutes, section 462A.03, subdivision 22, and  
 5.34 supportive housing providers under Minnesota

6.1 Statutes, section 245.4661, subdivision 9,  
 6.2 paragraph (a), clause (2).

6.3 **Subd. 22. Housing Meditation** 1,500,000 -0-

6.4 This appropriation is for the Minnesota  
 6.5 Housing mediation grant program. This  
 6.6 appropriation is onetime.

6.7 **Subd. 23. Northland Foundation** 2,000,000 -0-

6.8 This appropriation is for a grant to Northland  
 6.9 Foundation for use on expenditures authorized  
 6.10 under Minnesota Statutes, section 462C.16,  
 6.11 subdivision 3 and on assisting local  
 6.12 governments to establish local or regional  
 6.13 housing trust funds. Northland Foundation  
 6.14 may award grants and loans to other entities  
 6.15 to expend on authorized expenditures under  
 6.16 this section. This appropriation is onetime and  
 6.17 available until June 30, 2025.

6.18 **Subd. 24. Stable Housing Organization Relief** 10,000,000 -0-

6.19 This appropriation is for the stable housing  
 6.20 organization relief program. This appropriation  
 6.21 is onetime.

6.22 **Sec. 3. MANAGEMENT AND BUDGET** \$ 300,000 \$ -0-

6.23 \$300,000 in fiscal year 2024 is to the  
 6.24 commissioner of management and budget to  
 6.25 fund a study by Management Analysis and  
 6.26 Development on expediting rental assistance  
 6.27 payment. This is a onetime appropriation.

6.28 **Sec. 4. DEPARTMENT OF EMPLOYMENT**  
 6.29 **AND ECONOMIC DEVELOPMENT** \$ 5,000,000 \$ -0-

6.30 \$5,000,000 in fiscal year 2024 is to the  
 6.31 commissioner of employment and economic  
 6.32 development for the greater Minnesota  
 6.33 infrastructure grant program under Minnesota

7.1 Statutes, section 116J.4315. This appropriation  
7.2 is onetime.

7.3 **ARTICLE 2**

7.4 **HOUSING GRANT PROGRAMS**

7.5 Section 1. **[116J.4315] GREATER MINNESOTA HOUSING INFRASTRUCTURE**  
7.6 **GRANT PROGRAM.**

7.7 Subdivision 1. **Grant program established.** The commissioner may make grants to  
7.8 cities to provide up to 50 percent of the capital costs of public infrastructure necessary for  
7.9 an eligible workforce housing development project. The commissioner may make a grant  
7.10 award only after determining that nonstate resources are committed to complete the project.  
7.11 The nonstate contribution may be either cash or in kind. In-kind contributions may include  
7.12 the value of the site, whether the site is prepared before or after the law appropriating money  
7.13 for the grant is enacted.

7.14 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the  
7.15 meanings given.

7.16 (b) "City" means a statutory or home rule charter city located outside the metropolitan  
7.17 area, as defined in section 473.121, subdivision 2.

7.18 (c) "Housing infrastructure" means publicly owned physical infrastructure necessary to  
7.19 support housing development projects, including but not limited to sewers, water supply  
7.20 systems, utility extensions, streets, wastewater treatment systems, stormwater management  
7.21 systems, and facilities for pretreatment of wastewater to remove phosphorus.

7.22 Subd. 3. **Eligible projects.** Housing projects eligible for a grant under this section may  
7.23 be single-family or multifamily housing developments, and either owner-occupied or a  
7.24 rental.

7.25 Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for  
7.26 soliciting and reviewing applications for grants under this section. At a minimum, a city  
7.27 must include in its application a resolution of the city council certifying that the required  
7.28 nonstate match is available. The commissioner must evaluate complete applications for  
7.29 funding for eligible projects to determine that:

7.30 (1) the project is necessary to increase sites available for housing development that will  
7.31 provide adequate housing stock for the current or future workforce; and

8.1 (2) the increase in workforce housing will result in substantial public and private capital  
8.2 investment in the city in which the project would be located.

8.3 (b) The determination of whether to make a grant for a site is within the discretion of  
8.4 the commissioner, subject to this section. The commissioner's decisions and application of  
8.5 the criteria are not subject to judicial review, except for abuse of discretion.

8.6 Subd. 5. **Maximum grant amount.** A city may receive no more than \$30,000 per lot  
8.7 for single-family, duplex, triplex, or fourplex housing developed and no more than \$60,000  
8.8 per lot for multifamily housing with more than four units per building. A city may receive  
8.9 no more than \$500,000 in two years for one or more housing developments.

8.10 Subd. 6. **Cancellation of grant; return of grant money.** If, after five years, the  
8.11 commissioner determines that a project has not proceeded in a timely manner and is unlikely  
8.12 to be completed, the commissioner must cancel the grant and require the grantee to return  
8.13 all grant money awarded for that project.

8.14 Subd. 7. **Appropriation.** Grant money returned to the commissioner is appropriated to  
8.15 the commissioner to make additional grants under this section.

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

8.17 Sec. 2. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to  
8.18 read:

8.19 Subd. 42. **Rent assistance program.** The agency may administer the rent assistance  
8.20 program established in section 462A.2095.

8.21 Sec. 3. **[462A.2095] RENT ASSISTANCE PROGRAM.**

8.22 Subdivision 1. **Program established.** (a) The state rent assistance account is established  
8.23 as a separate account in the housing development fund. Money in the account is appropriated  
8.24 to the agency for grants to program administrators for the purposes specified in this section.

8.25 (b) Money deposited in the account under section 297A.9925 is for grants to program  
8.26 administrators in the metropolitan area.

8.27 (c) Money deposited in the account through a general fund appropriation is for grants  
8.28 to program administrators outside the metropolitan counties, as defined by section 473.121,  
8.29 subdivision 2.

8.30 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the  
8.31 meanings given them.



9.1 (b) "Eligible household" means a household with an annual income of up to 50 percent  
9.2 of the area median income as determined by the United States Department of Housing and  
9.3 Urban Development, adjusted for family size, that is paying more than 30 percent of the  
9.4 household's annual income on rent. Eligibility is determined at the time a household first  
9.5 receives rent assistance under this section. Eligibility shall be recertified every year thereafter.  
9.6 Eligible household does not include a household receiving federal tenant-based or  
9.7 project-based assistance under Section 8 of the United States Housing Act of 1937, as  
9.8 amended.

9.9 (c) "Program administrator" means:

9.10 (1) a housing and redevelopment authority or other local government agency or authority  
9.11 that administers federal tenant-based or project-based assistance under Section 8 of the  
9.12 United States Housing Act of 1937, as amended;

9.13 (2) a tribal government or tribal housing authority; or

9.14 (3) if the local housing authority, tribal government, or tribal housing authority declines  
9.15 to administer the program established in this section, a nongovernmental organization  
9.16 determined by the agency to have the capacity to administer the program.

9.17 Subd. 3. **Grants to program administrators.** (a) The agency may make grants to  
9.18 program administrators to provide rental assistance for eligible households. For both  
9.19 tenant-based and project-based assistance, program administrators shall pay assistance  
9.20 directly to housing providers. Rental assistance may be provided in the form of tenant-based  
9.21 assistance or project-based assistance. Notwithstanding the amounts awarded under  
9.22 subdivision 1, paragraph (b), and to the extent practicable, the agency must make grants  
9.23 statewide in proportion to the number of households eligible for assistance in each county  
9.24 according to the most recent American Community Survey of the United States Census  
9.25 Bureau.

9.26 (b) The program administrator may use its existing procedures to administer the rent  
9.27 assistance program or may develop alternative procedures with the goals of reaching  
9.28 households most in need and incentivizing landlord participation. The agency must approve  
9.29 a program administrator's alternative procedures.

9.30 Subd. 4. **Amount of rent assistance.** A program administrator may provide tenant-based  
9.31 or project-based vouchers in amounts equal to the difference between 30 percent of household  
9.32 income and the rent charged, plus an allowance for utilities if not included in rent. A program  
9.33 administrator may not provide assistance that is more than the difference between 30 percent

10.1 of the tenant's gross income and 120 percent of the payment standard, plus utilities, as  
10.2 established by the local public housing authority, unless otherwise authorized by the agency.

10.3 Subd. 5. **Administrative fees.** The agency shall consult with public housing authorities  
10.4 to determine the amount of administrative fees to pay to program administrators.

10.5 Subd. 6. **Rent assistance not income.** (a) Rent assistance grant money under this section  
10.6 is excluded from income as defined in sections 290.0674, subdivision 2a, and 290A.03,  
10.7 subdivision 2.

10.8 (b) Notwithstanding any law to the contrary, payments under this section must not be  
10.9 considered income, assets, or personal property for purposes of determining eligibility or  
10.10 recertifying eligibility for state public assistance, including but not limited to:

10.11 (1) child care assistance programs under chapter 119B;

10.12 (2) general assistance, Minnesota supplemental aid, and food support under chapter  
10.13 256D;

10.14 (3) housing support under chapter 256I;

10.15 (4) Minnesota family investment program and diversionary work program under chapter  
10.16 256J; and

10.17 (5) economic assistance programs under chapter 256P.

10.18 (c) The commissioner of human services must not consider rent assistance grant money  
10.19 under this section as income or assets under section 256B.056, subdivision 1a, paragraph  
10.20 (a); subdivision 3; or subdivision 3c, or for persons with eligibility determined under section  
10.21 256B.057, subdivision 3, 3a, or 3b.

10.22 Subd. 7. **Oversight.** The agency may direct program administrators to comply with  
10.23 applicable sections of Code of Federal Regulations, title 24, parts 982 and 983.

10.24 Sec. 4. **[462A.2096] LEAD SAFE HOMES GRANT PROGRAM.**

10.25 Subdivision 1. **Establishment.** The Minnesota Housing Finance Agency shall establish  
10.26 a lead safe homes grant program to provide grants to increase lead testing and make  
10.27 residential rental units lead safe. The initial pilot program shall provide one grant to a project  
10.28 servicing an area in a metropolitan county, as defined in section 473.121, subdivision 4, and  
10.29 one grant to a project servicing an area outside a metropolitan county with a priority for  
10.30 targeting grant resources to landlords and tenants where there are high concentrations of  
10.31 lead poisoning in children based on information provided by the commissioner of health.

11.1 Subd. 2. **Eligibility.** (a) Eligible grantees must be a nonprofit or political subdivision  
 11.2 capable of providing funding and services to a defined geographic area. The grant programs  
 11.3 receiving funding under this section must provide lead risk assessments completed by a  
 11.4 lead inspector or a lead risk assessor licensed by the commissioner of health pursuant to  
 11.5 section 144.9505 for properties built before 1978 to determine the presence of lead hazards  
 11.6 and to provide interim controls to reduce lead health hazards. The grant program must  
 11.7 provide funding for testing and lead hazard reduction to:

11.8 (1) landlords of residential buildings with 11 units or less where the tenant's income  
 11.9 does not exceed 60 percent of area median income;

11.10 (2) landlords of residential buildings with 12 units or more where at least 50 percent of  
 11.11 the tenants are below 60 percent of the median income; and

11.12 (3) to a tenant with an income that does not exceed 60 percent of area median income.

11.13 (b) A landlord or tenant must first access other available state and federal funding related  
 11.14 to lead testing and lead hazard reduction for which they are eligible.

11.15 (c) Up to ten percent of a grant award to a nonprofit or political subdivision may be used  
 11.16 to administer the grant and provide education and outreach about lead health hazards.

11.17 Subd. 3. **Short title.** This section shall be known as the "Dustin Luke Shields Act."

11.18 Sec. 5. **[462A.2098] MINNESOTA HOUSING MEDIATION GRANT PROGRAM.**

11.19 Subdivision 1. **Establishment; purpose.** The agency shall establish a housing mediation  
 11.20 program to reduce negative consequences to renters, rental property owners, families,  
 11.21 schools, employers, neighborhoods, and communities by providing support to renters and  
 11.22 residential rental property owners.

11.23 Subd. 2. **Selection criteria.** The agency shall award grants to community dispute  
 11.24 resolution programs certified under section 494.015. The agency shall develop forms and  
 11.25 procedures for soliciting and reviewing applications for grants under this section.

11.26 Subd. 3. **Administration.** The agency shall award a grant to Community Mediation  
 11.27 Minnesota to administrate the housing mediation program to ensure effective statewide  
 11.28 management, program design, and outreach among the grantees.

11.29 Subd. 4. **Authorized uses of grant.** The grant funding must be used to:

11.30 (1) provide housing dispute resolution services;

11.31 (2) increase awareness of and access to housing dispute resolution services statewide;

12.1 (3) provide alternative dispute resolution services, including but not limited to eviction  
12.2 prevention, mediation, and navigation services;

12.3 (4) partner with culturally specific dispute resolution programs to provide training and  
12.4 assistance with virtual and in-person mediation services;

12.5 (5) increase mediation services for seniors and renters with disabilities and illnesses that  
12.6 face housing instability;

12.7 (6) increase the diversity and cultural competency of the housing mediator roster;

12.8 (7) integrate housing mediation services with navigation and resource connection services,  
12.9 legal assistance, and court services programs; and

12.10 (8) develop and administer evaluation tools to design, modify, and replicate effective  
12.11 program outcomes.

12.12 **Sec. 6. [462A.41] COMMUNITY STABILIZATION PROGRAM.**

12.13 Subdivision 1. **Establishment.** The agency shall establish a community stabilization  
12.14 program for the purpose of providing grants or loans for the preservation of naturally  
12.15 occurring affordable housing through acquisition or rehabilitation.

12.16 Subd. 2. **Definitions.** For the purposes of this section, "naturally occurring affordable  
12.17 housing" means:

12.18 (1) multiunit rental housing that:

12.19 (i) is at least 20 years old; and

12.20 (ii) has rents in a majority of units that are affordable to households at or below 60  
12.21 percent of the greater of state or area median income as determined by the United States  
12.22 Department of Housing and Urban Development; or

12.23 (2) owner-occupied housing located in communities where market pressures or significant  
12.24 deferred rehabilitation needs, as defined by the agency, create opportunities for displacement  
12.25 or the loss of owner-occupied housing affordable to households at or below 115 percent of  
12.26 the greater of state or area median income as determined by the United States Department  
12.27 of Housing and Urban Development.

12.28 Subd. 3. **Eligible recipients.** (a) Grants or loans may be made to:

12.29 (1) a local unit of government;

12.30 (2) a federally recognized American Indian Tribe located in Minnesota or its Tribally  
12.31 Designated Housing Entity;

13.1 (3) a private developer;

13.2 (4) limited equity cooperatives;

13.3 (5) cooperatives created under chapter 308A or 308B;

13.4 (6) community land trusts created for the purposes outlined in section 462A.31,

13.5 subdivision 1; or

13.6 (7) a nonprofit organization.

13.7 (b) The agency shall make a grant to a statewide intermediary to facilitate the acquisition

13.8 and associated rehabilitation of existing multiunit rental housing and may use an intermediary

13.9 or intermediaries for the acquisition and associated rehabilitation of owner-occupied housing.

13.10 Subd. 4. **Eligible uses.** The program shall provide grants or loans for the purpose of

13.11 acquisition, rehabilitation, interest rate reduction, or gap financing of housing to support

13.12 the preservation of naturally occurring affordable housing. Priority in funding shall be given

13.13 to proposals that serve lower incomes and maintain longer periods of affordability.

13.14 Subd. 5. **Owner-occupied housing income limits.** Households served through grants

13.15 or loans related to owner-occupied housing must have, at initial occupancy, income that is

13.16 at or below 115 percent of the greater of state or area median income as determined by the

13.17 United States Department of Housing and Urban Development.

13.18 Subd. 6. **Multifamily housing rent limits.** Multifamily housing financed through grants

13.19 or loans under this section must remain affordable to low-income or moderate-income

13.20 households as defined by the agency.

13.21 Subd. 7. **Application.** (a) The agency shall develop forms and procedures for soliciting

13.22 and reviewing applications for grants or loans under this section. The agency shall consult

13.23 with interested stakeholders when developing the guidelines and procedures for the program.

13.24 (b) Notwithstanding any other applicable law, the agency may accept applications on a

13.25 noncompetitive, rolling basis in order to provide funds for eligible properties as they become

13.26 available.

13.27 Subd. 8. **Voucher requirement for multifamily properties.** Rental properties that

13.28 receive funds must accept rental subsidies, including but not limited to vouchers under

13.29 Section 8 of the United States Housing Act of 1937, as amended.

14.1 **Sec. 7. [462A.42] SUPPORTIVE HOUSING PROGRAM.**

14.2 Subdivision 1. **Establishment.** The agency shall establish a supportive housing program  
14.3 to provide funding to increase alignment with housing development financing and strengthen  
14.4 supportive housing for individuals and families who have experienced homelessness.

14.5 Subd. 2. **Definition.** For the purposes of this section, "supportive housing" means housing  
14.6 that is not time-limited and provides or coordinates with services necessary for residents to  
14.7 maintain housing stability and maximize opportunities for education and employment.

14.8 Subd. 3. **Eligible recipients.** Funding may be made to a local unit of government, a  
14.9 federally recognized American Indian Tribe or its Tribally Designated Housing Entity  
14.10 located in Minnesota, a private developer, or a nonprofit organization.

14.11 Subd. 4. **Eligible uses.** (a) Funds shall be used to cover costs needed for supportive  
14.12 housing to operate effectively. Costs may include but are not limited to building operating  
14.13 expenses such as front desk, tenant service coordination, revenue shortfall, and security  
14.14 costs.

14.15 (b) Funds may be used to create partnerships with the health care sector and other sectors  
14.16 to demonstrate sustainable ways to provide services for supportive housing residents, improve  
14.17 access to health care, and reduce the use of expensive emergency and institutional care.  
14.18 This may be done in partnership with other state agencies, including the Department of  
14.19 Health and the Department of Human Services.

14.20 Subd. 5. **Application.** The commissioner shall develop forms and procedures for soliciting  
14.21 and reviewing applications for funding under this section. The commissioner shall consult  
14.22 with interested stakeholders when developing the guidelines and procedures for the program.

14.23 **Sec. 8. STABLE HOUSING ORGANIZATION RELIEF PROGRAM.**

14.24 Subdivision 1. **Establishment.** The commissioner of the Minnesota Housing Finance  
14.25 Agency must establish and administer a grant program in accordance with this section to  
14.26 support nonprofits that are experiencing significant detrimental financial impacts due to  
14.27 recent economic and social conditions.

14.28 Subd. 2. **Eligible organizations.** To be eligible for a grant under this section an  
14.29 organization must:

14.30 (1) be a nonprofit organization that is tax exempt under section 501(c)(3) of the Internal  
14.31 Revenue Code that has been doing business in the state for at least ten years as demonstrated  
14.32 by registration or filing of organizational documents with the secretary of state;

15.1 (2) have its primary operations located in the state;

15.2 (3) be experiencing significant detrimental financial impact due to recent economic and  
15.3 social conditions, including but not limited to decreased operating revenue due to loss of  
15.4 rental income or increased operating expenses due to inflation in utility expenses, insurance,  
15.5 or other expenses;

15.6 (4) have supportive services options available for the individuals and families residing  
15.7 in the rental housing it provides to low-income populations; and

15.8 (5) provide, as of December 31, 2022, housing units in the state that it owns or controls  
15.9 consisting of any of the following:

15.10 (i) at least 1,000 units of naturally occurring affordable housing. For purposes of this  
15.11 item, "naturally occurring affordable housing" means multiunit rental housing developments  
15.12 that have not received financing from the federal low-income housing tax credit program  
15.13 for which the majority of the units have agreements in place to be affordable to individuals  
15.14 or families with incomes at or below 60 percent of the area median income as determined  
15.15 by the United States Department of Housing and Urban Development, adjusted for family  
15.16 size, and that do not receive project- or other place-based rental subsidies from the federal  
15.17 government;

15.18 (ii) rental housing units, not including naturally occurring affordable housing, of which  
15.19 50 percent of the total number of units are rented to individuals or families whose annual  
15.20 incomes, according to the most recent income certification as of December 31, 2022, are  
15.21 at or below 30 percent of the area median income as determined by the United States  
15.22 Department of Housing and Urban Development, adjusted for family size; or

15.23 (iii) at least 250 units of permanent supportive housing, as defined in Minnesota Statutes,  
15.24 section 462A.36, subdivision 1, paragraph (e).

15.25 Subd. 3. **Grant program.** (a) The commissioner must provide grants to eligible  
15.26 organizations as provided in this subdivision.

15.27 (b) An organization that seeks to obtain a grant must apply to the commissioner by July  
15.28 28, 2023, and certify:

15.29 (1) that it is eligible for a grant under subdivision 2;

15.30 (2) the total number of rental housing units it owns or controls in the state, including  
15.31 but not limited to the rental housing units it provides under subdivision 2, clause (5); and

16.1 (3) information on significant detrimental financial impacts due to recent economic and  
16.2 social conditions.

16.3 (c) The commissioner must disburse grants to eligible organizations no later than  
16.4 September 30, 2023. Eligible organizations that receive grants must use grant funds to  
16.5 mitigate significant detrimental financial impacts due to recent economic and social  
16.6 conditions.

16.7 (d) The amount of a grant to an eligible organization equals:

16.8 (1) the percentage of the total number of units an eligible organization certifies that it  
16.9 owns or controls in the state of the total number of units certified by all eligible organizations;  
16.10 multiplied by

16.11 (2) the total amount of the appropriation for this grant program.

16.12 (e) No grant to an eligible organization may exceed \$4,000 per certified unit. The per-unit  
16.13 amount of the grant for each eligible organization must be calculated based on the total  
16.14 number of units each eligible organization owns or controls in the state and is not limited  
16.15 to the number of units that qualify it as an eligible organization under subdivision 2, clause  
16.16 (5).

16.17 Subd. 4. **Reporting and financial audit.** Each grantee must submit a report to the  
16.18 commissioner by September 30, 2024, on the use of those funds in a form determined by  
16.19 the commissioner. By January 15, 2024, each grantee must report to the chair and ranking  
16.20 minority members of the legislative committees having jurisdiction over housing on the use  
16.21 of funds awarded under this section.

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

16.23 Sec. 9. **FIRST-GENERATION HOMEBUYERS DOWN PAYMENT ASSISTANCE**  
16.24 **FUND.**

16.25 Subdivision 1. **Establishment.** A first-generation homebuyers down payment assistance  
16.26 fund is established as a pilot project under the administration of the Midwest Minnesota  
16.27 Community Development Corporation (MMCDC), a community development financial  
16.28 institution (CDFI) as defined under the Riegle Community Development and Regulatory  
16.29 Improvement Act of 1994, to provide targeted assistance to eligible first-generation  
16.30 homebuyers. The Housing Finance Agency must release grant funds to MMCDC as needed,  
16.31 and may do so in tranches for administrative efficiency.



17.1 Subd. 2. **Eligible homebuyer.** For purposes of this section, "eligible first-generation  
17.2 homebuyer" means an individual:

17.3 (1) whose income is at or below 100 percent of the area median income at the time of  
17.4 purchase;

17.5 (2) who either never owned a home or who owned a home but lost it due to foreclosure;

17.6 (3) who is preapproved for a first mortgage loan; and

17.7 (4) whose parent or prior legal guardian either never owned a home or owned a home  
17.8 but lost it due to foreclosure.

17.9 An eligible homebuyer must complete an approved homebuyer education course prior to  
17.10 signing a purchase agreement and, following the purchase of the home, must occupy it as  
17.11 their primary residence.

17.12 Subd. 3. **Use of funds.** Assistance under this section is limited to ten percent of the  
17.13 purchase price of a home, not to exceed \$32,000 per eligible first-generation homebuyer.  
17.14 The assistance must be provided in the form of a loan that is forgivable at a rate of 20 percent  
17.15 per year on the day after the anniversary date of the note. The prorated balance due is  
17.16 repayable if the property converts to nonowner occupancy, is sold, is subjected to an ineligible  
17.17 refinance, is subjected to an unauthorized transfer of title, or is subjected to a completed  
17.18 foreclosure action within the five-year loan term. Recapture can be waived in the event of  
17.19 financial or personal hardship. Funds may be reserved and used for closing costs, down  
17.20 payment, or principal reduction. The funds must be used in conjunction with a conforming  
17.21 first mortgage loan that is fully amortizing and meets the standards of a qualified mortgage  
17.22 or meets the minimum standards for exemption under Code of Federal Regulations, title  
17.23 12, section 1026.43. Funds may be used in conjunction with other programs the eligible  
17.24 homebuyer may qualify for and the loan placed in any priority position.

17.25 Subd. 4. **Administration.** The first-generation homebuyers down payment assistance  
17.26 fund is available statewide and shall be administered by MMCDC, the designated central  
17.27 CDFI. MMCDC may originate and service funds and authorize other CDFIs, Tribal entities,  
17.28 and nonprofit organizations administering down payment assistance to reserve, originate,  
17.29 fund, and service funds for eligible first-generation homebuyers. Administrative costs must  
17.30 not exceed \$3,200 per loan. Any funds made available due to early resale of a home must  
17.31 be returned to MMCDC for redistribution to eligible first-generation homebuyers.

18.1 Subd. 5. **Legislative auditor.** The first-generation homebuyers down payment assistance  
18.2 fund is subject to audit by the legislative auditor. MMCDC and participating CDFIs must  
18.3 cooperate with the audit.

18.4 Subd. 6. **Report to legislature.** By January 15 each year, the fund administrator,  
18.5 MMCDC, must report to the chairs and ranking minority members of the legislative  
18.6 committees having jurisdiction over housing the following information:

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

18.8 (2) the median loan amount;

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

18.10 (4) the median home purchase price;

18.11 (5) the type of mortgage;

18.12 (6) the total amount returned to the fund; and

18.13 (7) the number and amount of loans issued by county.

18.14 **EFFECTIVE DATE.** This section is effective July 1, 2023.

18.15 Sec. 10. **HIGH-RISE SPRINKLER SYSTEM GRANT PROGRAM.**

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

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

18.18 (1) at least one story used for human occupancy is 75 feet or more above the lowest  
18.19 level of fire department vehicle access; and

18.20 (2) at least two-thirds of its units are rented to an individual or family with an annual  
18.21 income of up to 50 percent of the area median income as determined by the United States  
18.22 Department of Housing and Urban Development, adjusted for family size, that is paying  
18.23 no more than 30 percent of annual income on rent.

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

18.26 Subd. 2. **Grant program.** The commissioner of the Housing Finance Agency must make  
18.27 grants to owners of eligible buildings for installation of sprinkler systems. Priority shall be  
18.28 given to nonprofit applicants. The maximum grant per eligible building shall be \$2,000,000.  
18.29 Each grant to a nonprofit organization shall require a 25 percent match. Each grant to a  
18.30 for-profit organization shall require a 50 percent match.

19.1 Subd. 3. **Expiration.** This section expires June 30, 2026.

19.2 Sec. 11. **LOCAL HOUSING TRUST FUND GRANTS.**

19.3 (a) The commissioner of the Minnesota Housing Finance Agency shall award grants for  
19.4 existing local housing trust funds established under Minnesota Statutes, section 462C.16  
19.5 and for local governments seeking to establish local housing trust funds.

19.6 (b) A local government with an existing local housing trust fund may receive a grant  
19.7 amount equal to 100 percent of the public revenue committed to the local housing trust fund  
19.8 from any source other than the state or federal government, up to \$150,000, and in addition,  
19.9 an amount equal to 50 percent of the public revenue committed to the local housing trust  
19.10 fund from any source other than the state or federal government that is more than \$150,000  
19.11 but not more than \$300,000.

19.12 (c) The agency may award grants of up to \$5,000 to a local government, or two or more  
19.13 local governments operating under a joint powers agreement, which does not have a local  
19.14 housing trust fund or a regional housing trust fund. Grants must be used to establish a local  
19.15 or regional housing trust fund. The agency shall make grants on a first-come, first-served  
19.16 basis.

19.17 (d) Except as provided in paragraph (c), a grantee must use grant funds within eight  
19.18 years of receipt for purposes (1) authorized under Minnesota Statutes, section 462C.16,  
19.19 subdivision 3, and (2) benefiting households with incomes at or below 115 percent of the  
19.20 state median income. A grantee must return any grant funds not used for these purposes  
19.21 within eight years of receipt to the commissioner of the Minnesota Housing Finance Agency  
19.22 for deposit into the housing development fund.

19.23 **EFFECTIVE DATE.** This section is effective July 1, 2023.

19.24 Sec. 12. **HOMEOWNERSHIP INVESTMENT GRANTS PROGRAM.**

19.25 Subdivision 1. **Definitions.** For the purposes of this section, the following terms have  
19.26 the meanings given:

19.27 (1) "commissioner" means the commissioner of the Minnesota Housing Finance Agency;  
19.28 and

19.29 (2) "eligible organization" means a nonprofit organization the commissioner determines  
19.30 to be eligible under subdivision 2.

20.1 Subd. 2. **Eligible organization.** To be eligible for a grant under this subdivision, a  
20.2 nonprofit organization must:

20.3 (1) be an organization defined under section 501(c)(3) of the Internal Revenue Code or  
20.4 an equivalent organization;

20.5 (2) have primary operations located in Minnesota; and

20.6 (3) be certified as a community development financial institution by the United States  
20.7 Department of the Treasury and must provide affordable housing lending or financing  
20.8 programs.

20.9 Subd. 3. **Eligible services.** Eligible organizations may apply for housing investment  
20.10 grants for affordable owner-occupied housing projects for:

20.11 (1) housing development to increase the supply of affordable owner-occupied homes;

20.12 (2) financing programs for affordable owner-occupied new home construction;

20.13 (3) acquisition, rehabilitation, and resale of affordable owner-occupied homes or homes  
20.14 to be converted to owner-occupied homes;

20.15 (4) financing programs for affordable owner-occupied manufactured housing; and

20.16 (5) services to increase access to stable, affordable, owner-occupied housing in  
20.17 low-income communities, Indigenous American Indian communities, and communities of  
20.18 color.

20.19 Subd. 4. **Commissioner duties.** (a) The commissioner shall consult with eligible  
20.20 organizations and develop forms, applications, and reporting requirements for use by eligible  
20.21 organizations. All organizations applying for a grant must include as part of their application  
20.22 a plan to create new affordable home ownership and home preservation opportunities for  
20.23 targeted areas. The commissioner shall develop a grant award scoring system that ensures  
20.24 a distribution of awards throughout the state based on population and eligible households  
20.25 and communities.

20.26 (b) The commissioner shall complete the requirements under paragraph (a) within 90  
20.27 days of enactment of this section.

20.28 (c) By January 15, 2024, the commissioner must submit a report to the chairs and ranking  
20.29 minority members of the legislative committees with jurisdiction over housing finance and  
20.30 policy detailing the use of funds under this section.

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

21.1       Sec. 13. **FIRST-TIME HOMEBUYER, FEE-BASED HOME PURCHASE**  
21.2 **FINANCING PROGRAM.**

21.3       Subdivision 1. Administration. A first-time homebuyer, fee-based home purchasing  
21.4 financing program is established as a pilot project under the administration of NeighborWorks  
21.5 Home Partners.

21.6       Subd. 2. Eligible homebuyer. For the purposes of this section, an "eligible homebuyer"  
21.7 means an individual:

21.8       (1) whose income is at or below 130 percent of area median income;

21.9       (2) who resides in a census tract where at least 60 percent of occupied housing units are  
21.10 renter-occupied, based on the most recent estimates or experimental estimates provided by  
21.11 the American Community Survey of the United States Census Bureau;

21.12       (3) who is financing the purchase of an eligible property with an interest-free, fee-based  
21.13 mortgage; and

21.14       (4) who is a first-time homebuyer as defined by Code of Federal Regulations, title 24,  
21.15 section 92.2.

21.16       Subd. 3. Eligible property. (a) For the purposes of this section, an "eligible property"  
21.17 means residential real property that is a condominium, a townhouse, a single-family home,  
21.18 a manufactured home titled as real property, or another building containing up to four  
21.19 dwelling units.

21.20       (b) An eligible property may include property subject to a ground lease with a community  
21.21 land trust, property on Indian Trust Land, or property participating in a shared equity  
21.22 homeownership program.

21.23       Subd. 4. Use of funds. NeighborWorks Home Partners shall use the money appropriated  
21.24 under subdivision 1 to provide forgivable grants of down payment assistance not to exceed  
21.25 30 percent of the price of the eligible property that an eligible homebuyer seeks to purchase.  
21.26 NeighborWorks Home Partners shall provide grants to eligible homebuyers using no-interest,  
21.27 fee-based loans to finance the purchase of eligible properties. In making grants,  
21.28 NeighborWorks Home Partners shall determine the circumstances, terms, and conditions  
21.29 under which all or any portion of the grant will be repaid and shall determine the appropriate  
21.30 security required for a repayment. The administrative fees for operating the program shall  
21.31 not exceed five percent of the appropriation. An eligible homebuyer may use the funds in  
21.32 conjunction with any other funding programs.

22.1 Subd. 5. **Conditions of receiving a grant.** (a) To qualify for assistance under this section,  
22.2 an eligible homebuyer must:

22.3 (1) complete an approved homebuyer education course prior to signing a purchase  
22.4 agreement;

22.5 (2) complete an approved landlord education course prior to signing a purchase agreement  
22.6 if the property being purchased contains more than one dwelling unit;

22.7 (3) contribute a minimum of \$1,000 to down payment or closing costs; and

22.8 (4) occupy the purchased property as the homebuyer's primary residence.

22.9 (b) NeighborWorks Home Partners may establish additional requirements to ensure that  
22.10 program participants comply with this subdivision.

22.11 Subd. 6. **Reports.** By January 15 and July 15 each year, NeighborWorks Home Partners  
22.12 must report to the chairs and ranking minority members of the legislative committees having  
22.13 jurisdiction over housing the following information:

22.14 (1) the number and amount of grants issued;

22.15 (2) the median grant amount;

22.16 (3) the number and amount of grants issued by race or ethnic categories;

22.17 (4) the median home purchase price;

22.18 (5) the total amount returned to the fund; and

22.19 (6) the number and amount of grants issued by county.

22.20 Sec. 14. **MANUFACTURED HOME LENDING GRANTS.**

22.21 Subdivision 1. **Definitions.** For the purposes of this section, the following terms have  
22.22 the meanings given:

22.23 (1) "commissioner" means the commissioner of the Minnesota Housing Finance Agency;  
22.24 and

22.25 (2) "eligible organization" means a nonprofit organization the commissioner determines  
22.26 to be eligible under subdivision 2.

22.27 Subd. 2. **Eligible organizations.** To be eligible for a grant under this section, a nonprofit  
22.28 must:

22.29 (1) be an organization defined under section 501(c)(3) of the Internal Revenue Code, or  
22.30 an equivalent organization;

23.1 (2) have primary operations located in the state of Minnesota;

23.2 (3) be a qualified nonprofit lender; and

23.3 (4) serve low-income populations in manufactured home communities owned by residents,  
23.4 cooperatives, nonprofits, or municipalities.

23.5 Subd. 3. **Eligible services.** Eligible organizations may apply for manufactured home  
23.6 lending funds for the following services:

23.7 (1) new manufactured home financing programs;

23.8 (2) manufactured home down payment assistance; and

23.9 (3) manufactured home repair, renovation, removal, and site preparation financing  
23.10 programs.

23.11 Subd. 4. **Commissioner duties.** Within 90 days of final enactment, the commissioner  
23.12 shall develop the forms, applications, and reporting requirements for use by eligible  
23.13 organizations. In developing these materials, the commissioner shall consult with  
23.14 manufactured housing cooperatives, resident-owned manufactured home communities, and  
23.15 nonprofit organizations working with manufactured housing cooperatives and resident-owned  
23.16 communities.

23.17 Sec. 15. **MANUFACTURED HOME PARK COOPERATIVE PURCHASE**  
23.18 **PROGRAM.**

23.19 (a) The funding under this section may be used for a revolving loan fund under Minnesota  
23.20 Statutes, section 462A.05, subdivision 35, to provide interest-free loans for residents of  
23.21 manufactured home parks to purchase the manufactured home park in which they reside  
23.22 for the purpose of conversion of the manufactured home park to cooperative ownership.  
23.23 Repayments of principal from loans issued under this section must be used for the purposes  
23.24 of this section.

23.25 (b) The agency may develop criteria for loan requests under this section. Within 90 days  
23.26 of final enactment, the commissioner shall develop the forms, applications, and reporting  
23.27 requirements for use by eligible organizations. In developing these materials, the  
23.28 commissioner shall consult with manufactured housing cooperatives, resident-owned  
23.29 manufactured home communities, and nonprofit organizations working with manufactured  
23.30 housing cooperatives and resident-owned communities.

24.1 (c) Borrowers must use funds to assist in the creation and preservation of housing that  
24.2 is affordable to households with incomes at or below 80 percent of the greater of state or  
24.3 area median income.

24.4 (d) A deed purchased with a loan under this section must contain a covenant running  
24.5 with the land requiring that the land be used as a manufactured home park for 30 years from  
24.6 the date of purchase.

24.7 (e) For the purposes of this section, the terms "manufactured home," "manufactured  
24.8 home park," and "resident" have the meanings given in Minnesota Statutes, section 327C.015.

### 24.9 **ARTICLE 3**

### 24.10 **BONDING AUTHORITY AND AUTHORIZATION**

24.11 Section 1. Minnesota Statutes 2022, section 462A.22, subdivision 1, is amended to read:

24.12 Subdivision 1. **Debt ceiling.** The aggregate principal amount of general obligation bonds  
24.13 and notes which are outstanding at any time, excluding the principal amount of any bonds  
24.14 and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of  
24.15 \$5,000,000,000.

24.16 Sec. 2. Minnesota Statutes 2022, section 462A.36, is amended by adding a subdivision to  
24.17 read:

24.18 Subd. 2a. **Refunding bonds.** (a) The agency may issue nonprofit housing bonds in one  
24.19 or more series to refund bonds authorized in subdivision 2. The amount of refunding nonprofit  
24.20 housing bonds that may be issued from time to time will not be subject to the dollar limitation  
24.21 contained in subdivision 2 nor will those bonds be included in computing the amount of  
24.22 bonds that may be issued within that dollar limitation.

24.23 (b) In the refunding of nonprofit housing bonds, each bond must be called for redemption  
24.24 prior to its maturity in accordance with its terms no later than the earliest date on which it  
24.25 may be redeemed. No refunding bonds may be issued unless as of the date of the refunding  
24.26 bonds the present value of the dollar amount of the debt service on the refunding bonds,  
24.27 computed to their stated maturity dates, is lower than the present value of the dollar amount  
24.28 of debt service on all nonprofit housing bonds refunded computed to their stated maturity  
24.29 dates. For purposes of this subdivision, "present value of the dollar amount of debt service"  
24.30 means the dollar amount of debt service to be paid, discounted to the nominal date of the  
24.31 refunding bonds at a rate equal to the yield on the refunding bonds.



25.1 (c) If as a result of the issuance of refunding bonds the amount of debt service for an  
25.2 annual period is less than the amount transferred by the commissioner of management and  
25.3 budget to pay debt service for that annual period, the agency must deduct the excess amount  
25.4 from the actual amount of debt service on those bonds certified for the next subsequent  
25.5 annual period.

25.6 Sec. 3. Minnesota Statutes 2022, section 462A.36, subdivision 4, is amended to read:

25.7 Subd. 4. **Appropriation; payment to agency or trustee.** (a) The agency must certify  
25.8 annually to the commissioner of management and budget the actual amount of annual debt  
25.9 service on each series of bonds issued under subdivision 2.

25.10 (b) Each July 15, beginning in 2009 and through 2031, if any nonprofit housing bonds  
25.11 issued under subdivision 2, or nonprofit housing bonds issued to refund those bonds, remain  
25.12 outstanding, the commissioner of management and budget must transfer to the nonprofit  
25.13 housing bond account established under section 462A.21, subdivision 32, the amount  
25.14 certified under paragraph (a), not to exceed \$2,400,000 annually. The amounts necessary  
25.15 to make the transfers are appropriated from the general fund to the commissioner of  
25.16 management and budget.

25.17 (c) The agency may pledge to the payment of the nonprofit housing bonds the payments  
25.18 to be made by the state under this section.

25.19 Sec. 4. Minnesota Statutes 2022, section 462A.37, is amended by adding a subdivision to  
25.20 read:

25.21 Subd. 2i. **Additional authorization.** In addition to the amounts authorized in subdivisions  
25.22 2 to 2h, the agency may issue up to \$100,000,000 in housing infrastructure bonds in one or  
25.23 more series to which the payments under this section may be pledged.

25.24 Sec. 5. Minnesota Statutes 2022, section 462A.37, is amended by adding a subdivision to  
25.25 read:

25.26 Subd. 2j. **Additional authorization.** In addition to the amounts authorized in subdivisions  
25.27 2 to 2i, the agency may issue up to \$100,000,000 in housing infrastructure bonds in one or  
25.28 more series to which the payments under this section may be pledged.

26.1 Sec. 6. Minnesota Statutes 2022, section 462A.37, is amended by adding a subdivision to  
26.2 read:

26.3 Subd. 2k. **Refunding bonds.** (a) The agency may issue housing infrastructure bonds in  
26.4 one or more series to refund bonds authorized in this section. The amount of refunding  
26.5 housing infrastructure bonds that may be issued from time to time will not be subject to the  
26.6 dollar limitation contained in any of the authorizations in this section nor will those bonds  
26.7 be included in computing the amount of bonds that may be issued within those dollar  
26.8 limitations.

26.9 (b) In the refunding of housing infrastructure bonds, each bond must be called for  
26.10 redemption prior to its maturity in accordance with its terms no later than the earliest date  
26.11 on which it may be redeemed. No refunding bonds may be issued unless as of the date of  
26.12 the refunding bonds the present value of the dollar amount of the debt service on the  
26.13 refunding bonds, computed to their stated maturity dates, is lower than the present value of  
26.14 the dollar amount of debt service on all housing infrastructure bonds refunded computed to  
26.15 their stated maturity dates. For purposes of this subdivision, "present value of the dollar  
26.16 amount of debt service" means the dollar amount of debt service to be paid, discounted to  
26.17 the nominal date of the refunding bonds at a rate equal to the yield on the refunding bonds.

26.18 (c) If as a result of the issuance of refunding bonds the amount of debt service for an  
26.19 annual period is less than the amount transferred by the commissioner of management and  
26.20 budget to pay debt service for that annual period, the agency must deduct the excess amount  
26.21 from the actual amount of debt service on those bonds certified for the next subsequent  
26.22 annual period.

26.23 Sec. 7. Minnesota Statutes 2022, section 462A.37, subdivision 4, is amended to read:

26.24 **Subd. 4. Appropriation; payment to agency or trustee.** (a) The agency must certify  
26.25 annually to the commissioner of management and budget the actual amount of annual debt  
26.26 service on each series of bonds issued under subdivision 2.

26.27 (b) Each July 15, beginning in 2013 and through 2035, if any housing infrastructure  
26.28 bonds issued under subdivision 2, or housing infrastructure bonds issued to refund those  
26.29 bonds, remain outstanding, the commissioner of management and budget must transfer to  
26.30 the ~~affordable~~ housing infrastructure bond account established under section 462A.21,  
26.31 subdivision 33, the amount certified under paragraph (a), not to exceed \$2,200,000 annually.  
26.32 The amounts necessary to make the transfers are appropriated from the general fund to the  
26.33 commissioner of management and budget.

27.1 (c) The agency may pledge to the payment of the housing infrastructure bonds the  
27.2 payments to be made by the state under this section.

27.3 Sec. 8. Minnesota Statutes 2022, section 462A.37, subdivision 5, is amended to read:

27.4 Subd. 5. **Additional appropriation.** (a) The agency must certify annually to the  
27.5 commissioner of management and budget the actual amount of annual debt service on each  
27.6 series of bonds issued under this section.

27.7 (b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure  
27.8 bonds issued under subdivision 2a remain outstanding, or housing infrastructure bonds  
27.9 issued to refund those bonds, the commissioner of management and budget must transfer  
27.10 to the housing infrastructure bond account established under section 462A.21, subdivision  
27.11 33, the amount certified under paragraph (a), not to exceed \$6,400,000 annually. The amounts  
27.12 necessary to make the transfers are appropriated from the general fund to the commissioner  
27.13 of management and budget.

27.14 (c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure  
27.15 bonds issued under subdivision 2b remain outstanding, or housing infrastructure bonds  
27.16 issued to refund those bonds, the commissioner of management and budget must transfer  
27.17 to the housing infrastructure bond account established under section 462A.21, subdivision  
27.18 33, the amount certified under paragraph (a), not to exceed \$800,000 annually. The amounts  
27.19 necessary to make the transfers are appropriated from the general fund to the commissioner  
27.20 of management and budget.

27.21 (d) Each July 15, beginning in 2019 and through 2040, if any housing infrastructure  
27.22 bonds issued under subdivision 2c remain outstanding, or housing infrastructure bonds  
27.23 issued to refund those bonds, the commissioner of management and budget must transfer  
27.24 to the housing infrastructure bond account established under section 462A.21, subdivision  
27.25 33, the amount certified under paragraph (a), not to exceed \$2,800,000 annually. The amounts  
27.26 necessary to make the transfers are appropriated from the general fund to the commissioner  
27.27 of management and budget.

27.28 (e) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure  
27.29 bonds issued under subdivision 2d remain outstanding, or housing infrastructure bonds  
27.30 issued to refund those bonds, the commissioner of management and budget must transfer  
27.31 to the housing infrastructure bond account established under section 462A.21, subdivision  
27.32 33, the amount certified under paragraph (a). The amounts necessary to make the transfers  
27.33 are appropriated from the general fund to the commissioner of management and budget.

28.1 (f) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure  
28.2 bonds issued under subdivision 2e remain outstanding, or housing infrastructure bonds  
28.3 issued to refund those bonds, the commissioner of management and budget must transfer  
28.4 to the housing infrastructure bond account established under section 462A.21, subdivision  
28.5 33, the amount certified under paragraph (a). The amounts necessary to make the transfers  
28.6 are appropriated from the general fund to the commissioner of management and budget.

28.7 (g) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure  
28.8 bonds issued under subdivision 2f remain outstanding, or housing infrastructure bonds  
28.9 issued to refund those bonds, the commissioner of management and budget must transfer  
28.10 to the housing infrastructure bond account established under section 462A.21, subdivision  
28.11 33, the amount certified under paragraph (a). The amounts necessary to make the transfers  
28.12 are appropriated from the general fund to the commissioner of management and budget.

28.13 (h) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure  
28.14 bonds issued under subdivision 2g remain outstanding, or housing infrastructure bonds  
28.15 issued to refund those bonds, the commissioner of management and budget must transfer  
28.16 to the housing infrastructure bond account established under section 462A.21, subdivision  
28.17 33, the amount certified under paragraph (a). The amounts necessary to make the transfers  
28.18 are appropriated from the general fund to the commissioner of management and budget.

28.19 (i) Each July 15, beginning in 2023 and through 2044, if any housing infrastructure  
28.20 bonds issued under subdivision 2h remain outstanding, or housing infrastructure bonds  
28.21 issued to refund those bonds, the commissioner of management and budget must transfer  
28.22 to the housing infrastructure bond account established under section 462A.21, subdivision  
28.23 33, the amount certified under paragraph (a). The amounts necessary to make the transfers  
28.24 are appropriated from the general fund to the commissioner of management and budget.

28.25 (j) Each July 15, beginning in 2024 and through 2045, if any housing infrastructure  
28.26 bonds issued under subdivision 2i, or housing infrastructure bonds issued to refund those  
28.27 bonds, remain outstanding, the commissioner of management and budget must transfer to  
28.28 the housing infrastructure bond account established under section 462A.21, subdivision 33,  
28.29 the amount certified under paragraph (a), not to exceed \$6,400,000 annually. The amounts  
28.30 necessary to make the transfers are appropriated from the general fund to the commissioner  
28.31 of management and budget.

28.32 (k) Each July 15, beginning in 2025 and through 2046, if any housing infrastructure  
28.33 bonds issued under subdivision 2j, or housing infrastructure bonds issued to refund those  
28.34 bonds, remain outstanding, the commissioner of management and budget must transfer to

29.1 the housing infrastructure bond account established under section 462A.21, subdivision 33,  
 29.2 the amount certified under paragraph (a), not to exceed \$6,400,000 annually. The amounts  
 29.3 necessary to make the transfers are appropriated from the general fund to the commissioner  
 29.4 of management and budget.

29.5 (l) The agency may pledge to the payment of the housing infrastructure bonds the  
 29.6 payments to be made by the state under this section.

## 29.7 ARTICLE 4

### 29.8 ELIGIBILITY AND USES

29.9 Section 1. Minnesota Statutes 2022, section 462A.05, subdivision 14, is amended to read:

29.10 Subd. 14. **Rehabilitation loans.** It may agree to purchase, make, or otherwise participate  
 29.11 in the making, and may enter into commitments for the purchase, making, or participation  
 29.12 in the making, of eligible loans for rehabilitation, with terms and conditions as the agency  
 29.13 deems advisable, to persons and families of low and moderate income, and to owners of  
 29.14 existing residential housing for occupancy by such persons and families, for the rehabilitation  
 29.15 of existing residential housing owned by them. Rehabilitation may include the addition or  
 29.16 rehabilitation of a detached accessory dwelling unit. The loans may be insured or uninsured  
 29.17 and may be made with security, or may be unsecured, as the agency deems advisable. The  
 29.18 loans may be in addition to or in combination with long-term eligible mortgage loans under  
 29.19 subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness  
 29.20 secured by the property, if refinancing is determined by the agency to be necessary to permit  
 29.21 the owner to meet the owner's housing cost without expending an unreasonable portion of  
 29.22 the owner's income thereon. No loan for rehabilitation shall be made unless the agency  
 29.23 determines that the loan will be used primarily to make the housing more desirable to live  
 29.24 in, to increase the market value of the housing, for compliance with state, county or municipal  
 29.25 building, housing maintenance, fire, health or similar codes and standards applicable to  
 29.26 housing, or to accomplish energy conservation related improvements. In unincorporated  
 29.27 areas and municipalities not having codes and standards, the agency may, solely for the  
 29.28 purpose of administering the provisions of this chapter, establish codes and standards. No  
 29.29 loan under this subdivision for the rehabilitation of owner-occupied housing shall be denied  
 29.30 solely because the loan will not be used for placing the owner-occupied residential housing  
 29.31 in full compliance with all state, county, or municipal building, housing maintenance, fire,  
 29.32 health, or similar codes and standards applicable to housing. Rehabilitation loans shall be  
 29.33 made only when the agency determines that financing is not otherwise available, in whole  
 29.34 or in part, from private lenders upon equivalent terms and conditions. Accessibility

30.1 rehabilitation loans authorized under this subdivision may be made to eligible persons and  
30.2 families without limitations relating to the maximum incomes of the borrowers if:

30.3 (1) the borrower or a member of the borrower's family requires a level of care provided  
30.4 in a hospital, skilled nursing facility, or intermediate care facility for persons with  
30.5 developmental disabilities;

30.6 (2) home care is appropriate; and

30.7 (3) the improvement will enable the borrower or a member of the borrower's family to  
30.8 reside in the housing.

30.9 The agency may waive any requirement that the housing units in a residential housing  
30.10 development be rented to persons of low and moderate income if the development consists  
30.11 of four or less dwelling units, one of which is occupied by the owner.

30.12 Sec. 2. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to  
30.13 read:

30.14 Subd. 43. **Housing disparities.** The agency must prioritize its use of appropriations for  
30.15 any program under this chapter to serve households most affected by housing disparities.

30.16 Sec. 3. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to  
30.17 read:

30.18 Subd. 44. **Special purpose credit program.** The agency may establish special purpose  
30.19 credit programs to assist one or more economically disadvantaged classes of persons in  
30.20 order to address the effects of historic and current discrimination which resulted in limiting  
30.21 access to housing credit by persons on the basis of race, color, ethnicity, or national origin.  
30.22 A special purpose credit program may include a wide variety of remedies, including but  
30.23 not limited to loans or other financial assistance, based on current, documented need as  
30.24 determined by the agency.

30.25 Sec. 4. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to  
30.26 read:

30.27 Subd. 45. **Indian Tribes.** Notwithstanding any other provision in this chapter, at its  
30.28 discretion the agency may make any federally recognized Indian Tribe in Minnesota, or  
30.29 their associated Tribally Designated Housing Entity (TDHE) as defined by United States  
30.30 Code, title 25, section 4103(22), eligible for funding authorized under this chapter.

31.1 Sec. 5. Minnesota Statutes 2022, section 462A.201, subdivision 2, is amended to read:

31.2 Subd. 2. **Low-income housing.** (a) The agency may use money from the housing trust  
31.3 fund account to provide loans or grants for:

31.4 (1) projects for the development, construction, acquisition, preservation, and rehabilitation  
31.5 of low-income rental and limited equity cooperative housing units, including temporary  
31.6 and transitional housing;

31.7 (2) the costs of operating rental housing, as determined by the agency, that are unique  
31.8 to the operation of low-income rental housing or supportive housing;

31.9 (3) rental assistance, either project-based or tenant-based; and

31.10 (4) programs to secure stable housing for families with minor children or with children  
31.11 eligible for enrollment in a prekindergarten through grade 12 academic program.

31.12 For purposes of this section, "transitional housing" has the meaning given by the United  
31.13 States Department of Housing and Urban Development. Loans or grants for residential  
31.14 housing for migrant farmworkers may be made under this section.

31.15 (b) The housing trust fund account must be used for the benefit of persons and families  
31.16 whose income, at the time of initial occupancy, does not exceed 60 percent of median income  
31.17 as determined by the United States Department of Housing and Urban Development for the  
31.18 metropolitan area. At least 75 percent of the funds in the housing trust fund account must  
31.19 be used for the benefit of persons and families whose income, at the time of initial occupancy,  
31.20 does not exceed 30 percent of the median family income for the metropolitan area as defined  
31.21 in section 473.121, subdivision 2. For purposes of this section, a household with a housing  
31.22 assistance voucher under Section 8 of the United States Housing Act of 1937, as amended,  
31.23 is deemed to meet the income requirements of this section.

31.24 The median family income may be adjusted for families of five or more.

31.25 (c) Rental assistance under this section must be provided by governmental units which  
31.26 administer housing assistance supplements or by for-profit or nonprofit organizations  
31.27 experienced in housing management. Rental assistance shall be limited to households whose  
31.28 income at the time of initial receipt of rental assistance does not exceed 60 percent of median  
31.29 income, as determined by the United States Department of Housing and Urban Development  
31.30 for the metropolitan area. Priority among comparable applications for tenant-based rental  
31.31 assistance will be given to proposals that will serve households whose income at the time  
31.32 of initial application for rental assistance does not exceed 30 percent of median income, as  
31.33 determined by the United States Department of Housing and Urban Development for the

32.1 metropolitan area. Rental assistance must be terminated when it is determined that 30 percent  
 32.2 of a household's monthly income for four consecutive months equals or exceeds the market  
 32.3 rent for the unit in which the household resides plus utilities for which the tenant is  
 32.4 responsible. Rental assistance may only be used for rental housing units that meet the housing  
 32.5 maintenance code of the local unit of government in which the unit is located, if such a code  
 32.6 has been adopted, or the housing quality standards adopted by the United States Department  
 32.7 of Housing and Urban Development, if no local housing maintenance code has been adopted.

32.8 (d) In making the loans or grants, the agency shall determine the terms and conditions  
 32.9 of repayment and the appropriate security, if any, should repayment be required. To promote  
 32.10 the geographic distribution of grants and loans, the agency may designate a portion of the  
 32.11 grant or loan awards to be set aside for projects located in specified congressional districts  
 32.12 or other geographical regions specified by the agency. The agency may adopt rules for  
 32.13 awarding grants and loans under this subdivision.

32.14 Sec. 6. Minnesota Statutes 2022, section 462A.2035, subdivision 1b, is amended to read:

32.15 Subd. 1b. **Manufactured home park infrastructure grants and loans.** Eligible  
 32.16 recipients may use manufactured home park infrastructure grants and loans under this  
 32.17 program for:

32.18 (1) acquisition of and improvements in manufactured home parks; and

32.19 (2) infrastructure, including storm shelters and community facilities.

32.20 Sec. 7. Minnesota Statutes 2022, section 462A.204, subdivision 3, is amended to read:

32.21 Subd. 3. **Set aside.** At least one grant must be awarded in an area located outside of the  
 32.22 metropolitan area. A county, a group of contiguous counties jointly acting together, a Tribe,  
 32.23 a group of Tribes, or a community-based nonprofit organization ~~with a sponsoring resolution~~  
 32.24 ~~from each of the county boards of the counties located within its operating jurisdiction~~ may  
 32.25 apply for and receive grants ~~for areas located outside the metropolitan area.~~

32.26 Sec. 8. Minnesota Statutes 2022, section 462A.204, subdivision 8, is amended to read:

32.27 Subd. 8. **School Childhood housing stability.** (a) The agency in consultation with the  
 32.28 Interagency Council on Homelessness may establish a ~~school~~ childhood housing stability  
 32.29 project under the family homeless prevention and assistance program. The purpose of the  
 32.30 project is to secure stable housing for families with ~~school-age~~ minor children or with  
 32.31 children eligible for enrollment in a prekindergarten through grade 12 academic program  
 32.32 who have moved frequently and for unaccompanied youth. For purposes of this subdivision,



33.1 "unaccompanied youth" are minors who are leaving foster care or juvenile correctional  
 33.2 facilities, or minors who meet the definition of a child in need of services or protection  
 33.3 under section 260C.007, subdivision 6, but for whom no court finding has been made  
 33.4 pursuant to that statute.

33.5 (b) The agency shall make grants to family homeless prevention and assistance projects  
 33.6 in communities with: (1) a school or schools that have a significant degree of student  
 33.7 mobility; (2) a significant degree of homelessness among families with minor children; or  
 33.8 (3) children eligible for enrollment in a prekindergarten through grade 12 academic program.

33.9 (c) Each project must be designed to reduce school absenteeism; stabilize children in  
 33.10 one home setting or, at a minimum, in one school setting; and reduce shelter usage. Each  
 33.11 project must include plans for the following:

33.12 (1) targeting of families with minor children or with children who are eligible for  
 33.13 enrollment in a prekindergarten through grade 12 academic program and who are living in  
 33.14 overcrowded conditions in their current housing; are paying more than 50 percent of their  
 33.15 income for rent; or who lack a fixed, regular, and adequate nighttime residence;

33.16 (2) targeting of unaccompanied youth in need of an alternative residential setting;

33.17 (3) connecting families with the social services necessary to maintain the families'  
 33.18 stability in their home, including but not limited to housing navigation, legal representation,  
 33.19 and family outreach; and

33.20 (4) one or more of the following:

33.21 (i) provision of rental assistance for a specified period of time, which may exceed 24  
 33.22 months; or

33.23 (ii) provision of support and case management services to improve housing stability,  
 33.24 including but not limited to housing navigation and family outreach.

33.25 (d) In selecting projects for funding under this subdivision, preference shall be given to  
 33.26 organizations granted funding under section 462A.201, subdivision 2, paragraph (a), clause  
 33.27 (4).

33.28 (e) No grantee under this subdivision is required to have an advisory committee as  
 33.29 described in subdivision 6.

33.30 Sec. 9. Minnesota Statutes 2022, section 462A.21, subdivision 3b, is amended to read:

33.31 Subd. 3b. **Capacity building grants.** It may make capacity building grants to nonprofit  
 33.32 organizations, local government units, Indian tribes, and Indian tribal organizations to

34.1 expand their capacity to provide affordable housing and housing-related services. The grants  
34.2 may be used to assess housing needs and to develop and implement strategies to meet those  
34.3 needs, including but not limited to the creation or preservation of affordable housing,  
34.4 prepurchase and postpurchase counseling and associated administrative costs, and the linking  
34.5 of supportive services to the housing. The agency shall adopt rules, policies, and procedures  
34.6 specifying the eligible uses of grant money. Funding priority ~~must~~ may be given to those  
34.7 applicants that include low-income persons in their membership, have provided  
34.8 housing-related services to low-income people, and demonstrate a local commitment of  
34.9 local resources, which may include in-kind contributions. ~~Grants under this subdivision~~  
34.10 ~~may be made only with specific appropriations by the legislature.~~

34.11 Sec. 10. Minnesota Statutes 2022, section 462A.33, subdivision 2, is amended to read:

34.12 Subd. 2. **Eligible recipients.** Challenge grants or loans may be made to a city, a federally  
34.13 recognized American Indian Tribe or subdivision located in Minnesota, a Tribal housing  
34.14 corporation, a private developer, a nonprofit organization, a school district, a cooperative  
34.15 unit, as defined in section 123A.24, subdivision 2, or the owner of the housing, including  
34.16 individuals. For the purpose of this section, "city" has the meaning given it in section  
34.17 462A.03, subdivision 21. To the extent practicable, grants and loans shall be made so that  
34.18 an approximately equal number of housing units are financed in the metropolitan area and  
34.19 in the nonmetropolitan area.

34.20 Sec. 11. Minnesota Statutes 2022, section 462A.33, is amended by adding a subdivision  
34.21 to read:

34.22 Subd. 9. **Grant funding to schools.** A school district, a cooperative unit, as defined in  
34.23 section 123A.24, subdivision 2, or a charter school may receive funding under this section  
34.24 in the form of a grant less than \$100,000. A school district, intermediate district, or charter  
34.25 school that uses a grant under this section to construct a home for owner occupancy must  
34.26 require the future occupant to participate in the homeownership education counseling and  
34.27 training program under section 462A.209.

34.28 Sec. 12. Minnesota Statutes 2022, section 462A.37, subdivision 1, is amended to read:

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

34.31 (b) "Abandoned property" has the meaning given in section 117.025, subdivision 5.

35.1 (c) "Community land trust" means an entity that meets the requirements of section  
35.2 462A.31, subdivisions 1 and 2.

35.3 (d) "Debt service" means the amount payable in any fiscal year of principal, premium,  
35.4 if any, and interest on housing infrastructure bonds and the fees, charges, and expenses  
35.5 related to the bonds.

35.6 (e) "Foreclosed property" means residential property where foreclosure proceedings  
35.7 have been initiated or have been completed and title transferred or where title is transferred  
35.8 in lieu of foreclosure.

35.9 (f) "Housing infrastructure bonds" means bonds issued by the agency under this chapter  
35.10 that:

35.11 (1) are qualified 501(c)(3) bonds, within the meaning of section 145(a) of the Internal  
35.12 Revenue Code;

35.13 (2) finance qualified residential rental projects within the meaning of section 142(d) of  
35.14 the Internal Revenue Code; or

35.15 ~~(3) finance the construction or rehabilitation of single-family houses that qualify for~~  
35.16 ~~mortgage financing within the meaning of section 143 of the Internal Revenue Code; or~~

35.17 ~~(4)~~ (3) are tax-exempt bonds that are not private activity bonds, within the meaning of  
35.18 section 141(a) of the Internal Revenue Code, for the purpose of financing or refinancing  
35.19 affordable housing authorized under this chapter.

35.20 (g) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

35.21 (h) "Senior" means a person 55 years of age or older ~~with an annual income not greater~~  
35.22 ~~than 50 percent of:~~

35.23 ~~(1) the metropolitan area median income for persons in the metropolitan area; or~~

35.24 ~~(2) the statewide median income for persons outside the metropolitan area.~~

35.25 (i) "Senior household" means a household with one or more senior members and with  
35.26 an annual combined income not greater than 50 percent of:

35.27 (1) the metropolitan area median income for persons in the metropolitan area; or

35.28 (2) the statewide median income for persons outside the metropolitan area.

35.29 ~~(j)~~ (j) "Senior housing" means housing intended and operated for occupancy by ~~at least~~  
35.30 ~~one senior per unit~~ senior households with at least 80 percent of the units occupied by ~~at~~  
35.31 ~~least one senior per unit~~ senior households, and for which there is publication of, and

36.1 adherence to, policies and procedures that demonstrate an intent by the owner or manager  
 36.2 to provide housing for seniors. Senior housing may be developed in conjunction with and  
 36.3 as a distinct portion of mixed-income senior housing developments that use a variety of  
 36.4 public or private financing sources.

36.5 ~~(j)~~ (k) "Supportive housing" means housing that is not time-limited and provides or  
 36.6 coordinates with linkages to services necessary for residents to maintain housing stability  
 36.7 and maximize opportunities for education and employment.

36.8 Sec. 13. Minnesota Statutes 2022, section 462A.37, subdivision 2, is amended to read:

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

36.15 (1) to finance the costs of the construction, acquisition, and rehabilitation of supportive  
 36.16 housing for individuals and families who are without a permanent residence;

36.17 (2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned  
 36.18 housing to be used for affordable rental housing and the costs of new construction of rental  
 36.19 housing on abandoned or foreclosed property where the existing structures will be demolished  
 36.20 or removed;

36.21 (3) to finance that portion of the costs of acquisition of property that is attributable to  
 36.22 the land to be leased by community land trusts to low- and moderate-income home buyers;

36.23 (4) to finance the acquisition, improvement, and infrastructure of manufactured home  
 36.24 parks under section 462A.2035, subdivision 1b;

36.25 (5) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction  
 36.26 of senior housing;

36.27 (6) to finance the costs of acquisition and rehabilitation of federally assisted rental  
 36.28 housing and for the refinancing of costs of the construction, acquisition, ~~and~~ rehabilitation,  
 36.29 and replacement of federally assisted rental housing, including providing funds to refund,  
 36.30 in whole or in part, outstanding bonds previously issued by the agency or another government  
 36.31 unit to finance or refinance such costs; ~~and~~

37.1 (7) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction  
37.2 of single-family housing; and

37.3 (8) to finance the costs of construction, acquisition, and rehabilitation of permanent  
37.4 housing that is affordable to households with incomes at or below 50 percent of the area  
37.5 median income for the applicable county or metropolitan area as published by the Department  
37.6 of Housing and Urban Development, as adjusted for household size.

37.7 (b) Among comparable proposals for permanent supportive housing, preference shall  
37.8 be given to permanent supportive housing for veterans and other individuals or families  
37.9 who:

37.10 (1) either have been without a permanent residence for at least 12 months or at least four  
37.11 times in the last three years; or

37.12 (2) are at significant risk of lacking a permanent residence for 12 months or at least four  
37.13 times in the last three years.

37.14 (c) Among comparable proposals for senior housing, the agency must give priority to  
37.15 requests for projects that:

37.16 (1) demonstrate a commitment to maintaining the housing financed as affordable to  
37.17 ~~seniors~~ senior households;

37.18 (2) leverage other sources of funding to finance the project, including the use of  
37.19 low-income housing tax credits;

37.20 (3) provide access to services to residents and demonstrate the ability to increase physical  
37.21 supports and support services as residents age and experience increasing levels of disability;  
37.22 and

37.23 ~~(4) provide a service plan containing the elements of clause (3) reviewed by the housing~~  
37.24 ~~authority, economic development authority, public housing authority, or community~~  
37.25 ~~development agency that has an area of operation for the jurisdiction in which the project~~  
37.26 ~~is located; and~~

37.27 ~~(5)~~ (4) include households with incomes that do not exceed 30 percent of the median  
37.28 household income for the metropolitan area.

37.29 (d) To the extent practicable, the agency shall balance the loans made between projects  
37.30 in the metropolitan area and projects outside the metropolitan area. Of the loans made to  
37.31 projects outside the metropolitan area, the agency shall, to the extent practicable, balance  
37.32 the loans made between projects in counties or cities with a population of 20,000 or less,

38.1 as established by the most recent decennial census, and projects in counties or cities with  
38.2 populations in excess of 20,000.

38.3 (e) Among comparable proposals for permanent housing, the agency must give preference  
38.4 to projects that will provide housing that is affordable to households at or below 30 percent  
38.5 of the area median income.

38.6 (f) If a loan recipient uses the loan for any of the purposes in paragraph (a) on a building  
38.7 containing more than four units, the loan recipient must construct, convert, or otherwise  
38.8 adapt the building to include:

38.9 (1) the greater of (i) at least one unit, or (ii) at least five percent of units that are accessible  
38.10 units, as defined by section 1002 of the current State Building Code Accessibility Provisions  
38.11 for Dwelling Units in Minnesota, and include at least one roll-in shower; and

38.12 (2) the greater of (i) at least one unit, or (ii) at least five percent of units that are  
38.13 sensory-accessible units that include:

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

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

38.16 (C) low-fume paint;

38.17 (D) low-chemical carpet; and

38.18 (E) low-chemical carpet glue in units and common areas. Nothing in this paragraph will  
38.19 relieve a project funded by the agency from meeting other applicable accessibility  
38.20 requirements.

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

38.22 Sec. 14. Minnesota Statutes 2022, section 462A.38, subdivision 1, is amended to read:

38.23 Subdivision 1. **Establishment.** A workforce and affordable homeownership development  
38.24 program is established to award homeownership development grants to cities, counties,  
38.25 Tribal governments, nonprofit organizations, cooperatives created under chapter 308A or  
38.26 308B, and community land trusts created for the purposes outlined in section 462A.31,  
38.27 subdivision 1, for development of workforce and affordable homeownership projects. The  
38.28 purpose of the program is to increase the supply of workforce and affordable, owner-occupied  
38.29 multifamily or single-family housing throughout Minnesota.

39.1 Sec. 15. Minnesota Statutes 2022, section 462A.39, subdivision 2, is amended to read:

39.2 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the  
39.3 meanings given.

39.4 (b) "Eligible project area" means a home rule charter or statutory city located outside  
39.5 of ~~the~~ a metropolitan area county as defined in section 473.121, subdivision ~~2~~ 4, with a  
39.6 population exceeding 500; a community that has a combined population of 1,500 residents  
39.7 located within 15 miles of a home rule charter or statutory city located outside ~~the~~ a  
39.8 metropolitan ~~area~~ county as defined in section 473.121, subdivision ~~2~~ 4; federally recognized  
39.9 Tribal reservations; or an area served by a joint county-city economic development authority.

39.10 (c) "Joint county-city economic development authority" means an economic development  
39.11 authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between  
39.12 a city and county and excluding those established by the county only.

39.13 (d) "Market rate residential rental properties" means properties that are rented at market  
39.14 value, including new modular homes, new manufactured homes, and new manufactured  
39.15 homes on leased land or in a manufactured home park, and may include rental developments  
39.16 that have a portion of income-restricted units.

39.17 (e) "Qualified expenditure" means expenditures for market rate residential rental  
39.18 properties including acquisition of property; construction of improvements; and provisions  
39.19 of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing  
39.20 costs.

39.21 Sec. 16. Minnesota Statutes 2022, section 462A.39, subdivision 5, is amended to read:

39.22 Subd. 5. **Allocation.** The amount of a grant or deferred loans may not exceed ~~25~~ 50  
39.23 percent of the rental housing development project cost. The commissioner shall not award  
39.24 a grant or deferred loans to ~~a city~~ an eligible project area without certification by the ~~city~~  
39.25 eligible project area that the amount of the grant or deferred loans shall be matched by a  
39.26 local unit of government, business, ~~or~~ nonprofit organization, or federally recognized Tribe,  
39.27 with \$1 for every \$2 provided in grant or deferred loans funds.

39.28 Sec. 17. Laws 2021, First Special Session chapter 8, article 1, section 3, subdivision 11,  
39.29 is amended to read:

39.30 Subd. 11. **Affordable Rental Investment Fund** 4,218,000 4,218,000

39.31 (a) This appropriation is for the affordable  
39.32 rental investment fund program under

40.1 Minnesota Statutes, section 462A.21,  
 40.2 subdivision 8b, to finance the acquisition,  
 40.3 rehabilitation, replacement, and debt  
 40.4 restructuring of federally assisted rental  
 40.5 property and for making equity take-out loans  
 40.6 under Minnesota Statutes, section 462A.05,  
 40.7 subdivision 39.

40.8 (b) The owner of federally assisted rental  
 40.9 property must agree to participate in the  
 40.10 applicable federally assisted housing program  
 40.11 and to extend any existing low-income  
 40.12 affordability restrictions on the housing for  
 40.13 the maximum term permitted.

40.14 (c) The appropriation also may be used to  
 40.15 finance the acquisition, rehabilitation, and debt  
 40.16 restructuring of existing supportive housing  
 40.17 properties and naturally occurring affordable  
 40.18 housing as determined by the commissioner.  
 40.19 For purposes of this paragraph, "supportive  
 40.20 housing" means affordable rental housing with  
 40.21 links to services necessary for individuals,  
 40.22 youth, and families with children to maintain  
 40.23 housing stability.

## 40.24 **ARTICLE 5**

### 40.25 **METROPOLITAN SALES TAX AND HOUSING AID**

#### 40.26 **Section 1. [297A.9925] METROPOLITAN REGION SALES AND USE TAX.**

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

40.29 (b) "Metropolitan area" has the meaning given in section 473.121, subdivision 2.

40.30 (c) "Metropolitan Council" or "council" means the Metropolitan Council established by  
 40.31 section 473.123.

40.32 (d) "Metropolitan sales tax" means the metropolitan region sales and use tax imposed  
 40.33 under this section.



41.1 Subd. 2. **Sales tax imposition; rate.** The Metropolitan Council must impose a  
41.2 metropolitan region sales and use tax at a rate of 0.25 percent on retail sales and uses taxable  
41.3 under this chapter occurring within the metropolitan area.

41.4 Subd. 3. **Administration; collection; enforcement.** Except as otherwise provided in  
41.5 this section, the provisions of section 297A.99, subdivisions 4, and 6 to 12a, govern the  
41.6 administration, collection, and enforcement of the metropolitan sales tax.

41.7 Subd. 4. **Distribution.** Proceeds of the metropolitan sales tax are distributed:

41.8 (1) 25 percent to the state rent assistance account under section 462A.2095;

41.9 (2) 15 percent to the metropolitan city aid account in the housing assistance fund under  
41.10 section 477A.37; and

41.11 (3) 60 percent to the metropolitan county aid account in the housing assistance fund  
41.12 under section 477A.37.

41.13 **Sec. 2. [477A.35] LOCAL AFFORDABLE HOUSING AID.**

41.14 Subdivision 1. **Purpose.** The purpose of this section is to help metropolitan local  
41.15 governments to develop and preserve affordable housing within their jurisdictions in order  
41.16 to keep families from losing housing and to help those experiencing homelessness find  
41.17 housing.

41.18 Subd. 2. **Definitions.** For the purposes of this section, the following terms have the  
41.19 meanings given:

41.20 (1) "city distribution factor" means the number of households in a tier I city that are  
41.21 cost-burdened divided by the total number of households that are cost-burdened in tier I  
41.22 cities. The number of cost-burdened households shall be determined using the most recent  
41.23 estimates or experimental estimates provided by the American Community Survey of the  
41.24 United States Census Bureau as of May 1 of the aid calculation year;

41.25 (2) "cost-burdened household" means a household in which gross rent is 30 percent or  
41.26 more of household income or in which homeownership costs are 30 percent or more of  
41.27 household income;

41.28 (3) "county distribution factor" means the number of households in a county that are  
41.29 cost-burdened divided by the total number of households in metropolitan counties that are  
41.30 cost-burdened. The number of cost-burdened households shall be determined using the most  
41.31 recent estimates or experimental estimates provided by the American Community Survey  
41.32 of the United States Census Bureau as of May 1 of the aid calculation year;

42.1 (4) "metropolitan area" has the meaning given in section 473.121, subdivision 2;

42.2 (5) "metropolitan county" has the meaning given in section 473.121, subdivision 4;

42.3 (6) "population" has the meaning given in section 477A.011, subdivision 3;

42.4 (7) "tier I city" means a statutory or home rule charter city that is a city of the first,  
42.5 second, or third class and is located in the metropolitan area; and

42.6 (8) "tier II city" means a statutory or home rule charter city that is a city of the fourth  
42.7 class and is located in the metropolitan area.

42.8 Subd. 3. **Distribution.** (a) The commissioner of revenue shall calculate the amount of  
42.9 aid to distribute to each county under this section as the sum of:

42.10 (1) three percent of the total amount available to counties under this section; plus

42.11 (2) 79 percent of the total amount available to counties under this section, multiplied by  
42.12 the county distribution factor.

42.13 (b) The commissioner of revenue shall calculate the amount of aid to distribute to each  
42.14 tier I city under this section as:

42.15 (1) the tier I city's city distribution factor; multiplied by

42.16 (2) the total amount available to cities under this section.

42.17 Subd. 4. **Grants to tier II cities.** (a) The commissioner of the Minnesota Housing Finance  
42.18 Agency shall establish a program to award grants of at least \$25,000 to tier II cities. The  
42.19 agency shall develop program guidelines and criteria in consultation with the League of  
42.20 Minnesota Cities.

42.21 (b) Among comparable proposals, the agency shall prioritize grants to local governments  
42.22 that have a higher proportion of cost-burdened households.

42.23 (c) A grantee must use its grant on a qualifying project.

42.24 (d) In making grants, the agency shall determine the circumstances, terms, and conditions  
42.25 under which all or any portion thereof will be repaid and shall determine the appropriate  
42.26 security should repayment be required. Any repaid funds shall be returned to the account  
42.27 or accounts established pursuant to paragraph (e).

42.28 (e) The agency shall establish a bookkeeping account or accounts in the housing  
42.29 development fund for money distributed to the agency for grants under this subdivision. By  
42.30 May 1 of each year, the Minnesota Housing Finance Agency shall report to the Department  
42.31 of Revenue on the amount in the account or accounts.

43.1 Subd. 5. Qualifying projects. (a) Qualifying projects shall include emergency rental  
43.2 assistance for households earning less than 80 percent of area median income as determined  
43.3 by the United States Department of Housing and Urban Development and projects designed  
43.4 for the purpose of construction, acquisition, rehabilitation, demolition or removal of existing  
43.5 structures, construction financing, permanent financing, interest rate reduction, refinancing,  
43.6 and gap financing of housing to provide affordable housing to households that have incomes  
43.7 which do not exceed, for homeownership projects, 115 percent of the greater of state or  
43.8 area median income as determined by the United States Department of Housing and Urban  
43.9 Development, and for rental housing projects, 80 percent of the greater of state or area  
43.10 median income as determined by the United States Department of Housing and Urban  
43.11 Development, except that the housing developed or rehabilitated with funds under this  
43.12 section must be affordable to the local work force. Projects shall be prioritized that provide  
43.13 affordable housing to households that have incomes which do not exceed, for homeownership  
43.14 projects, 80 percent of the greater of state or area median income as determined by the  
43.15 United States Department of Housing and Urban Development, and for rental housing  
43.16 projects, 50 percent of the greater of state or area median income as determined by the  
43.17 United States Department of Housing and Urban Development, except that the housing  
43.18 developed or rehabilitated with funds under this section must be affordable to the local work  
43.19 force.

43.20 (b) Gap financing is either:

43.21 (1) the difference between the costs of the property, including acquisition, demolition,  
43.22 rehabilitation, and construction, and the market value of the property upon sale; or

43.23 (2) the difference between the cost of the property and the amount the targeted household  
43.24 can afford for housing, based on industry standards and practices.

43.25 (c) If a grant under this section is used for demolition or removal of existing structures,  
43.26 the cleared land must be used for the construction of housing to be owned or rented by  
43.27 persons who meet the income limits of paragraph (a).

43.28 (d) If an aid recipient uses the aid on a building containing more than four units, the loan  
43.29 recipient must construct, convert, or otherwise adapt the building to include:

43.30 (1) the greater of (i) at least one unit, or (ii) at least five percent of units that are accessible  
43.31 units, as defined by section 1002 of the current State Building Code Accessibility Provisions  
43.32 for Dwelling Units in Minnesota, and include at least one roll-in shower; and

43.33 (2) the greater of (i) at least one unit, or (ii) at least five percent of units that are  
43.34 sensory-accessible units that include:

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

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

44.3 (C) low-fume paint;

44.4 (D) low-chemical carpet; and

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

44.6 Nothing in this paragraph will relieve a project funded by the agency from meeting other  
44.7 applicable accessibility requirements.

44.8 Subd. 6. Use of proceeds. (a) Any funds distributed under this section must be spent on  
44.9 a qualifying project. Funds are considered spent on a qualifying project if:

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

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

44.14 Funds transferred to a local housing trust fund under this paragraph must be spent on a  
44.15 project or household that meets the affordability requirements of subdivision 5, paragraph  
44.16 (a).

44.17 (b) Any unspent funds must be remitted to the Housing Finance Agency by December  
44.18 31 in the third year following the year after the aid was received. The commissioner of the  
44.19 Housing Finance Agency shall deposit any remitted funds under this paragraph into the  
44.20 housing development fund. Funds deposited under this paragraph are appropriated to the  
44.21 commissioner for use on the family homeless prevention and assistance program under  
44.22 section 462A.204, the economic development and housing challenge program under section  
44.23 462A.33, and the workforce and affordable homeownership development program under  
44.24 section 462A.38.

44.25 Subd. 7. Administration. (a) The commissioner of revenue must compute the amount  
44.26 of aid payable to each tier I city and county under this section. Before computing the amount  
44.27 of aid for counties and after receiving the report required by subdivision 4, paragraph (e),  
44.28 the commissioner shall transfer from the funds available to counties to the Minnesota  
44.29 Housing Finance Agency a sum such that the amount in the account or accounts established  
44.30 under that paragraph equals ten percent of the total aid paid to tier I cities and counties under  
44.31 this section in the previous year. By August 1 of each year, the commissioner must certify

45.1 the amount to be paid to each tier I city and county in the following year. The commissioner  
45.2 must pay local affordable housing aid annually at the times provided in section 477A.015.

45.3 (b) Beginning in 2025, tier I cities and counties shall submit a report annually, no later  
45.4 than December 1 of each year, to the Minnesota Housing Finance Agency. The report must  
45.5 include documentation of the location of any unspent funds distributed under this section  
45.6 and of qualifying projects completed or planned with funds under this section. If a tier I  
45.7 city or county fails to submit a report, if a tier I city or county failed to spend funds within  
45.8 the timeline imposed under subdivision 6, paragraph (b), or if a tier I city or county uses  
45.9 funds for a project that does not qualify under this section, the Minnesota Housing Finance  
45.10 Agency shall notify the Department of Revenue and the cities and counties that must repay  
45.11 funds under paragraph (c) by February 15 of the following year.

45.12 (c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, a  
45.13 tier I city or county must repay to the commissioner of revenue funds the city or county  
45.14 received under this section if the city or county:

45.15 (1) fails to spend the funds within the time allowed under subdivision 6, paragraph (b);

45.16 (2) spends the funds on anything other than a qualifying project; or

45.17 (3) fails to submit a report documenting use of the funds.

45.18 (d) The commissioner of revenue must stop distributing funds to a tier I city or county  
45.19 that the Minnesota Housing Finance Agency reports to have, in three consecutive years,  
45.20 failed to use funds, misused funds, or failed to report on its use of funds.

45.21 (e) The commissioner may resume distributing funds to a tier I city or county to which  
45.22 the commissioner has stopped payments once the Minnesota Housing Finance Agency  
45.23 certifies that the city or county has submitted documentation of plans for a qualifying project.

45.24 (f) By May 1, any funds repaid to the commissioner of revenue by cities under paragraph  
45.25 (c) must be added to the overall distribution of aids certified under this section for tier I  
45.26 cities in the following year. By May 1, any funds repaid to the commissioner of revenue by  
45.27 counties under paragraph (c) must be added to the overall distribution of aids certified under  
45.28 this section for counties in the following year.

45.29 Subd. 8. **County consultation with local governments.** A county that receives funding  
45.30 under this section shall regularly consult with the local governments in the jurisdictions of  
45.31 which its qualifying projects are planned or located.

45.32 **EFFECTIVE DATE.** This section is effective July 1, 2023.

46.1 **Sec. 3. [477A.37] HOUSING ASSISTANCE FUND.**

46.2 Subdivision 1. **Fund established.** A housing assistance fund is established in the state  
 46.3 treasury. The fund consist of money as provided under section 297A.9925, and any other  
 46.4 money donated, allotted, transferred, or otherwise provided to the fund.

46.5 Subd. 2. **Metropolitan county aid account; appropriation.** (a) A metropolitan county  
 46.6 aid account is established in the housing assistance fund. The account consists of money as  
 46.7 provided under section 297A.9925, and any other money donated, allotted, transferred, or  
 46.8 otherwise provided to the account.

46.9 (b) Money in the metropolitan county aid account is annually appropriated to the  
 46.10 commissioner of revenue for payments to counties as provided under Minnesota Statutes,  
 46.11 section 477A.35.

46.12 Subd. 3. **Metropolitan city aid account; appropriation.** (a) A metropolitan city aid  
 46.13 account is established in the housing assistance fund. The account consists of money as  
 46.14 provided under section 297A.9925, and any other money donated, allotted, transferred, or  
 46.15 otherwise provided to the account.

46.16 (b) Money in the metropolitan city aid account is annually appropriated to the  
 46.17 commissioner of revenue for payments to cities as provided under Minnesota Statutes,  
 46.18 section 477A.35.

46.19 **EFFECTIVE DATE.** This section is effective July 1, 2023.

46.20 **ARTICLE 6**

46.21 **MISCELLANEOUS**

46.22 Section 1. Minnesota Statutes 2022, section 82.75, subdivision 8, is amended to read:

46.23 Subd. 8. **Accrued interest.** (a) Each broker shall maintain a pooled interest-bearing trust  
 46.24 account for deposit of client funds. The interest accruing on the trust account, less reasonable  
 46.25 transaction costs, must be paid to the ~~commissioner of management and budget~~ Minnesota  
 46.26 Housing Finance Agency for deposit in the housing trust fund account created under section  
 46.27 462A.201 unless otherwise specified pursuant to an expressed written agreement between  
 46.28 the parties to a transaction.

46.29 (b) For an account created under paragraph (a), each broker shall direct the financial  
 46.30 institution to:

47.1 (1) pay the interest, less reasonable transaction costs, computed in accordance with the  
 47.2 financial institution's standard accounting practice, at least quarterly, to the ~~commissioner~~  
 47.3 ~~of management and budget~~ Minnesota Housing Finance Agency; and

47.4 (2) send a statement to the ~~commissioner of management and budget~~ Minnesota Housing  
 47.5 Finance Agency showing the name of the broker for whom the payment is made, the rate  
 47.6 of interest applied, the amount of service charges deducted, and the account balance for the  
 47.7 period in which the report is made.

47.8 The ~~commissioner of management and budget~~ Minnesota Housing Finance Agency shall  
 47.9 credit the amount collected under this subdivision to the housing trust fund account  
 47.10 established in section 462A.201.

47.11 (c) The financial institution must promptly notify the ~~commissioner~~ agency if a draft  
 47.12 drawn on the account is dishonored. A draft is not dishonored if a stop payment order is  
 47.13 requested by an issuer who has a good faith defense to payment on the draft.

47.14 (d) By January 15 of each year, the Minnesota Housing Finance Agency must report to  
 47.15 the chairs and ranking minority members of the committees of the house of representatives  
 47.16 and senate with jurisdiction over housing finance. The report must specify the amount of  
 47.17 funds deposited under this subdivision in the housing trust fund account established under  
 47.18 section 462A.201, during the most recently concluded fiscal year. The report must also  
 47.19 include a history of deposits made under this section, in nominal dollar amounts and in the  
 47.20 present value of those amounts, calculated using the Consumer Price Index-All Items (United  
 47.21 States city average).

47.22 **EFFECTIVE DATE.** This section is effective July 1, 2024.

47.23 Sec. 2. Minnesota Statutes 2022, section 327C.095, subdivision 12, is amended to read:

47.24 Subd. 12. **Payment to the Minnesota manufactured home relocation trust fund.** (a)  
 47.25 If a manufactured home owner is required to move due to the conversion of all or a portion  
 47.26 of a manufactured home park to another use, the closure of a park, or cessation of use of  
 47.27 the land as a manufactured home park, the manufactured park owner shall, upon the change  
 47.28 in use, pay to the ~~commissioner of management and budget~~ Minnesota Housing Finance  
 47.29 Agency for deposit in the Minnesota manufactured home relocation trust fund under section  
 47.30 462A.35, the lesser amount of the actual costs of moving or purchasing the manufactured  
 47.31 home approved by the neutral third party and paid by the Minnesota Housing Finance  
 47.32 Agency under subdivision 13, paragraph (a) or (e), or \$3,250 for each single section  
 47.33 manufactured home, and \$6,000 for each multisection manufactured home, for which a

48.1 manufactured home owner has made application for payment of relocation costs under  
48.2 subdivision 13, paragraph (c). The manufactured home park owner shall make payments  
48.3 required under this section to the Minnesota manufactured home relocation trust fund within  
48.4 60 days of receipt of invoice from the neutral third party.

48.5 (b) A manufactured home park owner is not required to make the payment prescribed  
48.6 under paragraph (a), nor is a manufactured home owner entitled to compensation under  
48.7 subdivision 13, paragraph (a) or (e), if:

48.8 (1) the manufactured home park owner relocates the manufactured home owner to  
48.9 another space in the manufactured home park or to another manufactured home park at the  
48.10 park owner's expense;

48.11 (2) the manufactured home owner is vacating the premises and has informed the  
48.12 manufactured home park owner or manager of this prior to the mailing date of the closure  
48.13 statement under subdivision 1;

48.14 (3) a manufactured home owner has abandoned the manufactured home, or the  
48.15 manufactured home owner is not current on the monthly lot rental, personal property taxes;

48.16 (4) the manufactured home owner has a pending eviction action for nonpayment of lot  
48.17 rental amount under section 327C.09, which was filed against the manufactured home owner  
48.18 prior to the mailing date of the closure statement under subdivision 1, and the writ of recovery  
48.19 has been ordered by the district court;

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

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

48.29 (c) If the unencumbered fund balance in the manufactured home relocation trust fund  
48.30 is less than \$2,000,000 as of June 30 of each year, the ~~commissioner of management and~~  
48.31 ~~budget~~ Minnesota Housing Finance Agency shall assess each manufactured home park  
48.32 owner by mail the total amount of \$15 for each licensed lot in their park, payable on or  
48.33 before December 15 of that year. Failure to notify and timely assess the manufactured home



49.1 park owner by July 31 of any year shall waive the assessment and payment obligations of  
 49.2 the manufactured home park owner for that year. Together with said assessment notice,  
 49.3 each year the ~~commissioner of management and budget~~ Minnesota Housing Finance Agency  
 49.4 shall prepare and distribute to park owners a letter explaining whether funds are being  
 49.5 collected for that year, information about the collection, an invoice for all licensed lots, a  
 49.6 notice for distribution to the residents, and a sample form for the park owners to collect  
 49.7 information on which park residents and lots have been accounted for. In a font no smaller  
 49.8 than 14-point, the notice provided by ~~management and budget~~ the Minnesota Housing  
 49.9 Finance Agency for distribution to residents by the park owner will include the payment  
 49.10 deadline of October 31 and the following language: "THIS IS NOT AN OPTIONAL FEE.  
 49.11 IF YOU OWN A MANUFACTURED HOME ON A LOT YOU RENT IN A  
 49.12 MANUFACTURED HOME PARK, AND YOU RESIDE IN THAT HOME, YOU MUST  
 49.13 PAY WHEN PROVIDED NOTICE." If assessed under this paragraph, the park owner may  
 49.14 recoup the cost of the \$15 assessment as a lump sum or as a monthly fee of no more than  
 49.15 \$1.25 collected from park residents together with monthly lot rent as provided in section  
 49.16 327C.03, subdivision 6. If, by September 15, a park owner provides the notice to residents  
 49.17 for the \$15 lump sum, a park owner may adjust payment for lots in their park that are vacant  
 49.18 or otherwise not eligible for contribution to the trust fund under section 327C.095, subdivision  
 49.19 12, paragraph (b), and for park residents who have not paid the \$15 assessment when due  
 49.20 to the park owner by October 31, and deduct from the assessment accordingly. The  
 49.21 ~~commissioner of management and budget~~ Minnesota Housing Finance Agency shall deposit  
 49.22 any payments in the Minnesota manufactured home relocation trust fund and ~~provide to the~~  
 49.23 ~~Minnesota Housing Finance Agency by December 31,~~ maintain an annual record for each  
 49.24 manufactured home park of the amount received for that park and the number of deductions  
 49.25 made for each of the following reasons: vacant lots, ineligible lots, and uncollected fees.

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

49.30 **EFFECTIVE DATE.** This section is effective July 1, 2024.

49.31 Sec. 3. Minnesota Statutes 2022, section 327C.095, subdivision 13, is amended to read:

49.32 Subd. 13. **Change in use, relocation expenses; payments by park owner.** (a) If a  
 49.33 manufactured home owner is required to relocate due to the conversion of all or a portion  
 49.34 of a manufactured home park to another use, the closure of a manufactured home park, or

50.1 cessation of use of the land as a manufactured home park under subdivision 1, and the  
50.2 manufactured home owner complies with the requirements of this section, the manufactured  
50.3 home owner is entitled to payment from the Minnesota manufactured home relocation trust  
50.4 fund equal to the manufactured home owner's actual relocation costs for relocating the  
50.5 manufactured home to a new location within a 50-mile radius of the park that is being closed,  
50.6 up to a maximum of \$7,000 for a single-section and \$12,500 for a multisection manufactured  
50.7 home. The actual relocation costs must include the reasonable cost of taking down, moving,  
50.8 and setting up the manufactured home, including equipment rental, utility connection and  
50.9 disconnection charges, minor repairs, modifications necessary for transportation of the  
50.10 home, necessary moving permits and insurance, moving costs for any appurtenances, which  
50.11 meet applicable local, state, and federal building and construction codes.

50.12 (b) A manufactured home owner is not entitled to compensation under paragraph (a) if  
50.13 the manufactured home park owner is not required to make a payment to the Minnesota  
50.14 manufactured home relocation trust fund under subdivision 12, paragraph (b).

50.15 (c) Except as provided in paragraph (e), in order to obtain payment from the Minnesota  
50.16 manufactured home relocation trust fund, the manufactured home owner shall submit to the  
50.17 neutral third party and the Minnesota Housing Finance Agency, with a copy to the park  
50.18 owner, an application for payment, which includes:

50.19 (1) a copy of the closure statement under subdivision 1;

50.20 (2) a copy of the contract with a moving or towing contractor, which includes the  
50.21 relocation costs for relocating the manufactured home;

50.22 (3) a statement with supporting materials of any additional relocation costs as outlined  
50.23 in subdivision 1;

50.24 (4) a statement certifying that none of the exceptions to receipt of compensation under  
50.25 subdivision 12, paragraph (b), apply to the manufactured home owner;

50.26 (5) a statement from the manufactured park owner that the lot rental is current and that  
50.27 the annual \$15 payment to the Minnesota manufactured home relocation trust fund has been  
50.28 paid when due; and

50.29 (6) a statement from the county where the manufactured home is located certifying that  
50.30 personal property taxes for the manufactured home are paid through the end of that year.

50.31 (d) The neutral third party shall promptly process all payments for completed applications  
50.32 within 14 days. If the neutral third party has acted reasonably and does not approve or deny  
50.33 payment within 45 days after receipt of the information set forth in paragraph (c), the

51.1 payment is deemed approved. Upon approval and request by the neutral third party, the  
51.2 Minnesota Housing Finance Agency shall issue two checks in equal amount for 50 percent  
51.3 of the contract price payable to the mover and towing contractor for relocating the  
51.4 manufactured home in the amount of the actual relocation cost, plus a check to the home  
51.5 owner for additional certified costs associated with third-party vendors, that were necessary  
51.6 in relocating the manufactured home. The moving or towing contractor shall receive 50  
51.7 percent upon execution of the contract and 50 percent upon completion of the relocation  
51.8 and approval by the manufactured home owner. The moving or towing contractor may not  
51.9 apply the funds to any other purpose other than relocation of the manufactured home as  
51.10 provided in the contract. A copy of the approval must be forwarded by the neutral third  
51.11 party to the park owner with an invoice for payment of the amount specified in subdivision  
51.12 12, paragraph (a).

51.13 (e) In lieu of collecting a relocation payment from the Minnesota manufactured home  
51.14 relocation trust fund under paragraph (a), the manufactured home owner may collect an  
51.15 amount from the fund after reasonable efforts to relocate the manufactured home have failed  
51.16 due to the age or condition of the manufactured home, or because there are no manufactured  
51.17 home parks willing or able to accept the manufactured home within a 25-mile radius. A  
51.18 manufactured home owner may tender title of the manufactured home in the manufactured  
51.19 home park to the manufactured home park owner, and collect an amount to be determined  
51.20 by an independent appraisal. The appraiser must be agreed to by both the manufactured  
51.21 home park owner and the manufactured home owner. If the appraised market value cannot  
51.22 be determined, the tax market value, averaged over a period of five years, can be used as a  
51.23 substitute. The maximum amount that may be reimbursed under the fund is \$8,000 for a  
51.24 single-section and \$14,500 for a multisection manufactured home. The minimum amount  
51.25 that may be reimbursed under the fund is \$2,000 for a single section and \$4,000 for a  
51.26 multisection manufactured home. The manufactured home owner shall deliver to the  
51.27 manufactured home park owner the current certificate of title to the manufactured home  
51.28 duly endorsed by the owner of record, and valid releases of all liens shown on the certificate  
51.29 of title, and a statement from the county where the manufactured home is located evidencing  
51.30 that the personal property taxes have been paid. The manufactured home owner's application  
51.31 for funds under this paragraph must include a document certifying that the manufactured  
51.32 home cannot be relocated, that the lot rental is current, that the annual \$15 payments to the  
51.33 Minnesota manufactured home relocation trust fund have been paid when due, that the  
51.34 manufactured home owner has chosen to tender title under this section, and that the park  
51.35 owner agrees to make a payment to the ~~commissioner of management and budget~~ Minnesota  
51.36 Housing Finance Agency in the amount established in subdivision 12, paragraph (a), less

52.1 any documented costs submitted to the neutral third party, required for demolition and  
52.2 removal of the home, and any debris or refuse left on the lot, not to exceed \$1,500. The  
52.3 manufactured home owner must also provide a copy of the certificate of title endorsed by  
52.4 the owner of record, and certify to the neutral third party, with a copy to the park owner,  
52.5 that none of the exceptions to receipt of compensation under subdivision 12, paragraph (b),  
52.6 clauses (1) to (6), apply to the manufactured home owner, and that the home owner will  
52.7 vacate the home within 60 days after receipt of payment or the date of park closure,  
52.8 whichever is earlier, provided that the monthly lot rent is kept current.

52.9 (f) Notwithstanding paragraph (a), the manufactured home owner's compensation for  
52.10 relocation costs from the fund under section 462A.35, is the greater of the amount provided  
52.11 under this subdivision, or the amount under the local ordinance in effect on May 26, 2007,  
52.12 that is applicable to the manufactured home owner. Nothing in this paragraph is intended  
52.13 to increase the liability of the park owner.

52.14 (g) Neither the neutral third party nor the Minnesota Housing Finance Agency shall be  
52.15 liable to any person for recovery if the funds in the Minnesota manufactured home relocation  
52.16 trust fund are insufficient to pay the amounts claimed. The Minnesota Housing Finance  
52.17 Agency shall keep a record of the time and date of its approval of payment to a claimant.

52.18 (h)(1) By October 15, 2019, the Minnesota Housing Finance Agency shall post on its  
52.19 website and report to the chairs of the senate Finance Committee and house of representatives  
52.20 Ways and Means Committee on the Minnesota manufactured home relocation trust fund,  
52.21 including the account balance, payments to claimants, the amount of any advances to the  
52.22 fund, the amount of any insufficiencies encountered during the previous calendar year, and  
52.23 any itemized administrative charges or expenses deducted from the trust fund balance. If  
52.24 sufficient funds become available, the Minnesota Housing Finance Agency shall pay the  
52.25 manufactured home owner whose unpaid claim is the earliest by time and date of approval.

52.26 (2) Beginning in 2019, the Minnesota Housing Finance Agency shall post on its website  
52.27 and report to the chairs of the senate Finance Committee and house of representatives Ways  
52.28 and Means Committee by October 15 of each year on the Minnesota manufactured home  
52.29 relocation trust fund, including the aggregate account balance, the aggregate assessment  
52.30 payments received, summary information regarding each closed park including the total  
52.31 payments to claimants and payments received from each closed park, the amount of any  
52.32 advances to the fund, the amount of any insufficiencies encountered during the previous  
52.33 fiscal year, reports of neutral third parties provided pursuant to subdivision 4, and any  
52.34 itemized administrative charges or expenses deducted from the trust fund balance, all of  
52.35 which should be reconciled to the previous year's trust fund balance. If sufficient funds

53.1 become available, the Minnesota Housing Finance Agency shall pay the manufactured home  
 53.2 owner whose unpaid claim is the earliest by time and date of approval.

53.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

53.4 Sec. 4. Minnesota Statutes 2022, section 327C.095, subdivision 16, is amended to read:

53.5 Subd. 16. **Reporting of licensed manufactured home parks.** The Department of Health  
 53.6 or, if applicable, local units of government that have entered into a delegation of authority  
 53.7 agreement with the Department of Health as provided in section 145A.07 shall provide, by  
 53.8 March 31 of each year, a list of names and addresses of the manufactured home parks  
 53.9 licensed in the previous year, and for each manufactured home park, the current licensed  
 53.10 owner, the owner's address, the number of licensed manufactured home lots, and other data  
 53.11 as they may request for the ~~Department of Management and Budget~~ Minnesota Housing  
 53.12 Finance Agency to invoice each licensed manufactured home park in Minnesota.

53.13 **EFFECTIVE DATE.** This section is effective July 1, 2024.

53.14 Sec. 5. Minnesota Statutes 2022, section 462.357, subdivision 1, is amended to read:

53.15 Subdivision 1. **Authority for zoning.** For the purpose of promoting the public health,  
 53.16 safety, morals, and general welfare, a municipality may by ordinance regulate on the earth's  
 53.17 surface, in the air space above the surface, and in subsurface areas, the location, height,  
 53.18 width, bulk, type of foundation, number of stories, size of buildings and other structures,  
 53.19 the percentage of lot which may be occupied, the size of yards and other open spaces, the  
 53.20 density and distribution of population, the uses of buildings and structures for trade, industry,  
 53.21 residence, recreation, public activities, or other purposes, and the uses of land for trade,  
 53.22 industry, residence, recreation, agriculture, forestry, soil conservation, water supply  
 53.23 conservation, conservation of shorelands, as defined in sections 103F.201 to 103F.221,  
 53.24 access to direct sunlight for solar energy systems as defined in section 216C.06, flood control  
 53.25 or other purposes, and may establish standards and procedures regulating such uses. To  
 53.26 accomplish these purposes, official controls may include provision for purchase of  
 53.27 development rights by the governing body in the form of conservation easements under  
 53.28 chapter 84C in areas where the governing body considers preservation desirable and the  
 53.29 transfer of development rights from those areas to areas the governing body considers more  
 53.30 appropriate for development. No regulation may prohibit earth sheltered construction as  
 53.31 defined in section 216C.06, subdivision 14, relocated residential buildings, ~~or~~ manufactured  
 53.32 homes built in conformance with sections 327.31 to 327.35, or industrialized or modular  
 53.33 buildings for residential use built in conformance with Minnesota Rules, chapter 1361, that

54.1 comply with all other zoning ordinances promulgated pursuant to this section. The regulations  
54.2 may divide the surface, above surface, and subsurface areas of the municipality into districts  
54.3 or zones of suitable numbers, shape, and area. The regulations shall be uniform for each  
54.4 class or kind of buildings, structures, or land and for each class or kind of use throughout  
54.5 such district, but the regulations in one district may differ from those in other districts. The  
54.6 ordinance embodying these regulations shall be known as the zoning ordinance and shall  
54.7 consist of text and maps. A city may by ordinance extend the application of its zoning  
54.8 regulations to unincorporated territory located within two miles of its limits in any direction,  
54.9 but not in a county or town which has adopted zoning regulations; provided that where two  
54.10 or more noncontiguous municipalities have boundaries less than four miles apart, each is  
54.11 authorized to control the zoning of land on its side of a line equidistant between the two  
54.12 noncontiguous municipalities unless a town or county in the affected area has adopted  
54.13 zoning regulations. Any city may thereafter enforce such regulations in the area to the same  
54.14 extent as if such property were situated within its corporate limits, until the county or town  
54.15 board adopts a comprehensive zoning regulation which includes the area.

54.16 Sec. 6. Minnesota Statutes 2022, section 473.145, is amended to read:

54.17 **473.145 DEVELOPMENT GUIDE.**

54.18 (a) The Metropolitan Council shall prepare and adopt, after appropriate study and such  
54.19 public hearings as may be necessary, a comprehensive development guide for the  
54.20 metropolitan area. It shall consist of a compilation of policy statements, goals, standards,  
54.21 programs, and maps prescribing guides for the orderly and economical development, public  
54.22 and private, of the metropolitan area. The comprehensive development guide shall recognize  
54.23 and encompass physical, social, or economic needs of the metropolitan area and those future  
54.24 developments which will have an impact on the entire area including but not limited to such  
54.25 matters as land use, parks and open space land needs, the necessity for and location of  
54.26 airports, highways, transit facilities, public hospitals, libraries, schools, and other public  
54.27 buildings.

54.28 (b) The council's adoption and amendment of the comprehensive development guide  
54.29 and its adoption and amendment of metropolitan system plans as defined in section 473.852,  
54.30 subdivision 8, other policy plans, and metropolitan system statements under this chapter  
54.31 shall not constitute conduct that causes or is likely to cause pollution, impairment, or  
54.32 destruction as defined under section 116B.02, subdivision 5, or governmental action as  
54.33 defined under section 116D.04, subdivision 1a, paragraph (d).

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

55.1 Sec. 7. Minnesota Statutes 2022, section 500.20, subdivision 2a, is amended to read:

55.2 Subd. 2a. **Restriction of duration of condition.** Except for any right to reenter or to  
55.3 repossess as provided in subdivision 3, all private covenants, conditions, or restrictions  
55.4 created by which the title or use of real property is affected, cease to be valid and operative  
55.5 30 years after the date of the deed, or other instrument, or the date of the probate of the will,  
55.6 creating them, and may be disregarded.

55.7 This subdivision does not apply to covenants, conditions, or restrictions:

55.8 (1) that were created before August 1, 1959, under which a person who owns or has an  
55.9 interest in real property against which the covenants, conditions, or restrictions have been  
55.10 filed claims a benefit of the covenant, condition, or restriction if the person records in the  
55.11 office of the county recorder or files in the office of the registrar of titles in the county in  
55.12 which the real estate affected is located, on or before March 30, 1989, a notice sworn to by  
55.13 the claimant or the claimant's agent or attorney: setting forth the name of the claimant;  
55.14 describing the real estate affected; describing the deed, instrument, or will creating the  
55.15 covenant, condition, or restriction; and stating that the covenant, condition, or restriction is  
55.16 not nominal and may not be disregarded under subdivision 1;

55.17 (2) that are created by the declaration, bylaws, floor plans, or condominium plat of a  
55.18 condominium created before August 1, 1980, under chapter 515, or created on or after  
55.19 August 1, 1980, under chapter 515A or 515B, or by any amendments of the declaration,  
55.20 bylaws, floor plans, or condominium plat;

55.21 (3) that are created by the articles of incorporation, bylaws, or proprietary leases of a  
55.22 cooperative association formed under chapter 308A;

55.23 (4) that are created by a declaration or other instrument that authorizes and empowers  
55.24 a corporation of which the qualification for being a stockholder or member is ownership of  
55.25 certain parcels of real estate, to hold title to common real estate for the benefit of the parcels;

55.26 (5) that are created by a deed, declaration, reservation, or other instrument by which one  
55.27 or more portions of a building, set of connecting or adjacent buildings, or complex or project  
55.28 of related buildings and structures share support, structural components, ingress and egress,  
55.29 or utility access with another portion or portions;

55.30 (6) that were created after July 31, 1959, under which a person who owns or has an  
55.31 interest in real estate against which covenants, conditions, or restrictions have been filed  
55.32 claims a benefit of the covenants, conditions, or restrictions if the person records in the  
55.33 office of the county recorder or files in the office of the registrar of titles in the county in

56.1 which the real estate affected is located during the period commencing on the 28th  
 56.2 anniversary of the date of the deed or instrument, or the date of the probate of the will,  
 56.3 creating them and ending on the 30th anniversary, a notice as described in clause (1); ~~or~~

56.4 (7) that are created by a declaration or bylaws of a common interest community created  
 56.5 under or governed by chapter 515B, or by any amendments thereto; or

56.6 (8) that are created by a declaration or other instrument required by a government entity  
 56.7 related to affordable housing.

56.8 A notice filed in accordance with clause (1) or (6) delays application of this subdivision  
 56.9 to the covenants, conditions, or restrictions for a period ending on the later of seven years  
 56.10 after the date of filing of the notice, or until final judgment is entered in an action to determine  
 56.11 the validity of the covenants, conditions, or restrictions, provided in the case of an action  
 56.12 the summons and complaint must be served and a notice of lis pendens must be recorded  
 56.13 in the office of the county recorder or filed in the office of the registrar of titles in each  
 56.14 county in which the real estate affected is located within seven years after the date of  
 56.15 recording or filing of the notice under clause (1) or (6).

56.16 County recorders and registrars of titles shall accept for recording or filing a notice  
 56.17 conforming with this subdivision and charge a fee corresponding with the fee charged for  
 56.18 filing a notice of lis pendens of similar length. The notice may be discharged in the same  
 56.19 manner as a notice of lis pendens and when discharged, together with the information  
 56.20 included with it, ceases to constitute either actual or constructive notice.

56.21 **Sec. 8. TRANSITION OF RESPONSIBILITIES TO THE MINNESOTA HOUSING**  
 56.22 **FINANCE AGENCY.**

56.23 A payment submitted to the commissioner of management and budget on or before July  
 56.24 1, 2025, for deposit into the housing trust fund account created under Minnesota Statutes,  
 56.25 section 462A.201, or into the Minnesota manufactured home relocation trust fund established  
 56.26 under Minnesota Statutes, section 462A.35, must be deposited by the commissioner of  
 56.27 management and budget in the housing trust fund account created under Minnesota Statutes,  
 56.28 section 462A.201, or in the Minnesota manufactured home relocation trust fund. The  
 56.29 commissioner of management and budget must notify the person who submitted the payment  
 56.30 to the commissioner of management and budget that the payment was received, documented,  
 56.31 and has been or will be deposited into the trust fund; that future payments must be submitted  
 56.32 to the Minnesota Housing Finance Agency rather than the commissioner of management  
 56.33 and budget; and that payments submitted to the commissioner of management and budget  
 56.34 after July 1, 2025, will not be accepted.



57.1 **EFFECTIVE DATE.** This section is effective July 1, 2024.

57.2 Sec. 9. **REQUIRING CITIES TO REPORT BUILDINGS THAT DO NOT HAVE**  
57.3 **SPRINKLER SYSTEMS.**

57.4 (a) A city of the first or second class shall provide to the state fire marshal a list by June  
57.5 20, 2024, and an updated list by June 30, 2027, and June 30, 2032, of each residential  
57.6 building in the city that:

57.7 (1) has at least one story used for human occupancy that is 75 feet or more above the  
57.8 lowest level of fire department vehicle access;

57.9 (2) was not subject to a requirement to include a sprinkler system at the time the building  
57.10 was constructed; and

57.11 (3) has not been retrofitted with a sprinkler system.

57.12 (b) The state fire marshal shall submit the lists within 60 days of the due dates under  
57.13 paragraph (a) to the chairs and ranking minority members of the legislative committees with  
57.14 jurisdiction over the State Building Code and the State Fire Code.

57.15 Sec. 10. **LEGISLATIVE TASK FORCE; EXPEDITING RENTAL ASSISTANCE.**

57.16 Subdivision 1. **Creation; duties.** (a) A legislative task force is created to study how to  
57.17 expedite both the processing of applications for rental assistance and for emergency rental  
57.18 assistance and the distribution of rental assistance funds to landlords, in order to identify  
57.19 what processes, procedures, and technological or personnel resources would be necessary  
57.20 to enable the state or county agency responsible for administering rental assistance funds  
57.21 to meet the following goals:

57.22 (1) within two weeks of receiving a completed application for rental assistance, make  
57.23 and issue a determination of the application; and

57.24 (2) within 30 days of receiving a completed application for rental assistance, issue  
57.25 payment on an approved rental application to the landlord.

57.26 (b) The task force shall identify and consult with renters facing eviction who have  
57.27 experienced or been harmed by the delays in processing applications and delivering rent  
57.28 payments to landlords.

57.29 Subd. 2. **Membership.** (a) The task force shall consist of 12 members, appointed as  
57.30 follows:

57.31 (1) the commissioner of the Housing Finance Agency or a designee;

- 58.1 (2) one member appointed by the Minnesota Multi Housing Association;
- 58.2 (3) one member appointed by Mid-Minnesota Legal Aid;
- 58.3 (4) one member appointed by HOME Line;
- 58.4 (5) one member appointed by United Way;
- 58.5 (6) one member appointed by The Salvation Army;
- 58.6 (7) four county administrators of emergency rental assistance, including two working
- 58.7 for metropolitan counties, as defined by Minnesota Statutes, section 473.121, subdivision
- 58.8 4, and two working for nonmetropolitan counties, with one member from each category
- 58.9 appointed by the speaker of the house of representatives, and one from each category
- 58.10 appointed by the senate majority leader;
- 58.11 (8) one member from the house of representatives appointed by the speaker of the house
- 58.12 of representatives; and
- 58.13 (9) one member from the senate, appointed by the senate majority leader.
- 58.14 (b) Appointments to the task force must be made by August 15, 2023.
- 58.15 Subd. 3. **Compensation.** Public members of the task force may be compensated as
- 58.16 provided by Minnesota Statutes, section 15.059, subdivision 3.
- 58.17 Subd. 4. **Officers; meetings.** (a) The first meetings of the task force shall be cochaired
- 58.18 by the task force member from the house of representatives and the task force member from
- 58.19 the senate. The task force shall elect a chair and vice-chair at the first meeting who shall
- 58.20 preside at the remainder of the task force meetings. The task force may elect other officers
- 58.21 as necessary.
- 58.22 (b) The task force shall meet at least monthly. The Legislative Coordinating Commission
- 58.23 shall convene the first meeting by September 1, 2023.
- 58.24 (c) Meetings of the task force are subject to the Minnesota Open Meeting Law under
- 58.25 Minnesota Statutes, chapter 13D.
- 58.26 Subd. 5. **Report required.** The task force shall submit a final report by February 15,
- 58.27 2024, to the chairs and ranking minority members of the committees in the house of
- 58.28 representatives and senate with jurisdiction over housing.
- 58.29 Subd. 6. **Expiration.** The task force expires upon submission of the final report in
- 58.30 subdivision 5 or February 28, 2024, whichever is later.

59.1 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
59.2 expires March 1, 2024.

59.3 Sec. 11. **STUDY ON EXPEDITING RENTAL ASSISTANCE PAYMENTS.**

59.4 (a) Management Analysis and Development (MAD) in Minnesota Management and  
59.5 Budget shall conduct an analytical study to determine how to expedite both the processing  
59.6 of applications for rental assistance and for emergency rental assistance and the distribution  
59.7 of rental assistance funds to landlords, in order to identify what processes, procedures, and  
59.8 technological or personnel resources would be necessary to enable the state or county agency  
59.9 responsible for administering rental assistance funds to meet the following goals:

59.10 (1) within two weeks of receiving a completed application for rental assistance, make  
59.11 and issue a determination of the application; and

59.12 (2) within 30 days of receiving a completed application for rental assistance, issue  
59.13 payment on an approved rental application to the landlord.

59.14 (b) By December 1, 2023, MAD shall conduct the study and prepare an informal report  
59.15 to be delivered to the legislative task force on expediting rental assistance payments. By  
59.16 February 15, 2024, MAD shall submit a formal report to the chairs and ranking minority  
59.17 members of the committees in the house of representatives and senate with jurisdiction over  
59.18 housing."

59.19 Amend the title accordingly