



2.1	<b><u>Subd. 2. Family Homeless Prevention</u></b>	<b><u>-0-</u></b>	<b><u>8,109,000</u></b>
2.2	<u>This appropriation is for the family homeless</u>		
2.3	<u>prevention and assistance program under</u>		
2.4	<u>Minnesota Statutes, section 462A.204.</u>		
2.5	<u>Notwithstanding procurement provisions</u>		
2.6	<u>outlined in Minnesota Statutes, section</u>		
2.7	<u>16C.06, subdivisions 1, 2, and 6, the agency</u>		
2.8	<u>may award grants to existing program</u>		
2.9	<u>grantees. This is a onetime appropriation.</u>		
2.10	<b><u>Subd. 3. Minnesota Homeless Study</u></b>	<b><u>-0-</u></b>	<b><u>100,000</u></b>
2.11	<u>This appropriation is for a grant to the</u>		
2.12	<u>Amherst H. Wilder Foundation for the</u>		
2.13	<u>Minnesota homeless study. Notwithstanding</u>		
2.14	<u>Minnesota Statutes, section 16B.98,</u>		
2.15	<u>subdivision 14, the commissioner may use up</u>		
2.16	<u>to one percent of this appropriation for</u>		
2.17	<u>administrative costs. This is a onetime</u>		
2.18	<u>appropriation.</u>		
2.19	<b><u>Subd. 6. Expediting Rental Assistance</u></b>	<b><u>-0-</u></b>	<b><u>471,000</u></b>
2.20	<u>This appropriation is for the agency's work</u>		
2.21	<u>under article .. of this act. This is a onetime</u>		
2.22	<u>appropriation. Any unspent portion of the</u>		
2.23	<u>appropriation shall be transferred to the family</u>		
2.24	<u>homeless prevention and assistance program.</u>		
2.25	<b><u>Subd. 7. Availability of Appropriations for</u></b>		
2.26	<b><u>Administrative Expenses and Report</u></b>		
2.27	<u>(a) Money appropriated in this section for</u>		
2.28	<u>grants must not be spent on institutional</u>		
2.29	<u>overhead charges that are not directly related</u>		
2.30	<u>to and necessary for the grant.</u>		
2.31	<u>(b) By February 15, 2025, the commissioner</u>		
2.32	<u>shall report to the chairs and ranking minority</u>		
2.33	<u>members of the legislative committees having</u>		
2.34	<u>jurisdiction over housing finance and policy</u>		

3.1 the anticipated costs for administering each  
 3.2 grant in this section. Within 90 days after a  
 3.3 grantee has fulfilled the obligations of their  
 3.4 grant agreement, the commissioner shall report  
 3.5 to the chairs and ranking minority members  
 3.6 of the legislative committees having  
 3.7 jurisdiction over housing finance and policy  
 3.8 on the final cost for administering each grant  
 3.9 in this section.

3.10 **Sec. 3. DEPARTMENT OF LABOR AND**  
 3.11 **INDUSTRY** **\$ -0- \$ 225,000**

3.12 This appropriation is for the single-egress  
 3.13 stairway apartment building report under  
 3.14 article .., section ... This is a onetime  
 3.15 appropriation.

3.16 **Sec. 4. SUPREME COURT** **\$ -0- \$ 545,000**

3.17 This appropriation is for the implementation  
 3.18 of Laws 2023, chapter 52, article 19, sections  
 3.19 117 to 119. This is a onetime appropriation  
 3.20 and is available until June 30, 2026.

3.21 **Sec. 5. LEGISLATIVE COORDINATING**  
 3.22 **COMMISSION** **\$ -0- \$ 400,000**

3.23 (a) \$200,000 is for a contract to facilitate the  
 3.24 Task Force on Long-Term Sustainability of  
 3.25 Affordable Housing established in article ....  
 3.26 This is a onetime appropriation.

3.27 (b) \$200,000 is for a contract to facilitate the  
 3.28 working group on common interest  
 3.29 communities and homeowners associations  
 3.30 established in article .... This is a onetime  
 3.31 appropriation.

3.32 **Sec. 6. HUMAN SERVICES** **\$ -0- \$ 150,000**

3.33 This appropriation is for a contract with Propel  
 3.34 Nonprofits to conduct a needs analysis and a

4.1 site analysis for emergency shelter serving  
 4.2 transgender adults experiencing homelessness.  
 4.3 This is a onetime appropriation and is  
 4.4 available until June 30, 2026.

4.5 Sec. 7. Laws 2023, chapter 37, article 1, section 2, subdivision 2, is amended to read:

4.6			60,425,000
4.7	<b>Subd. 2. Challenge Program</b>	60,425,000	<u>53,425,000</u>

4.8 (a) This appropriation is for the economic  
 4.9 development and housing challenge program  
 4.10 under Minnesota Statutes, sections 462A.33  
 4.11 and 462A.07, subdivision 14.

4.12 (b) Of this amount, \$6,425,000 each year shall  
 4.13 be made available during the first 11 months  
 4.14 of the fiscal year exclusively for housing  
 4.15 projects for American Indians. Any funds not  
 4.16 committed to housing projects for American  
 4.17 Indians within the annual consolidated request  
 4.18 for funding processes may be available for  
 4.19 any eligible activity under Minnesota Statutes,  
 4.20 sections 462A.33 and 462A.07, subdivision  
 4.21 14.

4.22 (c) Of the amount in the first year, \$5,000,000  
 4.23 is for a grant to Urban Homeworks to expand  
 4.24 initiatives pertaining to deeply affordable  
 4.25 homeownership in Minneapolis neighborhoods  
 4.26 with over 40 percent of residents identifying  
 4.27 as Black, Indigenous, or People of Color and  
 4.28 at least 40 percent of residents making less  
 4.29 than 50 percent of the area median income.  
 4.30 The grant is to be used for acquisition,  
 4.31 rehabilitation, gap financing as defined in  
 4.32 Minnesota Statutes, section 462A.33,  
 4.33 subdivision 1, and construction of homes to  
 4.34 be sold to households with incomes ~~of 50 to~~

5.1 at or below 60 percent of the area median  
 5.2 income. This is a onetime appropriation, and  
 5.3 is available until June 30, 2027. By December  
 5.4 15 each year until 2027, Urban Homeworks  
 5.5 must submit a report to the chairs and ranking  
 5.6 minority members of the legislative  
 5.7 committees having jurisdiction over housing  
 5.8 finance and policy. The report must include  
 5.9 the amount used for (1) acquisition, (2)  
 5.10 rehabilitation, and (3) construction of housing  
 5.11 units, along with the number of housing units  
 5.12 acquired, rehabilitated, or constructed, and the  
 5.13 amount of the appropriation that has been  
 5.14 spent. If any home was sold or transferred  
 5.15 within the year covered by the report, Urban  
 5.16 Homeworks must include the price at which  
 5.17 the home was sold, as well as how much was  
 5.18 spent to complete the project before sale.

5.19 (d) Of the amount in the first year, \$2,000,000  
 5.20 is for a grant to Rondo Community Land  
 5.21 Trust. This is a onetime appropriation.

5.22 (e) The base for this program in fiscal year  
 5.23 2026 and beyond is \$12,925,000.

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

5.25 Sec. 8. Laws 2023, chapter 37, article 1, section 2, subdivision 5, is amended to read:

5.26		<del>20,250,000</del>	
5.27	<b>Subd. 5. Workforce Homeownership Program</b>	<u>17,250,000</u>	250,000

5.28 (a) This appropriation is for the workforce  
 5.29 homeownership program under Minnesota  
 5.30 Statutes, section 462A.38.

5.31 (b) The base for this program in fiscal year  
 5.32 2026 and beyond is \$250,000.

6.1 Sec. 9. Laws 2023, chapter 37, article 1, section 2, subdivision 18, is amended to read:

6.2		25,000,000	
6.3	Subd. 18. <b>Supportive Housing</b>	<u>10,000,000</u>	-0-

6.4 This appropriation is for the supportive  
 6.5 housing program under Minnesota Statutes,  
 6.6 section 462A.42. This is a onetime  
 6.7 appropriation.

6.8 Sec. 10. Laws 2023, chapter 37, article 1, section 2, subdivision 25, is amended to read:

6.9	Subd. 25. <b>Manufactured Home Lending Grants</b>		
6.10	<u>Program</u>	10,000,000	-0-

6.11 (a) This appropriation is for the a grant to  
 6.12 NeighborWorks Home Partners for a  
 6.13 manufactured home lending grant program.

6.14 This is a onetime appropriation.

6.15 (b) The funds must be used for new  
 6.16 manufactured home financing programs;  
 6.17 manufactured home down payment assistance;  
 6.18 or manufactured home repair, renovation,  
 6.19 removal, and site preparation financing  
 6.20 programs.

6.21 (c) Interest earned and repayments of principal  
 6.22 from loans issued under this subdivision must  
 6.23 be used for the purposes of this subdivision.

6.24 (d) For the purposes of this subdivision, the  
 6.25 term "manufactured home" has the meaning  
 6.26 given in Minnesota Statutes, section 327B.01,  
 6.27 subdivision 13.

6.28 Sec. 11. Laws 2023, chapter 37, article 1, section 2, subdivision 29, is amended to read:

6.29			45,000,000
6.30	Subd. 29. <b>Community Stabilization</b>	45,000,000	<u>70,000,000</u>

6.31 (a) This appropriation is for the community  
 6.32 stabilization program. This a onetime

7.1 appropriation. ~~Of this amount, \$10,000,000 is~~  
7.2 ~~for a grant to AEON for Huntington Place.~~

7.3 (b) The first year and second year  
7.4 appropriations are available as follows:

7.5 (1) \$10,000,000 is for a grant to AEON for  
7.6 Huntington Place;

7.7 (2) notwithstanding Minnesota Statutes,  
7.8 sections 16B.98, subdivisions 5 and 12, and  
7.9 16B.981, subdivision 2, \$3,250,000 is for a  
7.10 grant to the Wilder Park Association to assist  
7.11 with the cost of a major capital repair project  
7.12 for the rehabilitation of portions of the  
7.13 owner-occupied senior high-rise facility. The  
7.14 grantee must verify that 50 percent of units  
7.15 are occupied by households with incomes at  
7.16 or below 60 percent of area median income;

7.17 (3) \$41,750,000 is for multiunit rental housing;

7.18 (4) \$10,000,000 is for single-family housing;  
7.19 and

7.20 (5) \$50,000,000 is for recapitalization of  
7.21 distressed buildings. Of this amount, up to  
7.22 \$15,000,000 is for preservation or  
7.23 recapitalization of housing that includes  
7.24 supportive housing.

7.25 (c) Notwithstanding Minnesota Statutes,  
7.26 section 16B.98, subdivision 14, the  
7.27 commissioner may use up to one percent of  
7.28 this appropriation for administrative costs for  
7.29 the grants in clauses (1) and (2). This is a  
7.30 onetime appropriation.

7.31 **Sec. 12. REPEALER.**

7.32 Laws 2023, chapter 37, article 2, section 13, is repealed."

8.1 Page 137, delete article 13 and insert:

8.2 **"ARTICLE 13**  
8.3 **HOUSING POLICY**

8.4 Section 1. Minnesota Statutes 2023 Supplement, section 82.75, subdivision 8, is amended  
8.5 to read:

8.6 Subd. 8. **Accrued interest.** (a) Each broker shall maintain a pooled interest-bearing trust  
8.7 account for deposit of client funds. The interest accruing on the trust account, less reasonable  
8.8 transaction costs, must be paid to the Minnesota Housing Finance Agency for deposit in  
8.9 the housing trust fund account created under section 462A.201 unless otherwise specified  
8.10 pursuant to an expressed written agreement between the parties to a transaction.

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

8.13 (1) pay the interest, less reasonable transaction costs, computed in accordance with the  
8.14 financial institution's standard accounting practice, at least quarterly, to the Minnesota  
8.15 Housing Finance Agency; and

8.16 (2) send a statement to the Minnesota Housing Finance Agency showing the name of  
8.17 the broker for whom the payment is made, the rate of interest applied, the amount of service  
8.18 charges deducted, and the account balance for the period in which the report is made.

8.19 The Minnesota Housing Finance Agency shall credit the amount collected under this  
8.20 subdivision to the housing trust fund account established in section 462A.201.

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

8.24 ~~(d) By January 15 of each year, the Minnesota Housing Finance Agency must report to~~  
8.25 ~~the chairs and ranking minority members of the legislative committees with jurisdiction~~  
8.26 ~~over housing finance and policy. The report must specify the amount of funds deposited~~  
8.27 ~~under this subdivision in the housing trust fund account established under section 462A.201~~  
8.28 ~~during the most recently concluded fiscal year. The report must also include a history of~~  
8.29 ~~deposits made under this section, in nominal dollar amounts and in the present value of~~  
8.30 ~~those amounts, calculated using the Consumer Price Index-All Items (United States city~~  
8.31 ~~average).~~

9.1 Sec. 2. Minnesota Statutes 2022, section 383B.145, subdivision 5, is amended to read:

9.2 Subd. 5. **Set-aside contracts.** (a) Notwithstanding any other law to the contrary, the  
9.3 board may set aside an amount, for each fiscal year, for awarding contracts to businesses  
9.4 and social services organizations ~~which have a majority of employees~~ that employ persons  
9.5 who would be eligible for public assistance or who would require rehabilitative services in  
9.6 the absence of their employment. The set-aside amount may not exceed two percent of the  
9.7 amount appropriated by the board in the budget for the preceding fiscal year. Failure by the  
9.8 board to designate particular procurements for the set-aside program shall not prevent  
9.9 vendors from seeking the procurement award through the normal solicitation and bidding  
9.10 processes pursuant to the provisions of the Uniform Municipal Contracting Act, section  
9.11 471.345.

9.12 (b) The board may elect to use a negotiated price or bid contract procedure in the awarding  
9.13 of a procurement contract under the set-aside program. The amount of the award shall not  
9.14 exceed by more than five percent the estimated price for the goods or services, if they were  
9.15 to be purchased on the open market and not under the set-aside program.

9.16 (c) Before contracting with a business or social service organization under the set-aside  
9.17 program, the board or authorized person shall conduct an investigation of the business or  
9.18 social service organization with whom it seeks to contract and shall make findings, to be  
9.19 contained in the provisions of the contract, that:

9.20 (1) the vendor either:

9.21 (i) has in its employ at least 50 percent of its employees who would be eligible to receive  
9.22 some form of public assistance or other rehabilitative services in the absence of the award  
9.23 of a contract to the vendor; or

9.24 (ii) if the vendor is a business providing construction services, has in its employ to deliver  
9.25 the set-aside contract as many employees who would be eligible to receive some form of  
9.26 public assistance or other rehabilitative services in the absence of the award of a contract  
9.27 to the vendor as is practicable in consideration of industry safety standards, established  
9.28 supervisory ratios for apprentices, and requirements for licensed persons to perform certain  
9.29 work;

9.30 (2) the vendor has elected to apply to the board for a contract under the set-aside  
9.31 provisions; and

9.32 (3) the vendor is able to perform the set-aside contract.

10.1 (d) The board shall publicize the provisions of the set-aside program, attempt to locate  
10.2 vendors able to perform set-aside procurement contracts and otherwise encourage  
10.3 participation therein.

10.4 Sec. 3. Minnesota Statutes 2022, section 462A.02, subdivision 10, is amended to read:

10.5 Subd. 10. **Energy conservation, decarbonization, and climate resilience.** It is further  
10.6 declared that supplies of conventional energy resources are rapidly depleting in quantity  
10.7 and rising in price and that the burden of these occurrences falls heavily upon the citizens  
10.8 of Minnesota generally and persons of low and moderate income in particular. These  
10.9 conditions are adverse to the health, welfare, and safety of all of the citizens of this state.  
10.10 It is further declared that it is a public purpose to ensure the availability of financing to be  
10.11 used by all citizens of the state, while giving preference to low and moderate income people,  
10.12 to assist in the installation in their dwellings of reasonably priced energy conserving systems  
10.13 including the use of alternative energy resources and equipment so that by the improvement  
10.14 of the energy efficiency of, clean energy, greenhouse gas emissions reduction, climate  
10.15 resiliency, and other qualified projects for all housing, the adequacy of the total energy  
10.16 supply may be preserved for the benefit of all citizens.

10.17 Sec. 4. Minnesota Statutes 2023 Supplement, section 462A.05, subdivision 14, is amended  
10.18 to read:

10.19 Subd. 14. **Rehabilitation loans.** It may agree to purchase, make, or otherwise participate  
10.20 in the making, and may enter into commitments for the purchase, making, or participation  
10.21 in the making, of eligible loans for rehabilitation, with terms and conditions as the agency  
10.22 deems advisable, to persons and families of low and moderate income, and to owners of  
10.23 existing residential housing for occupancy by such persons and families, for the rehabilitation  
10.24 of existing residential housing owned by them. Rehabilitation may include the addition or  
10.25 rehabilitation of a detached accessory dwelling unit. The loans may be insured or uninsured  
10.26 and may be made with security, or may be unsecured, as the agency deems advisable. The  
10.27 loans may be in addition to or in combination with long-term eligible mortgage loans under  
10.28 subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness  
10.29 secured by the property, if refinancing is determined by the agency to be necessary to permit  
10.30 the owner to meet the owner's housing cost without expending an unreasonable portion of  
10.31 the owner's income thereon. No loan for rehabilitation shall be made unless the agency  
10.32 determines that the loan will be used primarily to make the housing more desirable to live  
10.33 in, to increase the market value of the housing, for compliance with state, county or municipal  
10.34 building, housing maintenance, fire, health or similar codes and standards applicable to

11.1 housing, or to accomplish energy conservation ~~related improvements,~~ decarbonization,  
 11.2 climate resiliency, and other qualified projects. In unincorporated areas and municipalities  
 11.3 not having codes and standards, the agency may, solely for the purpose of administering  
 11.4 the provisions of this chapter, establish codes and standards. No loan under this subdivision  
 11.5 for the rehabilitation of owner-occupied housing shall be denied solely because the loan  
 11.6 will not be used for placing the owner-occupied residential housing in full compliance with  
 11.7 all state, county, or municipal building, housing maintenance, fire, health, or similar codes  
 11.8 and standards applicable to housing. Rehabilitation loans shall be made only when the  
 11.9 agency determines that financing is not otherwise available, in whole or in part, from private  
 11.10 lenders upon equivalent terms and conditions. Accessibility rehabilitation loans authorized  
 11.11 under this subdivision may be made to eligible persons and families without limitations  
 11.12 relating to the maximum incomes of the borrowers if:

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

11.16 (2) home care is appropriate; and

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

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

11.22 Sec. 5. Minnesota Statutes 2022, section 462A.05, subdivision 14a, is amended to read:

11.23 Subd. 14a. **Rehabilitation loans; existing owner-occupied residential housing.** It may  
 11.24 make loans to persons and families of low and moderate income to rehabilitate or to assist  
 11.25 in rehabilitating existing residential housing owned and occupied by those persons or  
 11.26 families. Rehabilitation may include replacement of manufactured homes. No loan shall be  
 11.27 made unless the agency determines that the loan will be used primarily for rehabilitation  
 11.28 work necessary for health or safety, essential accessibility improvements, or to improve the  
 11.29 energy efficiency of, clean energy, greenhouse gas emissions reductions, climate resiliency,  
 11.30 and other qualified projects in the dwelling. No loan for rehabilitation of owner-occupied  
 11.31 residential housing shall be denied solely because the loan will not be used for placing the  
 11.32 residential housing in full compliance with all state, county or municipal building, housing  
 11.33 maintenance, fire, health or similar codes and standards applicable to housing. The amount  
 11.34 of any loan shall not exceed the lesser of (a) a maximum loan amount determined under

12.1 rules adopted by the agency not to exceed \$37,500, or (b) the actual cost of the work  
 12.2 performed, or (c) that portion of the cost of rehabilitation which the agency determines  
 12.3 cannot otherwise be paid by the person or family without the expenditure of an unreasonable  
 12.4 portion of the income of the person or family. Loans made in whole or in part with federal  
 12.5 funds may exceed the maximum loan amount to the extent necessary to comply with federal  
 12.6 lead abatement requirements prescribed by the funding source. In making loans, the agency  
 12.7 shall determine the circumstances under which and the terms and conditions under which  
 12.8 all or any portion of the loan will be repaid and shall determine the appropriate security for  
 12.9 the repayment of the loan. Loans pursuant to this subdivision may be made with or without  
 12.10 interest or periodic payments.

12.11 Sec. 6. Minnesota Statutes 2022, section 462A.05, subdivision 14b, is amended to read:

12.12 Subd. 14b. **Energy conservation, decarbonization, and climate resiliency loans.** It  
 12.13 may agree to purchase, make, or otherwise participate in the making, and may enter into  
 12.14 commitments for the purchase, making, or participating in the making, of loans to persons  
 12.15 and families, without limitations relating to the maximum incomes of the borrowers, to  
 12.16 assist in energy conservation ~~rehabilitation measures~~, decarbonization, climate resiliency,  
 12.17 and other qualified projects for existing housing owned by those persons or families  
 12.18 including, but not limited to: weatherstripping and caulking; chimney construction or  
 12.19 improvement; furnace or space heater repair, cleaning or replacement; central air conditioner  
 12.20 installation, repair, maintenance, or replacement; air source or geothermal heat pump  
 12.21 installation, repair, maintenance, or replacement; insulation; windows and doors; and  
 12.22 structural or other directly related repairs or installations essential for energy conservation,  
 12.23 decarbonization, climate resiliency, and other qualified projects. Loans shall be made only  
 12.24 when the agency determines that financing is not otherwise available, in whole or in part,  
 12.25 from private lenders upon equivalent terms and conditions. Loans under this subdivision  
 12.26 or subdivision 14 may:

12.27 (1) be integrated with a utility's on-bill repayment program approved under section  
 12.28 216B.241, subdivision 5d; and

12.29 (2) also be made for the installation of on-site solar energy or energy storage systems.

12.30 Sec. 7. Minnesota Statutes 2022, section 462A.05, subdivision 15, is amended to read:

12.31 Subd. 15. **Rehabilitation grants.** (a) It may make grants to persons and families of low  
 12.32 and moderate income to pay or to assist in paying a loan made pursuant to subdivision 14,  
 12.33 or to rehabilitate or to assist in rehabilitating existing residential housing owned or occupied

13.1 by such persons or families. For the purposes of this section, persons of low and moderate  
 13.2 income include administrators appointed pursuant to section 504B.425, paragraph (d). No  
 13.3 grant shall be made unless the agency determines that the grant will be used primarily to  
 13.4 make the housing more desirable to live in, to increase the market value of the housing or  
 13.5 for compliance with state, county or municipal building, housing maintenance, fire, health  
 13.6 or similar codes and standards applicable to housing, or to accomplish energy conservation  
 13.7 related improvements, decarbonization, climate resiliency, or other qualified projects. In  
 13.8 unincorporated areas and municipalities not having codes and standards, the agency may,  
 13.9 solely for the purpose of administering this provision, establish codes and standards. No  
 13.10 grant for rehabilitation of owner occupied residential housing shall be denied solely because  
 13.11 the grant will not be used for placing the residential housing in full compliance with all  
 13.12 state, county or municipal building, housing maintenance, fire, health or similar codes and  
 13.13 standards applicable to housing. The amount of any grant shall not exceed the lesser of (a)  
 13.14 \$6,000, or (b) the actual cost of the work performed, or (c) that portion of the cost of  
 13.15 rehabilitation which the agency determines cannot otherwise be paid by the person or family  
 13.16 without spending an unreasonable portion of the income of the person or family thereon.  
 13.17 In making grants, the agency shall determine the circumstances under which and the terms  
 13.18 and conditions under which all or any portion thereof will be repaid and shall determine the  
 13.19 appropriate security should repayment be required.

13.20 (b) The agency may also make grants to rehabilitate or to assist in rehabilitating housing  
 13.21 under this subdivision to persons of low and moderate income for the purpose of qualifying  
 13.22 as foster parents.

13.23 Sec. 8. Minnesota Statutes 2022, section 462A.05, subdivision 15b, is amended to read:

13.24 Subd. 15b. **Energy conservation, decarbonization, and climate resiliency grants.** (a)  
 13.25 It may make grants to assist in energy conservation ~~rehabilitation measures,~~ decarbonization,  
 13.26 climate resiliency, and other qualified projects for existing owner occupied housing including,  
 13.27 but not limited to: insulation, storm windows and doors, furnace or space heater repair,  
 13.28 cleaning or replacement, chimney construction or improvement, weatherstripping and  
 13.29 caulking, ~~and structural or other directly related repairs,~~ or installations essential for energy  
 13.30 conservation, decarbonization, climate resiliency, and other qualified projects. The grant  
 13.31 to any household shall not exceed \$2,000.

13.32 (b) To be eligible for an emergency energy conservation, decarbonization, and climate  
 13.33 resiliency grant, a household must be certified as eligible to receive emergency residential  
 13.34 heating assistance under either the federal or the state program, and either (1) have had a

14.1 heating cost for the preceding heating season that exceeded 120 percent of the regional  
14.2 average for the preceding heating season for that energy source as determined by the  
14.3 commissioner of employment and economic development, or (2) be eligible to receive a  
14.4 federal energy conservation grant, but be precluded from receiving the grant because of a  
14.5 need for directly related repairs that cannot be paid for under the federal program. The  
14.6 Housing Finance Agency shall make a reasonable effort to determine whether other state  
14.7 or federal loan and grant programs are available and adequate to finance the intended  
14.8 improvements. An emergency energy conservation grant may be made in conjunction with  
14.9 grants or loans from other state or federal programs that finance other needed rehabilitation  
14.10 work. The receipt of a grant pursuant to this section shall not affect the applicant's eligibility  
14.11 for other Housing Finance Agency loan or grant programs.

14.12 Sec. 9. Minnesota Statutes 2022, section 462A.05, subdivision 21, is amended to read:

14.13 Subd. 21. **Rental property loans.** The agency may make or purchase loans to owners  
14.14 of rental property that is occupied or intended for occupancy primarily by low- and  
14.15 moderate-income tenants and which does not comply with the standards established in  
14.16 section 326B.106, subdivision 1, for the purpose of energy improvements, decarbonization,  
14.17 climate resiliency, and other qualified projects necessary to bring the property into full or  
14.18 partial compliance with these standards. For property which meets the other requirements  
14.19 of this subdivision, a loan may also be used for moderate rehabilitation of the property. The  
14.20 authority granted in this subdivision is in addition to and not in limitation of any other  
14.21 authority granted to the agency in this chapter. The limitations on eligible mortgagors  
14.22 contained in section 462A.03, subdivision 13, do not apply to loans under this subdivision.  
14.23 Loans for the improvement of rental property pursuant to this subdivision may contain  
14.24 provisions that repayment is not required in whole or in part subject to terms and conditions  
14.25 determined by the agency to be necessary and desirable to encourage owners to maximize  
14.26 rehabilitation of properties.

14.27 Sec. 10. Minnesota Statutes 2022, section 462A.05, subdivision 23, is amended to read:

14.28 Subd. 23. **Insuring financial institution loans.** The agency may participate in loans or  
14.29 establish a fund to insure loans, or portions of loans, that are made by any banking institution,  
14.30 savings association, or other lender approved by the agency, organized under the laws of  
14.31 this or any other state or of the United States having an office in this state, to owners of  
14.32 renter-occupied homes or apartments that do not comply with standards set forth in section  
14.33 326B.106, subdivision 1, without limitations relating to the maximum incomes of the owners  
14.34 or tenants. The proceeds of the insured portion of the loan must be used to pay the costs of

15.1 improvements, including all related structural and other improvements, that will reduce  
15.2 energy consumption, that will decarbonize, and that will ensure the climate resiliency of  
15.3 housing.

15.4 Sec. 11. Minnesota Statutes 2023 Supplement, section 462A.05, subdivision 45, is amended  
15.5 to read:

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

15.10 Sec. 12. Minnesota Statutes 2022, section 462A.07, is amended by adding a subdivision  
15.11 to read:

15.12 Subd. 18. **Rent and income limits.** Notwithstanding any law to the contrary, to promote  
15.13 efficiency in program administration, underwriting, and compliance, the commissioner may  
15.14 adjust income or rent limits for any multifamily capital funding program authorized under  
15.15 state law to align with federal rent or income limits in sections 42 and 142 of the Internal  
15.16 Revenue Code of 1986, as amended. Adjustments made under this subdivision are exempt  
15.17 from the rulemaking requirements of chapter 14.

15.18 Sec. 13. Minnesota Statutes 2022, section 462A.07, is amended by adding a subdivision  
15.19 to read:

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

15.23 (1) the total number of applications for funding;

15.24 (2) the amount of funding requested;

15.25 (3) the amounts of funding awarded; and

15.26 (4) the number of housing units that are affected by funding awards, including the number  
15.27 of:

15.28 (i) newly constructed owner-occupied units;

15.29 (ii) renovated owner-occupied units;

15.30 (iii) newly constructed rental units; and

16.1 (iv) renovated rental units.

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

16.4 Sec. 14. Minnesota Statutes 2022, section 462A.07, is amended by adding a subdivision  
16.5 to read:

16.6 Subd. 20. **Eligibility for agency programs.** The agency may determine that a household  
16.7 or project unit meets the rent or income requirements for a program if the household or unit  
16.8 receives or participates in income-based state or federal public assistance benefits, including  
16.9 but not limited to:

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

16.11 (2) general assistance, Minnesota supplemental aid, or food support under chapter 256D;

16.12 (3) housing support under chapter 256I;

16.13 (4) Minnesota family investment program and diversionary work program under chapter  
16.14 256J; and

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

16.16 Sec. 15. Minnesota Statutes 2022, section 462A.21, subdivision 7, is amended to read:

16.17 Subd. 7. **Energy efficiency loans.** The agency may make loans to low and moderate  
16.18 income persons who own existing residential housing for the purpose of improving the  
16.19 ~~efficient energy utilization~~ decarbonization and climate resiliency of the housing. Permitted  
16.20 improvements shall include installation or upgrading of ceiling, wall, floor and duct  
16.21 insulation, storm windows and doors, and caulking and weatherstripping. The improvements  
16.22 shall not be inconsistent with the energy standards as promulgated as part of the State  
16.23 Building Code; provided that the improvements need not bring the housing into full  
16.24 compliance with the energy standards. Any loan for such purpose shall be made only upon  
16.25 determination by the agency that such loan is not otherwise available, wholly or in part,  
16.26 from private lenders upon equivalent terms and conditions. The agency may promulgate  
16.27 rules as necessary to implement and make specific the provisions of this subdivision. The  
16.28 rules shall be designed to permit the state, to the extent not inconsistent with this chapter,  
16.29 to seek federal grants or loans for energy ~~purposes~~ decarbonization, climate resiliency, and  
16.30 other qualified projects.

17.1 Sec. 16. Minnesota Statutes 2023 Supplement, section 462A.22, subdivision 1, is amended  
17.2 to read:

17.3 Subdivision 1. **Agency debt ceiling capacity.** The aggregate principal amount of general  
17.4 obligation bonds and notes which are outstanding at any time, excluding the principal amount  
17.5 of any bonds and notes refunded by the issuance of new bonds or notes, shall not exceed  
17.6 the sum of ~~\$5,000,000,000~~ \$9,000,000,000.

17.7 Sec. 17. Minnesota Statutes 2022, section 462A.35, subdivision 2, is amended to read:

17.8 Subd. 2. **Expending funds.** The agency may expend the money in the Minnesota  
17.9 manufactured home relocation trust fund to the extent necessary to carry out the objectives  
17.10 of section 327C.095, subdivision 13, by making payments to manufactured home owners,  
17.11 or other parties approved by the third-party neutral, under subdivision 13, paragraphs (a)  
17.12 and (e), and to pay the costs of administering the fund. Money in the fund is appropriated  
17.13 to the agency for these purposes and to the commissioner of management and budget to pay  
17.14 costs incurred by the commissioner of management and budget to administer the fund.

17.15 Sec. 18. Minnesota Statutes 2023 Supplement, section 462A.37, subdivision 2, is amended  
17.16 to read:

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

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

17.26 (2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned  
17.27 housing to be used for affordable rental housing or for affordable home ownership and the  
17.28 costs of new construction of rental housing on abandoned or foreclosed property where the  
17.29 existing structures will be demolished or removed;

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

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

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

18.5 (6) to finance the costs of acquisition, rehabilitation, and replacement of federally assisted  
18.6 rental housing and for the refinancing of costs of the construction, acquisition, and  
18.7 rehabilitation of federally assisted rental housing, including providing funds to refund, in  
18.8 whole or in part, outstanding bonds previously issued by the agency or another government  
18.9 unit to finance or refinance such costs;

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

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

18.16 (9) to finance the costs of construction, acquisition, rehabilitation, conversion, and  
18.17 development of cooperatively owned housing created under chapter 308A, 308B, or 308C  
18.18 that is affordable to low- and moderate-income households.

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

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

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

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

18.28 (1) demonstrate a commitment to maintaining the housing financed as affordable to  
18.29 senior households;

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

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

19.4 (4) include households with incomes that do not exceed 30 percent of the median  
19.5 household income for the metropolitan area.

19.6 (d) To the extent practicable, the agency shall balance the loans made between projects  
19.7 in the metropolitan area and projects outside the metropolitan area. Of the loans made to  
19.8 projects outside the metropolitan area, the agency shall, to the extent practicable, balance  
19.9 the loans made between projects in counties or cities with a population of 20,000 or less,  
19.10 as established by the most recent decennial census, and projects in counties or cities with  
19.11 populations in excess of 20,000.

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

19.15 (f) If a loan recipient uses the loan for new construction ~~or substantial rehabilitation~~ as  
19.16 defined by the agency on a building containing more than four units, the loan recipient must  
19.17 construct, convert, or otherwise adapt the building to include:

19.18 (1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are  
19.19 accessible units, ~~as defined by section 1002 of the current State Building Code Accessibility~~  
19.20 ~~Provisions for Dwelling Units in Minnesota, and include~~ and each accessible unit includes  
19.21 at least one roll-in shower, water closet, and kitchen work surface meeting the requirements  
19.22 of section 1002 of the current State Building Code Accessibility Provisions for Dwelling  
19.23 Units in Minnesota; and

19.24 (2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are  
19.25 sensory-accessible units that include:

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

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

19.28 (C) low-fume paint;

19.29 (D) low-chemical carpet; and

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

19.31 Nothing in this paragraph relieves a project funded by the agency from meeting other  
19.32 applicable accessibility requirements.

20.1 Sec. 19. Minnesota Statutes 2022, section 462A.37, is amended by adding a subdivision  
20.2 to read:

20.3 Subd. 2j. **Additional authorization.** In addition to the amount authorized in subdivisions  
20.4 2 to 2i, the agency may issue up to \$50,000,000 in one or more series to which the payments  
20.5 under this section may be pledged.

20.6 Sec. 20. Minnesota Statutes 2023 Supplement, section 462A.37, subdivision 5, is amended  
20.7 to read:

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

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

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

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

20.32 (e) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure  
20.33 bonds issued under subdivision 2d, or housing infrastructure bonds issued to refund those

21.1 bonds, remain outstanding, the commissioner of management and budget must transfer to  
21.2 the housing infrastructure bond account established under section 462A.21, subdivision 33,  
21.3 the amount certified under paragraph (a). The amounts necessary to make the transfers are  
21.4 appropriated from the general fund to the commissioner of management and budget.

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

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

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

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

21.29 (j) Each July 15, beginning in 2026 and through 2047, if any housing infrastructure  
21.30 bonds issued under subdivision 2j, or housing infrastructure bonds issued to refund those  
21.31 bonds, remain outstanding, the commissioner of management and budget must transfer to  
21.32 the housing infrastructure bond account established under section 462A.21, subdivision 33,  
21.33 the amount certified under paragraph (a). The amounts necessary to make the transfers are  
21.34 appropriated from the general fund to the commissioner of management and budget.

22.1       (†) (k) The agency may pledge to the payment of the housing infrastructure bonds the  
22.2 payments to be made by the state under this section.

22.3       Sec. 21. Minnesota Statutes 2023 Supplement, section 462A.39, subdivision 2, is amended  
22.4 to read:

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

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

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

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

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

22.24       Sec. 22. Minnesota Statutes 2023 Supplement, section 462A.395, is amended to read:

22.25       **462A.395 GREATER MINNESOTA HOUSING INFRASTRUCTURE GRANT**  
22.26 **PROGRAM.**

22.27       Subdivision 1. **Grant program established.** The commissioner of the Minnesota Housing  
22.28 Finance Agency may make grants to counties and cities to provide up to 50 percent of the  
22.29 capital costs of public infrastructure necessary for an eligible workforce housing development  
22.30 project. The commissioner may make a grant award only after determining that nonstate  
22.31 resources are committed to complete the project. The nonstate contribution may be cash,  
22.32 other committed grant funds, or in kind. In-kind contributions may include the value of the

23.1 site, whether the site is prepared before or after the law appropriating money for the grant  
23.2 is enacted.

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

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

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

23.11 Subd. 3. **Eligible projects.** Housing projects eligible for a grant under this section may  
23.12 be a single-family or multifamily housing development, and either owner-occupied or rental.  
23.13 Housing projects eligible for a grant under this section may also be a manufactured home  
23.14 development qualifying for homestead treatment under section 273.124, subdivision 3a.

23.15 Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for  
23.16 soliciting and reviewing applications for grants under this section. At a minimum, a city or  
23.17 county must include in its application a resolution of the county board or city council  
23.18 certifying that the required nonstate match is available. The commissioner must evaluate  
23.19 complete applications for funding for eligible projects to determine that:

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

23.22 (2) the increase in workforce housing will result in substantial public and private capital  
23.23 investment in the county or city in which the project would be located.

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

23.27 Subd. 5. **Maximum grant amount.** A county or city may receive no more than ~~\$30,000~~  
23.28 \$40,000 per lot for single-family, duplex, triplex, or fourplex housing developed, no more  
23.29 than \$60,000 per manufactured housing lot, and no more than \$180,000 per lot for  
23.30 multifamily housing with more than four units per building. A county or city may receive  
23.31 no more than \$500,000 in two years for one or more housing developments. The \$500,000  
23.32 limitation does not apply to use on manufactured housing developments.

24.1 Sec. 23. Minnesota Statutes 2022, section 462A.40, subdivision 2, is amended to read:

24.2 Subd. 2. **Use of funds; grant and loan program.** (a) The agency may award grants and  
 24.3 loans to be used for multifamily and single family developments for persons and families  
 24.4 of low and moderate income. Allowable use of the funds include: gap financing, as defined  
 24.5 in section 462A.33, subdivision 1; new construction; acquisition; rehabilitation; demolition  
 24.6 or removal of existing structures; construction financing; permanent financing; interest rate  
 24.7 reduction; and refinancing.

24.8 (b) The agency may give preference for grants and loans to comparable proposals that  
 24.9 include regulatory changes or waivers that result in identifiable cost avoidance or cost  
 24.10 reductions, including but not limited to increased density, flexibility in site development  
 24.11 standards, or zoning code requirements.

24.12 ~~(c) The agency shall separately set aside:~~

24.13 ~~(1) at least ten percent of the financing under this section for housing units located in a~~  
 24.14 ~~township or city with a population of 2,500 or less that is located outside the metropolitan~~  
 24.15 ~~area, as defined in section 473.121, subdivision 2;~~

24.16 ~~(2) at least 35 percent of the financing under this section for housing for persons and~~  
 24.17 ~~families whose income is 50 percent or less of the area median income for the applicable~~  
 24.18 ~~county or metropolitan area as published by the Department of Housing and Urban~~  
 24.19 ~~Development, as adjusted for household size; and~~

24.20 ~~(3) at least 25 percent of the financing under this section for single family housing.~~

24.21 ~~(d) If by September 1 of each year the agency does not receive requests to use all of the~~  
 24.22 ~~amounts set aside under paragraph (c), the agency may use any remaining financing for~~  
 24.23 ~~other projects eligible under this section.~~

24.24 Sec. 24. Minnesota Statutes 2022, section 462A.40, subdivision 3, is amended to read:

24.25 Subd. 3. **Eligible recipients; definitions; restrictions; use of funds.** (a) The agency  
 24.26 may award a grant or a loan to any recipient that qualifies under subdivision 2. The agency  
 24.27 must not award a grant or a loan to a disqualified individual or disqualified business.

24.28 (b) For the purposes of this subdivision disqualified individual means ~~an individual who:~~

24.29 (1) an individual who or an individual whose immediate family member made a  
 24.30 contribution to the account in the current or prior taxable year and received a credit certificate;

24.31 (2) an individual who or an individual whose immediate family member owns the housing  
 24.32 for which the grant or loan will be used ~~and is using that housing as their domicile;~~

25.1 (3) an individual who meets the following criteria:

25.2 (i) the individual is an officer or principal of a business entity; and

25.3 (ii) that business entity made a contribution to the account in the current or previous  
25.4 taxable year and received a credit certificate; or

25.5 (4) an individual who meets the following criteria:

25.6 (i) the individual directly owns, controls, or holds the power to vote 20 percent or more  
25.7 of the outstanding securities of a business entity; and

25.8 (ii) that business entity made a contribution to the account in the current or previous  
25.9 taxable year and received a credit certificate.

25.10 (c) For the purposes of this subdivision disqualified business means a business entity  
25.11 that:

25.12 (1) made a contribution to the account in the current or prior taxable year and received  
25.13 a credit certificate;

25.14 (2) has an officer or principal who is an individual who made a contribution to the  
25.15 account in the current or previous taxable year and received a credit certificate; or

25.16 (3) meets the following criteria:

25.17 (i) the business entity is directly owned, controlled, or is subject to the power to vote 20  
25.18 percent or more of the outstanding securities by an individual or business entity; and

25.19 (ii) that controlling individual or business entity made a contribution to the account in  
25.20 the current or previous taxable year and received a credit certificate.

25.21 (d) ~~The disqualifications in paragraphs (b) and (c) apply if the taxpayer would be~~  
25.22 ~~disqualified either individually or in combination with one or more members of the taxpayer's~~  
25.23 ~~family, as defined in the Internal Revenue Code, section 267(e)(4). For purposes of this~~  
25.24 ~~subdivision, "immediate family" means the taxpayer's spouse, parent or parent's spouse,~~  
25.25 ~~sibling or sibling's spouse, or child or child's spouse. For a married couple filing a joint~~  
25.26 ~~return, the limitations in this paragraph subdivision apply collectively to the taxpayer and~~  
25.27 ~~spouse. For purposes of determining the ownership interest of a taxpayer under paragraph~~  
25.28 ~~(a), clause (4), the rules under sections 267(c) and 267(e) of the Internal Revenue Code~~  
25.29 ~~apply.~~

25.30 (e) Before applying for a grant or loan, all recipients must sign a disclosure that the  
25.31 disqualifications under this subdivision do not apply. The Minnesota Housing Finance

26.1 Agency must prescribe the form of the disclosure. The Minnesota Housing Finance Agency  
 26.2 may rely on the disclosure to determine the eligibility of recipients under paragraph (a).

26.3 (f) The agency may award grants or loans to a city as defined in section 462A.03,  
 26.4 subdivision 21; a federally recognized American Indian tribe or subdivision located in  
 26.5 Minnesota; a tribal housing corporation; a private developer; a nonprofit organization; a  
 26.6 housing and redevelopment authority under sections 469.001 to 469.047; a public housing  
 26.7 authority or agency authorized by law to exercise any of the powers granted by sections  
 26.8 469.001 to 469.047; or the owner of the housing. The provisions of subdivision 2, and  
 26.9 paragraphs (a) to (e) and (g) of this subdivision, regarding the use of funds and eligible  
 26.10 recipients apply to grants and loans awarded under this paragraph.

26.11 (g) ~~Except for the set-aside provided in subdivision 2, paragraph (d),~~ Eligible recipients  
 26.12 must use the funds to serve households that meet the income limits as provided in section  
 26.13 462A.33, subdivision 5.

26.14 Sec. 25. Minnesota Statutes 2023 Supplement, section 473.145, is amended to read:

26.15 **473.145 DEVELOPMENT GUIDE.**

26.16 (a) The Metropolitan Council must prepare and adopt, after appropriate study and such  
 26.17 public hearings as may be necessary, a comprehensive development guide for the  
 26.18 metropolitan area. It must consist of a compilation of policy statements, goals, standards,  
 26.19 programs, and maps prescribing guides for the orderly and economical development, public  
 26.20 and private, of the metropolitan area. The comprehensive development guide must recognize  
 26.21 and encompass physical, social, or economic needs of the metropolitan area and those future  
 26.22 developments which will have an impact on the entire area including but not limited to such  
 26.23 matters as land use, climate mitigation and adaptation, parks and open space land needs,  
 26.24 the necessity for and location of airports, highways, transit facilities, public hospitals,  
 26.25 libraries, schools, and other public buildings.

26.26 (b) For the purposes of this section, "climate mitigation and adaptation" includes  
 26.27 mitigation goals and strategies that meet or exceed the greenhouse gas emissions-reduction  
 26.28 goals established by the state under section 216H.02, subdivision 1, and transportation  
 26.29 targets established by the commissioner of transportation, including vehicle miles traveled  
 26.30 reduction targets established in the statewide multimodal transportation plan under section  
 26.31 174.03, subdivision 1a, as well as plans and policies to address climate adaptation in the  
 26.32 region. The commissioner of transportation must consult with the Metropolitan Council on  
 26.33 transportation targets prior to establishing the targets.

27.1 (c) Notwithstanding any other provision of law, no decision adopting or authorizing a  
 27.2 comprehensive plan shall be subject to the requirements of chapter 116D. Nothing in this  
 27.3 paragraph exempts individual projects, as defined by Minnesota Rules, part 4410.0200,  
 27.4 subpart 65, from the requirements of chapter 116D and applicable rules.

27.5 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
 27.6 final enactment and applies to all comprehensive plans and amendments adopted by any  
 27.7 local governmental unit, as defined under Minnesota Statutes, section 473.852, subdivision  
 27.8 7, and authorized by the Metropolitan Council during the most recent decennial review  
 27.9 under Minnesota Statutes, section 473.864, and for subsequent reviews under Minnesota  
 27.10 Statutes, section 473.864, thereafter. This section applies in the counties of Anoka, Carver,  
 27.11 Dakota, Hennepin, Ramsey, Scott, and Washington.

27.12 Sec. 26. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 2, is amended  
 27.13 to read:

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

27.16 ~~(+)~~ (b) "City distribution factor" means the number of households in a tier I city that are  
 27.17 cost-burdened divided by the total number of households that are cost-burdened in tier I  
 27.18 cities. The number of cost-burdened households shall be determined using the most recent  
 27.19 estimates or experimental estimates provided by the American Community Survey of the  
 27.20 United States Census Bureau as of May 1 of the aid calculation year;

27.21 ~~(2)~~ (c) "Cost-burdened household" means a household in which gross rent is 30 percent  
 27.22 or more of household income or in which homeownership costs are 30 percent or more of  
 27.23 household income;

27.24 ~~(3)~~ (d) "County distribution factor" means the number of households in a county that  
 27.25 are cost-burdened divided by the total number of households in metropolitan counties that  
 27.26 are cost-burdened. The number of cost-burdened households shall be determined using the  
 27.27 most recent estimates or experimental estimates provided by the American Community  
 27.28 Survey of the United States Census Bureau as of May 1 of the aid calculation year;

27.29 (e) "Locally funded housing expenditures" means expenditures of the aid recipient,  
 27.30 including expenditures by a public corporation or legal entity created by the aid recipient,  
 27.31 that are:

28.1 (1) funded from the recipient's general fund, a property tax levy of the recipient or its  
 28.2 housing and redevelopment authority, or unrestricted money available to the recipient, but  
 28.3 not including tax increments; and

28.4 (2) expended on one of the following qualifying activities:

28.5 (i) financial assistance to residents in arrears on rent, mortgage, utilities, or property tax  
 28.6 payments;

28.7 (ii) support services, case management services, and legal services for residents in arrears  
 28.8 on rent, mortgage, utilities, or property tax payments;

28.9 (iii) down payment assistance or homeownership education, counseling, and training;

28.10 (iv) acquisition, construction, rehabilitation, adaptive reuse, improvement, financing,  
 28.11 and infrastructure of residential dwellings;

28.12 (v) costs of operating emergency shelter, transitional housing, supportive housing, or  
 28.13 publicly owned housing, including costs of providing case management services and support  
 28.14 services; and

28.15 (vi) rental assistance.

28.16 ~~(4)~~ (f) "Metropolitan area" has the meaning given in section 473.121, subdivision 2;

28.17 ~~(5)~~ (g) "Metropolitan county" has the meaning given in section 473.121, subdivision 4;

28.18 ~~(6)~~ (h) "Population" has the meaning given in section 477A.011, subdivision 3; and

28.19 ~~(7)~~ (i) "Tier I city" means a statutory or home rule charter city that is a city of the first,  
 28.20 second, or third class and is located in a metropolitan county.

28.21 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

28.22 Sec. 27. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 4, is amended  
 28.23 to read:

28.24 Subd. 4. **Qualifying projects.** (a) Qualifying projects ~~shall~~ include:

28.25 (1) emergency rental assistance for households earning less than 80 percent of area  
 28.26 median income as determined by the United States Department of Housing and Urban  
 28.27 Development;

28.28 (2) financial support to nonprofit affordable housing providers in their mission to provide  
 28.29 safe, dignified, affordable and supportive housing; ~~and~~

29.1 (3) projects designed for the purpose of construction, acquisition, rehabilitation,  
29.2 demolition or removal of existing structures, construction financing, permanent financing,  
29.3 interest rate reduction, refinancing, and gap financing of housing to provide affordable  
29.4 housing to households that have incomes which do not exceed, for homeownership projects,  
29.5 115 percent of the greater of state or area median income as determined by the United States  
29.6 Department of Housing and Urban Development, and for rental housing projects, 80 percent  
29.7 of the greater of state or area median income as determined by the United States Department  
29.8 of Housing and Urban Development, except that the housing developed or rehabilitated  
29.9 with funds under this section must be affordable to the local work force;

29.10 (4) financing the operations and management of financially distressed residential  
29.11 properties;

29.12 (5) funding of supportive services or staff of supportive services providers for supportive  
29.13 housing as defined by section 462A.37, subdivision 1. Financial support to nonprofit housing  
29.14 providers to finance supportive housing operations may be awarded as a capitalized reserve  
29.15 or as an award of ongoing funding; and

29.16 (6) costs of operating emergency shelter facilities, including the costs of providing  
29.17 services.

29.18 ~~Projects shall be prioritized~~ (b) Recipients must prioritize projects that provide affordable  
29.19 housing to households that have incomes which do not exceed, for homeownership projects,  
29.20 80 percent of the greater of state or area median income as determined by the United States  
29.21 Department of Housing and Urban Development, and for rental housing projects, 50 percent  
29.22 of the greater of state or area median income as determined by the United States Department  
29.23 of Housing and Urban Development. Priority may be given to projects that: reduce disparities  
29.24 in home ownership; reduce housing cost burden, housing instability, or homelessness;  
29.25 improve the habitability of homes; create accessible housing; or create more energy- or  
29.26 water-efficient homes.

29.27 ~~(b)~~ (c) Gap financing is either:

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

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

30.1 ~~(e)~~ (d) If aid under this section is used for demolition or removal of existing structures,  
 30.2 the cleared land must be used for the construction of housing to be owned or rented by  
 30.3 persons who meet the income limits of paragraph (a).

30.4 ~~(d)~~ (e) If an aid recipient uses the aid on new construction ~~or substantial rehabilitation~~  
 30.5 of a building containing more than four units, the loan recipient must construct, convert, or  
 30.6 otherwise adapt the building to include:

30.7 (1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are  
 30.8 accessible units, ~~as defined by section 1002 of the current State Building Code Accessibility~~  
 30.9 ~~Provisions for Dwelling Units in Minnesota, and include~~ and each accessible unit includes  
 30.10 at least one roll-in shower, water closet, and kitchen work surface meeting the requirements  
 30.11 of section 1002 of the current State Building Code Accessibility Provisions for Dwelling  
 30.12 Units in Minnesota; and

30.13 (2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are  
 30.14 sensory-accessible units that include:

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

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

30.17 (C) low-fume paint;

30.18 (D) low-chemical carpet; and

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

30.20 Nothing in this paragraph relieves a project funded by this section from meeting other  
 30.21 applicable accessibility requirements.

30.22 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

30.23 Sec. 28. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 5, is amended  
 30.24 to read:

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

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

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

31.1 Funds transferred to a local housing trust fund under this paragraph must be spent on a  
 31.2 project or household that meets the affordability requirements of subdivision 4, paragraph  
 31.3 (a).

31.4 (b) Funds must be spent by December 31 in the third year following the year after the  
 31.5 aid was received. The requirements of this paragraph are satisfied if funds are:

31.6 (1) committed to a qualifying project by December 31 in the third year following the  
 31.7 year after the aid was received; and

31.8 (2) expended by December 31 in the fourth year following the year after the aid was  
 31.9 received.

31.10 (c) An aid recipient may not use aid money to reimburse itself for prior expenditures.

31.11 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

31.12 Sec. 29. Minnesota Statutes 2023 Supplement, section 477A.35, is amended by adding a  
 31.13 subdivision to read:

31.14 **Subd. 5a. Conditions for receipt.** (a) As a condition of receiving aid under this section,  
 31.15 a recipient must commit to using funds to supplement, not supplant, existing locally funded  
 31.16 housing expenditures, so that the recipient is using the funds to create new or to expand  
 31.17 existing housing programs.

31.18 (b) In the annual report required under subdivision 6, a recipient must certify its  
 31.19 compliance with this subdivision, including an accounting of locally funded housing  
 31.20 expenditures in the prior fiscal year. In a tier I city's or county's first report to the Minnesota  
 31.21 Housing Finance Agency, it must document its locally funded housing expenditures in the  
 31.22 two prior fiscal years. If a recipient reduces one of its locally funded housing expenditures,  
 31.23 the recipient must detail the expenditure, the amount of the reduction, and the reason for  
 31.24 the reduction. The certification required under this paragraph must be made available publicly  
 31.25 on the website of the recipient.

31.26 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

31.27 Sec. 30. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 6, is amended  
 31.28 to read:

31.29 **Subd. 6. Administration.** (a) The commissioner of revenue must compute the amount  
 31.30 of aid payable to each tier I city and county under this section. By August 1 of each year,  
 31.31 the commissioner must certify the distribution factors of each tier I city and county to be

32.1 used in the following year. The commissioner must pay local affordable housing aid annually  
 32.2 at the times provided in section 477A.015, distributing the amounts available on the  
 32.3 immediately preceding June 1 under the accounts established in section 477A.37, subdivisions  
 32.4 2 and 3.

32.5 (b) Beginning in 2025, tier I cities and counties shall submit a report annually, no later  
 32.6 than December 1 of each year, to the Minnesota Housing Finance Agency. The report must  
 32.7 include documentation of the location of any unspent funds distributed under this section  
 32.8 and of qualifying projects completed or planned with funds under this section. If a tier I  
 32.9 city or county fails to submit a report, if a tier I city or county fails to spend funds within  
 32.10 the timeline imposed under subdivision 5, paragraph (b), ~~or~~ if a tier I city or county uses  
 32.11 funds for a project that does not qualify under this section, or if a tier I city or county fails  
 32.12 to meet its requirements of subdivision 5a, the Minnesota Housing Finance Agency shall  
 32.13 notify the Department of Revenue and the cities and counties that must repay funds under  
 32.14 paragraph (c) by February 15 of the following year.

32.15 (c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, a  
 32.16 tier I city or county must pay to the Minnesota Housing Finance Agency funds the city or  
 32.17 county received under this section if the city or county:

- 32.18 (1) fails to spend the funds within the time allowed under subdivision 5, paragraph (b);  
 32.19 (2) spends the funds on anything other than a qualifying project; ~~or~~  
 32.20 (3) fails to submit a report documenting use of the funds; or  
 32.21 (4) fails to meet the requirements of subdivision 5a.

32.22 (d) The commissioner of revenue must stop distributing funds to a tier I city or county  
 32.23 that requests in writing that the commissioner stop payment or that, in three consecutive  
 32.24 years, the Minnesota Housing Finance Agency has reported, pursuant to paragraph (b), to  
 32.25 have failed to use funds, misused funds, or failed to report on its use of funds. A request to  
 32.26 stop payment under this paragraph must be submitted to the commissioner in the form and  
 32.27 manner prescribed by the commissioner on or before May 1 of the aids payable year the  
 32.28 aid recipient wants the commissioner to stop payment of aid. The commissioner shall not  
 32.29 stop payment based on a request received after May 1 until the next aids payable year.

32.30 (e) The commissioner may resume distributing funds to a tier I city or county to which  
 32.31 the commissioner has stopped payments in the year following the August 1 after the  
 32.32 Minnesota Housing Finance Agency certifies that the city or county has submitted  
 32.33 documentation of plans for a qualifying project. The commissioner may resume distributing

33.1 funds to a tier I city or county to which the commissioner has stopped payments at the  
 33.2 request of the city or county in the year following the August 1 after the Minnesota Housing  
 33.3 Finance Agency certifies that the city or county has submitted documentation of plans for  
 33.4 a qualifying project.

33.5 (f) By June 1, any funds paid to the Minnesota Housing Finance Agency under paragraph  
 33.6 (c) must be deposited in the housing development fund. Funds deposited under this paragraph  
 33.7 are appropriated to the commissioner of the Minnesota Housing Finance Agency for use  
 33.8 on the family homeless prevention and assistance program under section 462A.204, the  
 33.9 economic development and housing challenge program under section 462A.33, and the  
 33.10 workforce and affordable homeownership development program under section 462A.38.

33.11 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2025.

33.12 Sec. 31. Minnesota Statutes 2023 Supplement, section 477A.36, subdivision 1, as amended  
 33.13 by Laws 2024, chapter 76, section 4, is amended to read:

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

33.16 ~~(1)~~ (b) "City distribution factor" means the number of households in a tier I city that are  
 33.17 cost-burdened divided by the total number of households that are cost-burdened in Minnesota  
 33.18 tier I cities. The number of cost-burdened households shall be determined using the most  
 33.19 recent estimates or experimental estimates provided by the American Community Survey  
 33.20 of the United States Census Bureau as of May 1 of the aid calculation year;

33.21 ~~(2)~~ (c) "Cost-burdened household" means a household in which gross rent is 30 percent  
 33.22 or more of household income or in which homeownership costs are 30 percent or more of  
 33.23 household income;

33.24 ~~(3)~~ (d) "County distribution factor" means the number of households in a county that  
 33.25 are cost-burdened divided by the total number of households in Minnesota that are  
 33.26 cost-burdened. The number of cost-burdened households shall be determined using the most  
 33.27 recent estimates or experimental estimates provided by the American Community Survey  
 33.28 of the United States Census Bureau as of May 1 of the aid calculation year;

33.29 ~~(4)~~ (e) "Eligible Tribal Nation" means any of the 11 federally recognized Indian Tribes  
 33.30 located in Minnesota which submit an application under subdivision 6, paragraph (g);

33.31 (f) "Locally funded housing expenditures" means expenditures of the aid recipient,  
 33.32 including expenditures by a public corporation or legal entity created by the aid recipient,  
 33.33 that are:

34.1 (1) funded from the recipient's general fund, a property tax levy of the recipient or its  
 34.2 housing and redevelopment authority, or unrestricted money available to the recipient, but  
 34.3 not including tax increments; and

34.4 (2) expended on one of the following qualifying activities:

34.5 (i) financial assistance to residents in arrears on rent, mortgage, utilities, or property tax  
 34.6 payments;

34.7 (ii) support services, case management services, and legal services for residents in arrears  
 34.8 on rent, mortgage, utilities, or property tax payments;

34.9 (iii) down payment assistance or homeownership education, counseling, and training;

34.10 (iv) acquisition, construction, rehabilitation, adaptive reuse, improvement, financing,  
 34.11 and infrastructure of residential dwellings;

34.12 (v) costs of operating emergency shelter, transitional housing, supportive housing, or  
 34.13 publicly owned housing, including costs of providing case management services and support  
 34.14 services; and

34.15 (vi) rental assistance.

34.16 ~~(5)~~ (g) "Population" has the meaning given in section 477A.011, subdivision 3.

34.17 ~~(6)~~ (h) "Tier I city" means a statutory or home rule charter city that is a city of the first,  
 34.18 second, or third class and is not located in a metropolitan county, as defined by section  
 34.19 473.121, subdivision 4; and.

34.20 ~~(7)~~ (i) "Tier II city" means a statutory or home rule charter city that is a city of the fourth  
 34.21 class and is not located in a metropolitan county, as defined by section 473.121, subdivision  
 34.22 4.

34.23 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

34.24 Sec. 32. Minnesota Statutes 2023 Supplement, section 477A.36, subdivision 4, is amended  
 34.25 to read:

34.26 Subd. 4. **Qualifying projects.** (a) Qualifying projects shall include:

34.27 (1) emergency rental assistance for households earning less than 80 percent of area  
 34.28 median income as determined by the United States Department of Housing and Urban  
 34.29 Development;

34.30 (2) financial support to nonprofit affordable housing providers in their mission to provide  
 34.31 safe, dignified, affordable and supportive housing;

35.1 (3) outside the metropolitan counties as defined in section 473.121, subdivision 4,  
 35.2 development of market rate residential rental properties, as defined in section 462A.39,  
 35.3 subdivision 2, paragraph (d), if the relevant unit of government submits with the report  
 35.4 required under subdivision 6 a resolution and supporting documentation showing that the  
 35.5 area meets the requirements of section 462A.39, subdivision 4, paragraph (a); ~~and~~

35.6 (4) projects designed for the purpose of construction, acquisition, rehabilitation,  
 35.7 demolition or removal of existing structures, construction financing, permanent financing,  
 35.8 interest rate reduction, refinancing, and gap financing of housing to provide affordable  
 35.9 housing to households that have incomes which do not exceed, for homeownership projects,  
 35.10 115 percent of the greater of state or area median income as determined by the United States  
 35.11 Department of Housing and Urban Development and, for rental housing projects, 80 percent  
 35.12 of the greater of state or area median income as determined by the United States Department  
 35.13 of Housing and Urban Development, except that the housing developed or rehabilitated  
 35.14 with funds under this section must be affordable to the local work force;

35.15 (5) financing the operations and management of financially distressed residential  
 35.16 properties;

35.17 (6) funding of supportive services or staff of supportive services providers for supportive  
 35.18 housing as defined in section 462A.37, subdivision 1. Financial support to nonprofit housing  
 35.19 providers to finance supportive housing operations may be awarded as a capitalized reserve  
 35.20 or as an award of ongoing funding; and

35.21 (7) costs of operating emergency shelter facilities, including the costs of providing  
 35.22 services.

35.23 ~~Projects shall be prioritized~~ (b) Recipients must prioritize projects that provide affordable  
 35.24 housing to households that have incomes that do not exceed, for homeownership projects,  
 35.25 80 percent of the greater of state or area median income as determined by the United States  
 35.26 Department of Housing and Urban Development, and for rental housing projects, 50 percent  
 35.27 of the greater of state or area median income as determined by the United States Department  
 35.28 of Housing and Urban Development. Priority may be given to projects that: reduce disparities  
 35.29 in home ownership; reduce housing cost burden, housing instability, or homelessness;  
 35.30 improve the habitability of homes; create accessible housing; or create more energy- or  
 35.31 water-efficient homes.

35.32 ~~(b)~~ (c) Gap financing is either:

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

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

36.3 ~~(e)~~ (d) If aid under this section is used for demolition or removal of existing structures,  
36.4 the cleared land must be used for the construction of housing to be owned or rented by  
36.5 persons who meet the income limits of paragraph (a).

36.6 ~~(d)~~ (e) If an aid recipient uses the aid on new construction ~~or substantial rehabilitation~~  
36.7 of a building containing more than four units, the loan recipient must construct, convert, or  
36.8 otherwise adapt the building to include:

36.9 (1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are  
36.10 accessible units, ~~as defined by section 1002 of the current State Building Code Accessibility~~  
36.11 ~~Provisions for Dwelling Units in Minnesota, and include~~ and each accessible unit includes  
36.12 at least one roll-in shower, water closet, and kitchen work surface meeting the requirements  
36.13 of section 1002 of the current State Building Code Accessibility Provisions for Dwelling  
36.14 Units in Minnesota; and

36.15 (2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are  
36.16 sensory-accessible units that include:

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

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

36.19 (C) low-fume paint;

36.20 (D) low-chemical carpet; and

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

36.22 Nothing in this paragraph relieves a project funded by this section from meeting other  
36.23 applicable accessibility requirements.

36.24 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

36.25 Sec. 33. Minnesota Statutes 2023 Supplement, section 477A.36, subdivision 5, is amended  
36.26 to read:

36.27 Subd. 5. **Use of proceeds.** (a) Any funds distributed under this section must be spent on  
36.28 a qualifying project. If a tier I city or county demonstrates to the Minnesota Housing Finance  
36.29 Agency that the tier I city or county cannot expend funds on a qualifying project by the  
36.30 deadline imposed by paragraph (b) due to factors outside the control of the tier I city or  
36.31 county, funds shall be considered spent on a qualifying project if the funds are transferred

37.1 to a local housing trust fund. Funds transferred to a local housing trust fund must be spent  
37.2 on a project or household that meets the affordability requirements of subdivision 4,  
37.3 paragraph (a).

37.4 ~~(b) Any funds must be returned to the commissioner of revenue if the funds are not spent~~  
37.5 ~~by December 31 in the third year following the year after the aid was received. Funds must~~  
37.6 ~~be spent by December 31 in the third year following the year after the aid was received.~~

37.7 The requirements of this paragraph are satisfied if funds are:

37.8 (1) committed to a qualifying project by December 31 in the third year following the  
37.9 year after the aid was received; and

37.10 (2) expended by December 31 in the fourth year following the year after the aid was  
37.11 received.

37.12 (c) An aid recipient may not use aid funds to reimburse itself for prior expenditures.

37.13 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

37.14 Sec. 34. Minnesota Statutes 2023 Supplement, section 477A.36, is amended by adding a  
37.15 subdivision to read:

37.16 Subd. 5a. **Conditions for receipt.** (a) As a condition of receiving aid under this section,  
37.17 a recipient must commit to using money to supplement, not supplant, existing locally funded  
37.18 housing expenditures, so that the recipient is using the funds to create new or to expand  
37.19 existing housing programs.

37.20 (b) In the annual report required under subdivision 6, a recipient must certify compliance  
37.21 with this subdivision, including an accounting of locally funded housing expenditures in  
37.22 the prior fiscal year. In an aid recipient's first report to the Minnesota Housing Finance  
37.23 Agency, the aid recipient must document its locally funded housing expenditures in the two  
37.24 prior fiscal years. If a recipient reduces one of its locally funded housing expenditures, the  
37.25 recipient must detail the expenditure, the amount of the reduction, and the reason for the  
37.26 reduction. The certification required under this paragraph must be made available publicly  
37.27 on the recipient's website.

37.28 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

38.1 Sec. 35. Minnesota Statutes 2023 Supplement, section 477A.36, subdivision 6, as amended  
38.2 by Laws 2024, chapter 76, section 5, is amended to read:

38.3 Subd. 6. **Administration.** (a) The commissioner of revenue must compute the amount  
38.4 of aid payable to each aid recipient under this section. Beginning with aids payable in  
38.5 calendar year 2024, before computing the amount of aid for counties and after receiving  
38.6 the report required by subdivision 3, paragraph (e), the commissioner shall compute the  
38.7 amount necessary to increase the amount in the account or accounts established under that  
38.8 paragraph to \$1,250,000. The amount calculated under the preceding sentence shall be  
38.9 deducted from the amount available to counties for the purposes of certifying the amount  
38.10 of aid to be paid to counties in the following year. By August 1 of each year, the  
38.11 commissioner must certify the amount to be paid to each tier I city and county in the  
38.12 following year. The commissioner must pay statewide local housing aid to tier I cities and  
38.13 counties annually at the times provided in section 477A.015. Before paying the first  
38.14 installment of aid annually, the commissioner of revenue shall transfer to the Minnesota  
38.15 Housing Finance Agency from the funds available for counties, for deposit in the account  
38.16 or accounts established under subdivision 3, paragraph (e), the amount computed in the  
38.17 prior year to be necessary to increase the amount in the account or accounts established  
38.18 under that paragraph to \$1,250,000.

38.19 (b) Beginning in 2025, aid recipients shall submit a report annually, no later than  
38.20 December 1 of each year, to the Minnesota Housing Finance Agency. The report shall  
38.21 include documentation of the location of any unspent funds distributed under this section  
38.22 and of qualifying projects completed or planned with funds under this section. If an aid  
38.23 recipient fails to submit a report, fails to spend funds within the timeline imposed under  
38.24 subdivision 5, paragraph (b), ~~or~~ uses funds for a project that does not qualify under this  
38.25 section, or if an aid recipient fails to meet the requirements of subdivision 5a, the Minnesota  
38.26 Housing Finance Agency shall notify the Department of Revenue and the aid recipient must  
38.27 repay funds under paragraph (c) by February 15 of the following year.

38.28 (c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, an  
38.29 aid recipient must pay to the Minnesota Housing Finance Agency funds the aid recipient  
38.30 received under this section if the aid recipient:

38.31 (1) fails to spend the funds within the time allowed under subdivision 5, paragraph (b);

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

38.33 (3) fails to submit a report documenting use of the funds; or

38.34 (4) fails to meet the requirements of subdivision 5a.

39.1 (d) The commissioner of revenue must stop distributing funds to an aid recipient that  
39.2 requests in writing that the commissioner stop payment or that the Minnesota Housing  
39.3 Finance Agency reports to have, in three consecutive years, failed to use funds, misused  
39.4 funds, or failed to report on its use of funds. A request to stop payment under this paragraph  
39.5 must be submitted to the commissioner in the form and manner prescribed by the  
39.6 commissioner on or before May 1 of the aids payable year the aid recipient wants the  
39.7 commissioner to stop payment of aid. The commissioner shall not stop payment based on  
39.8 a request received after May 1 until the next aids payable year.

39.9 (e) The commissioner may resume distributing funds to an aid recipient to which the  
39.10 commissioner has stopped payments in the year following the August 1 after the Minnesota  
39.11 Housing Finance Agency certifies that the city or county has submitted documentation of  
39.12 plans for a qualifying project. The commissioner may resume distributing funds to an aid  
39.13 recipient to which the commissioner has stopped payments at the request of the recipient  
39.14 in the year following the August 1 after the Minnesota Housing Finance Agency certifies  
39.15 that the recipient has submitted documentation of plans for a qualifying project.

39.16 (f) By June 1, any funds paid to the Minnesota Housing Finance Agency under paragraph  
39.17 (c) must be deposited in the housing development fund. Funds deposited under this paragraph  
39.18 are appropriated to the commissioner of the Minnesota Housing Finance Agency for use  
39.19 on the family homeless prevention and assistance program under section 462A.204, the  
39.20 economic development and housing challenge program under section 462A.33, and the  
39.21 workforce and affordable homeownership development program under section 462A.38.

39.22 (g) An eligible Tribal Nation may choose to receive an aid distribution under this section  
39.23 by submitting an application under this subdivision. An eligible Tribal Nation which has  
39.24 not received a distribution in a prior aids payable year may elect to begin participation in  
39.25 the program by submitting an application in the manner and form prescribed by the  
39.26 commissioner of revenue by January 15 of the aids payable year. In order to receive a  
39.27 distribution, an eligible Tribal Nation must certify to the commissioner of revenue the most  
39.28 recent estimate of the total number of enrolled members of the eligible Tribal Nation. The  
39.29 information must be annually certified by March 1 in the form prescribed by the  
39.30 commissioner of revenue. The commissioner of revenue must annually calculate and certify  
39.31 the amount of aid payable to each eligible Tribal Nation on or before August 1 of the aids  
39.32 payable year. The commissioner of revenue must pay statewide local housing aid to eligible  
39.33 Tribal Nations annually by December 27 of the year the aid is certified.

39.34 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2025.

40.1 Sec. 36. [504B.505] DISCRIMINATION; HOUSING ASSISTANCE.

40.2 (a) A landlord must not discriminate against a tenant based on the tenant's use of federal,  
40.3 state, or local government rental assistance; a housing choice voucher program; or another  
40.4 form of public assistance that helps a tenant pay rent; or refuse to rent to a tenant because  
40.5 the landlord may be responsible for meeting the terms and conditions of a public assistance  
40.6 program. A landlord must not deny a tenant or prospective tenant a viewing or application  
40.7 for a rental unit, deny them the opportunity to rent a unit, or discriminate against a tenant  
40.8 or prospective tenant who uses rental assistance or a housing choice voucher. A landlord  
40.9 cannot advertise that they will not rent to a tenant who uses rental assistance or a housing  
40.10 choice voucher program.

40.11 (b) A violation of this section is an unfair discriminatory practice under section 363A.09,  
40.12 and an individual has all the rights and remedies available under chapter 363A.

40.13 **EFFECTIVE DATE.** This section is effective January 1, 2025.

40.14 Sec. 37. Laws 2023, chapter 37, article 1, section 2, subdivision 32, is amended to read:

40.15 Subd. 32. **Northland Foundation** 1,000,000 -0-

40.16 This appropriation is for a grant to Northland  
40.17 Foundation for use on expenditures authorized  
40.18 under Minnesota Statutes, section 462C.16,  
40.19 subdivision 3, to assist and support  
40.20 communities in providing housing locally, and  
40.21 ~~on~~ for assisting local governments to establish  
40.22 local or regional housing trust funds.

40.23 Northland Foundation may award grants and  
40.24 loans to other entities to expend on authorized  
40.25 expenditures under this section. This  
40.26 appropriation is onetime and available until  
40.27 June 30, 2025.

40.28 Sec. 38. Laws 2023, chapter 37, article 2, section 6, subdivision 1, is amended to read:

40.29 Subdivision 1. **Establishment.** The Minnesota Housing Finance Agency shall establish  
40.30 a community stabilization program to provide grants or loans to preserve naturally occurring  
40.31 affordable housing ~~through acquisition or rehabilitation~~ and support recapitalization of  
40.32 distressed buildings.

41.1 Sec. 39. Laws 2023, chapter 37, article 2, section 6, subdivision 2, is amended to read:

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

41.4 (b) "Naturally occurring affordable housing" means:

41.5 (1) multiunit rental housing that:

41.6 (i) is at least 20 years old;

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

41.10 (iii) does not currently have federal or state financing or tax credits that require income  
41.11 or rent restrictions, except for public housing, as defined in Section 9 of the Housing Act  
41.12 of 1937, that is part of a mixed-finance community; or

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

41.18 (2) single-family housing that is:

41.19 (i) one to four units;

41.20 (ii) located in communities where market pressures or significant deferred rehabilitation  
41.21 needs, as defined by the agency, create opportunities for displacement or the loss of  
41.22 owner-occupied or single-family rental housing; and

41.23 (iii) affordable to owner-occupied households at or below 115 percent or rental  
41.24 households at or below 80 percent of the greater of state or area median income as determined  
41.25 by the United States Department of Housing and Urban Development.

41.26 (c) "Distressed building" means an existing rental housing building in which the units  
41.27 are restricted to households at or below 60 percent of the area median income and that:

41.28 (1) is at imminent risk of foreclosure, closure, or sale that would result in permanent  
41.29 loss of affordability;

41.30 (2) has two or more years of negative net operating income, exclusive of financial or  
41.31 in-kind operating support from the owner of the property;

42.1 (3) has two or more years with a debt service coverage ratio less than one; or

42.2 (4) has necessary costs of repair, replacement, or maintenance that exceed the project  
42.3 reserves available for those purposes.

42.4 (d) "Recapitalization" means financing for the physical and financial needs of a distressed  
42.5 building, including restructuring and forgiveness of amortizing and deferred debt, principal  
42.6 and interest paydown, interest rate write-down, deferral of debt payments, mortgage payment  
42.7 forbearance, deferred maintenance and rehabilitation, funding of reserves, and property  
42.8 operating costs including but not limited to supportive services, security services, and  
42.9 property insurance. Recapitalization may include financing to sell or transfer ownership of  
42.10 a property to a qualified owner that will commit to long-term affordability as determined  
42.11 by the commissioner.

42.12 Sec. 40. Laws 2023, chapter 37, article 2, section 6, subdivision 4, is amended to read:

42.13 Subd. 4. **Eligible uses.** (a) The program shall provide grants or loans for the purpose of  
42.14 acquisition, rehabilitation, interest rate reduction, or gap financing of housing to support  
42.15 the preservation of naturally occurring affordable housing or recapitalization of distressed  
42.16 buildings.

42.17 (b) When awarding grants or loans for the acquisition or rehabilitation of naturally  
42.18 occurring affordable housing, priority in funding shall be given to proposals that serve  
42.19 lower-income households and maintain longer periods of affordability. Funding may be  
42.20 used to acquire single-family rental housing that is intended to be converted to affordable  
42.21 homeownership.

42.22 (c) When awarding grants or loans for the recapitalization of distressed buildings, to the  
42.23 extent practicable, priority in funding shall be given to the following:

42.24 (1) buildings where residents are at or below 30 percent of the area median income;

42.25 (2) buildings at imminent risk of foreclosure, closure, or sale that would result in  
42.26 permanent loss of affordability;

42.27 (3) operators who have a path to achieve neutral or positive net operating income within  
42.28 five years;

42.29 (4) operators who keep subject properties affordable; and

42.30 (5) buildings that are not eligible or not prioritized for other agency programs.

42.31 (d) The agency may establish funding limits per eligible recipient and require priority  
42.32 rankings of eligible recipient proposals.

43.1 (e) Funds may not be used for publicly owned housing.

43.2 Sec. 41. Laws 2023, chapter 37, article 2, section 6, subdivision 5, is amended to read:

43.3 Subd. 5. ~~Owner-occupied~~ **Single-family housing income limits.** Households served  
43.4 through grants or loans related to ~~owner-occupied~~ single-family housing must have, at initial  
43.5 occupancy, income that is at or below 115 percent of the greater of state or area median  
43.6 income as determined by the United States Department of Housing and Urban Development.

43.7 Sec. 42. Laws 2023, chapter 37, article 2, section 6, is amended by adding a subdivision  
43.8 to read:

43.9 Subd. 6a. **Private lender participation.** Prior to the commissioner executing a grant or  
43.10 loan agreement for recapitalization of private debt, a project owner must demonstrate  
43.11 receiving a meaningful amount, as determined by the commissioner, of restructuring and  
43.12 forgiveness of amortizing and deferred debt, principal and interest paydown, interest rate  
43.13 write-down, deferral of debt payments, and mortgage payment forbearance from a private  
43.14 lender.

43.15 Sec. 43. Laws 2023, chapter 37, article 2, section 6, is amended by adding a subdivision  
43.16 to read:

43.17 Subd. 9. **Report.** By February 15, 2025, and February 15, 2026, the commissioner shall  
43.18 submit a report to the chairs and ranking minority members of the legislative committees  
43.19 having jurisdiction over housing and homelessness. The report must include the number of  
43.20 applications received, the amount of funding requested, the grants awarded, and the number  
43.21 of affordable housing units preserved through awards under this section.

43.22 Sec. 44. Laws 2023, chapter 37, article 2, section 12, subdivision 2, is amended to read:

43.23 Subd. 2. **Eligible homebuyer.** For the purposes of this section, an "eligible homebuyer"  
43.24 means an individual:

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

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

43.29 ~~(3)~~ (2) who is financing the purchase of an eligible property with an interest-free,  
43.30 fee-based mortgage; and

44.1 ~~(4)~~(3) who is a first-time homebuyer as defined by Code of Federal Regulations, title  
44.2 24, section 92.2.

44.3 Sec. 45. Laws 2023, chapter 52, article 19, section 120, is amended to read:

44.4 Sec. 120. **EFFECTIVE DATE.**

44.5 Sections 117 ~~to~~ and 119 are effective January 1, 2024. Section 118 is effective January  
44.6 1, 2024, and applies to cases filed before, on, or after that date.

44.7 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2024.

44.8 Sec. 46. **SINGLE-EGRESS STAIRWAY APARTMENT BUILDING REPORT.**

44.9 The commissioner of labor and industry must evaluate conditions under which apartment  
44.10 buildings with a single means of egress above three stories up to 75 feet would achieve life  
44.11 safety outcomes equal to or superior to currently adopted codes. The commissioner must  
44.12 use research techniques that include smoke modeling, egress modeling, an analysis of fire  
44.13 loss history in jurisdictions that have already adopted similar provisions, and interviews  
44.14 with fire services regarding fire suppression and rescue techniques in such buildings. The  
44.15 commissioner shall consult with relevant stakeholders, including but not limited to the  
44.16 Minnesota Fire Chiefs Association, Minnesota Professional Firefighters Association, Fire  
44.17 Marshals Association of Minnesota, Association of Minnesota Building Officials, Housing  
44.18 First Minnesota, Center for Building in North America, and faculty from the relevant  
44.19 department of a university which grants degrees in fire protection engineering. In addition,  
44.20 the commissioner must also contextualize the life safety outcomes from the single-egress  
44.21 evaluation to life safety outcomes in other types of housing. The commissioner may contract  
44.22 with external experts or an independent third party to develop the report and perform other  
44.23 functions required of the commissioner under this section. The report must include  
44.24 recommendations for code updates for the single-egress buildings evaluated in this section.  
44.25 By December 31, 2025, the commissioner must report on the findings to the chairs and  
44.26 ranking minority members of the legislative committees with jurisdiction over housing and  
44.27 state building codes.

44.28 Sec. 47. **LOCALLY FUNDED HOUSING EXPENDITURE REPORT.**

44.29 By February 15, 2027, the commissioner of the Minnesota Housing Finance Agency  
44.30 shall report to the chairs and ranking minority members of the legislative policy and finance  
44.31 committees with jurisdiction over housing, on the reports received on locally funded housing

45.1 expenditures as required under Minnesota Statutes, sections 477A.35, subdivision 5a, and  
45.2 477A.36, subdivision 5a.

45.3 Sec. 48. **WORKING GROUP ON COMMON INTEREST COMMUNITIES AND**  
45.4 **HOMEOWNERS ASSOCIATIONS.**

45.5 Subdivision 1. **Creation; duties.** (a) A working group is created to study the prevalence  
45.6 and impact of common interest communities (CICs) and homeowners associations (HOAs)  
45.7 in Minnesota and how the existing laws regulating CICs and HOAs help homeowners and  
45.8 tenants access safe and affordable housing. The working group shall study:

45.9 (1) how many CICs and HOAs exist, how many people may reside in those housing  
45.10 units, and where they are located in the state;

45.11 (2) the governing documents commonly used by CICs and HOAs and whether the  
45.12 governing documents or common practices create barriers for participation by homeowners  
45.13 in the board of directors for CICs or HOAs;

45.14 (3) the fees and costs commonly associated with CICs and HOAs and how those fees  
45.15 have increased, including the cost of outside management, accounting, and attorney fees  
45.16 that are assessed to owners and residents;

45.17 (4) whether there should be uniform, statutory standards regarding fees, fines, and costs  
45.18 assessed to residents;

45.19 (5) how the organization and management of CICs and HOAs, including boards and  
45.20 management companies, impact the affordability of CICs and HOAs;

45.21 (6) the impact of CICs and HOAs on the housing market and housing costs;

45.22 (7) the racial disparity in homeownership as it relates to CICs and HOAs;

45.23 (8) the accessibility and affordability of CICs and HOAs for Minnesotans with disabilities;

45.24 (9) how other states regulate CICs and HOAs and best practices related to board  
45.25 transparency, dispute resolution, and foreclosures; and

45.26 (10) how the current laws governing CICs and HOAs may be consolidated and reformed  
45.27 for clarity and to improve the experience of homeowners and residents in CICs and HOAs.

45.28 (b) The focus and duties of the working group shall be to recommend legislative reforms  
45.29 or other methods to regulate CICs and HOAs, including the consolidation or recodification  
45.30 of existing chapters regulating CICs and HOAs.

45.31 Subd. 2. **Membership.** (a) The working group shall consist of the following:

46.1 (1) two members of the house of representatives, one appointed by the speaker of the  
46.2 house and one appointed by the minority leader;

46.3 (2) two members of the senate, one appointed by the senate majority leader and one  
46.4 appointed by the senate minority leader;

46.5 (3) one member from the Minnesota Homeownership Center;

46.6 (4) one member from the Community Associations Institute;

46.7 (5) one member from a business association that supports, educates, or provides services  
46.8 to CICs and HOAs in Minnesota designated by the commissioner of commerce;

46.9 (6) one member from a legal aid association familiar with housing laws and representing  
46.10 low-income clients designated by Mid-Minnesota Legal Assistance;

46.11 (7) one member from the Minnesota Association of Realtors;

46.12 (8) one member who is an attorney who regularly works advising homeowners or  
46.13 residents in CICs and HOAs and is familiar with the state foreclosure laws designed by the  
46.14 State Bar Association;

46.15 (9) one member who is an attorney who regularly works advising CIC and HOA boards  
46.16 designated by the State Bar Association;

46.17 (10) one member from a metropolitan area government who is familiar with issues  
46.18 homeowners and tenants face while living in CICs and HOAs in the metropolitan area  
46.19 designated by League of Minnesota Cities;

46.20 (11) the commissioner of the Minnesota Housing Finance Agency or the commissioner's  
46.21 designee;

46.22 (12) one member from the attorney general's office designated by the attorney general;

46.23 (13) one member designated by the North Country Cooperative Foundation and one  
46.24 member to be designated by the Senior Housing Cooperative;

46.25 (14) four members who are current or recent owners of a residence that is part of a CIC  
46.26 or HOA designated by the Housing Justice Center.

46.27 (b) Appointments and designations for members of the working group shall be made by  
46.28 July 1, 2024, and information about the appointed and designated members shall be provided  
46.29 by the commissioner of housing finance to the chairs and ranking minority members of the  
46.30 legislative committees with jurisdiction over housing no later than July 1, 2024.

47.1 Subd. 3. **Facilitation; organization; meetings.** (a) The Legislative Coordinating  
47.2 Commission shall facilitate the working group, provide administrative assistance, and  
47.3 convene the first meeting by July 15, 2024. Members of the working group may receive  
47.4 compensation and reimbursement for expenses as authorized by Minnesota Statutes, section  
47.5 15.059, subdivision 3.

47.6 (b) The working group must meet at regular intervals as often as necessary to accomplish  
47.7 the goals enumerated under subdivision 1. Meetings of the working group are subject to the  
47.8 Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

47.9 Subd. 4. **External consultation.** The working group shall consult with other individuals  
47.10 and organizations that have expertise and experience that may assist the working group in  
47.11 fulfilling its responsibilities, including entities engaging in additional external stakeholder  
47.12 input from those with experience living in CICs and HOAs as well as working with the  
47.13 board of directors for CICs and HOAs.

47.14 Subd. 5. **Report required.** The working group shall submit a final report by February  
47.15 1, 2025, to the chairs and ranking minority members of the legislative committees with  
47.16 jurisdiction over housing finance and policy, commerce, and real property. The report shall  
47.17 include recommendations and draft legislation based on the duties and focus for the working  
47.18 group provided in subdivision 1.

47.19 Subd. 6. **Expiration.** The working group expires upon submission of the final report in  
47.20 subdivision 5, or February 28, 2025, whichever is later.

47.21 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
47.22 expires March 1, 2025.

47.23 Sec. 49. **TASK FORCE ON LONG-TERM SUSTAINABILITY OF AFFORDABLE**  
47.24 **HOUSING.**

47.25 Subdivision 1. **Establishment.** A task force is established to evaluate issues and provide  
47.26 recommendations relating to affordable housing sustainability, including displacement of  
47.27 tenants, preservation of housing previously developed with public financing, and long-term  
47.28 sustainability of new housing developments.

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

47.30 (1) three members appointed by the commissioner of housing;

47.31 (2) one member with expertise in insurance regulation appointed by the commissioner  
47.32 of commerce;

- 48.1 (3) one member from a county that participates in the Interagency Stabilization Group  
48.2 appointed by the Association of Minnesota Counties;
- 48.3 (4) one member from a greater Minnesota county appointed by the Association of  
48.4 Minnesota Counties;
- 48.5 (5) one member with experience developing affordable rental housing appointed by the  
48.6 Metropolitan Consortium of Community Developers;
- 48.7 (6) one member with experience in operating affordable rental housing appointed by  
48.8 the Metropolitan Consortium of Community Developers;
- 48.9 (7) one member of the Minnesota Housing Partnership who has experience developing  
48.10 affordable rental housing;
- 48.11 (8) one member of the Minnesota Housing Partnership who has experience operating  
48.12 affordable rental housing;
- 48.13 (9) one member of the Minnesota Housing Partnership who has experience developing  
48.14 and operating affordable rental housing in greater Minnesota;
- 48.15 (10) one member with experience developing or operating for-profit affordable housing  
48.16 appointed by the Minnesota Multi-Housing Association;
- 48.17 (11) one member appointed by the Family Housing Fund;
- 48.18 (12) one member appointed by the Greater Minnesota Housing Fund;
- 48.19 (13) one member with experience in multifamily affordable housing lending appointed  
48.20 by the Minnesota Bankers Association;
- 48.21 (14) one member appointed by the Insurance Federation of Minnesota;
- 48.22 (15) one member appointed by the Twin Cities United Way;
- 48.23 (16) one member appointed by the speaker of the house;
- 48.24 (17) one member appointed by the house minority leader;
- 48.25 (18) one member appointed by the senate majority leader; and
- 48.26 (19) one member appointed by the senate minority leader.
- 48.27 (b) The appointing authorities must make the appointments by June 15, 2024.
- 48.28 Subd. 3. **Duties.** (a) The task force must assess underlying financial challenges to develop,  
48.29 operate, and preserve safe, affordable, and dignified housing, including;

49.1 (1) factors that are leading to increasing operating costs for affordable housing providers,  
49.2 including insurance availability and rates, labor costs, and security costs;

49.3 (2) factors that are leading to declining revenues for affordable housing providers, such  
49.4 as loss of rent and vacancy issues; and

49.5 (3) the potential impact of the loss of housing units under current conditions, including  
49.6 preservation needs of federally rent-assisted properties and tax credit developments with  
49.7 expiring contracts.

49.8 (b) The task force must evaluate current financing and administrative tools to develop,  
49.9 operate, and preserve safe and affordable housing, including:

49.10 (1) public and private financing programs, and the availability of funding as it relates  
49.11 to overall needs; and

49.12 (2) administrative tools including underwriting standards used by public and private  
49.13 housing funders and investors.

49.14 (c) The task force must evaluate financial or asset management practices of affordable  
49.15 housing providers and support for asset management functions by funder organizations.

49.16 (d) The task force must recommend potential solutions to develop and preserve safe and  
49.17 affordable housing, including:

49.18 (1) additional funding for existing programs and administrative tools;

49.19 (2) any new financial tools necessary to meet current financial challenges that cannot  
49.20 be met by existing state and local government or private program and administrative tools,  
49.21 including new uses, modified implementation, or other improvements to existing programs;  
49.22 and

49.23 (3) best practices for changes to financial or asset management practices of affordable  
49.24 housing providers and funders.

49.25 (e) The task force may address other topics as identified by task force members during  
49.26 the course of its work.

49.27 (f) The task force shall consult with other organizations that have expertise in affordable  
49.28 rental housing, including entities engaging in additional external stakeholder input from  
49.29 those with lived experience and administrators of emergency assistance, including  
49.30 Minnesota's Tribal nations.

50.1 Subd. 4. **Meetings.** (a) The Legislative Coordinating Commission must ensure the first  
50.2 meeting of the task force convenes no later than July 1, 2024, and must provide accessible  
50.3 physical or virtual meeting space as necessary for the task force to conduct its work.

50.4 (b) At its first meeting, the task force must elect a chair or cochair by a majority vote  
50.5 of those members present and may elect a vice-chair as necessary.

50.6 (c) The task force must establish a schedule for meetings and meet as necessary to  
50.7 accomplish the duties under subdivision 3.

50.8 (d) The task force is subject to the Minnesota Open Meeting Law under Minnesota  
50.9 Statutes, chapter 13D.

50.10 Subd. 5. **Report required.** By February 1, 2025, the task force must submit a report to  
50.11 the commissioner of the Minnesota Housing Finance Agency, the Interagency Stabilization  
50.12 Group, and the chairs and ranking minority members of the legislative committees having  
50.13 jurisdiction over housing finance and policy. At a minimum, the report must:

50.14 (1) summarize the activities of the task force;

50.15 (2) provide findings and recommendations adopted by the task force; and

50.16 (3) include any draft legislation to implement the recommendations.

50.17 Subd. 6. **Expiration.** The task force expires upon submission of the final  
50.18 recommendations required under subdivision 5.

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

50.20 Sec. 50. **REPORT ON SECTION 42 SENIOR RENTAL HOUSING.**

50.21 (a) The commissioner of the Minnesota Housing Finance Agency must gather data and  
50.22 produce a report on senior renters residing in properties financed by tax credits under Section  
50.23 42 of the Internal Revenue Code, and Section 42 properties. To the extent practicable, the  
50.24 commissioner must gather data from the past ten years and report on the:

50.25 (1) estimated number of Section 42 properties in which a majority of units are occupied  
50.26 by senior households;

50.27 (2) estimated number of senior households living in Section 42 properties and the  
50.28 estimated number of senior households living in Section 42 properties that are cost-burdened;

50.29 (3) amount of public resources allocated or awarded to construct Section 42 properties  
50.30 in which a majority of units are occupied by senior households;

51.1 (4) annual percentage changes in area median income, Social Security cost-of-living  
51.2 adjustments, and inflation; and

51.3 (5) number of times rents were increased to the maximum allowable under HUD  
51.4 guidelines in Section 42 properties in which a majority of units occupied by senior  
51.5 households.

51.6 (b) By January 15, 2025, the commissioner must report on the data gathered to the chairs  
51.7 and ranking minority members of the legislative committees with jurisdiction over housing  
51.8 finance. The commissioner must use existing financial resources to review and complete  
51.9 this report.

51.10 **Sec. 51. COMPREHENSIVE PLANS; METROPOLITAN AREA CITIES OF THE**  
51.11 **FIRST CLASS.**

51.12 Comprehensive plans adopted by cities of the first class in the metropolitan area, as  
51.13 defined under Minnesota Statutes, section 473.121, subdivision 2, and authorized by the  
51.14 Metropolitan Council for the most recent decennial review under Minnesota Statutes, section  
51.15 473.864, shall not constitute conduct that causes or is likely to cause pollution, impairment,  
51.16 or destruction as defined under Minnesota Statutes, section 116B.02, subdivision 5.

51.17 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
51.18 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
51.19 Scott, and Washington.

51.20 **Sec. 52. REVISOR INSTRUCTION.**

51.21 The revisor of statutes shall renumber Minnesota Statutes, section 462A.37, subdivision  
51.22 2i, as Minnesota Statutes, section 462A.37, subdivision 3a. The revisor shall also make  
51.23 necessary cross-reference changes in Minnesota Statutes.

51.24 **Sec. 53. REPEALER.**

51.25 (a) Minnesota Statutes 2022, section 462A.209, subdivision 8, is repealed.

51.26 (b) Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 1, is repealed.

51.27 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024."

51.28 Page 173, delete article 14 and insert:

52.1 "ARTICLE 14

52.2 EXPEDITING RENTAL ASSISTANCE

52.3 Section 1. [462A.2096] ANNUAL PROJECTION OF EMERGENCY RENTAL  
 52.4 ASSISTANCE NEEDS.

52.5 The agency must develop a projection of emergency rental assistance needs in  
 52.6 consultation with the commissioner of human services and representatives from county and  
 52.7 Tribal housing administrators and housing nonprofit agencies. The projection must identify  
 52.8 the amount of funding required to meet all emergency rental assistance needs, including  
 52.9 the family homelessness prevention and assistance program, the emergency assistance  
 52.10 program, and emergency general assistance. By January 15 each year, the commissioner  
 52.11 must submit a report on the projected need for emergency rental assistance to the chairs and  
 52.12 ranking minority members of the legislative committees having jurisdiction over housing  
 52.13 and human services finance and policy.

52.14 Sec. 2. EXPEDITING RENTAL ASSISTANCE; IMPLEMENTATION.

52.15 (a) For the purposes of this section, the following terms have the meanings given:

52.16 (1) "culturally responsive" means agencies, programs, and providers of services respond  
 52.17 respectfully and effectively to people of all cultures, languages, classes, races, ethnic  
 52.18 backgrounds, disabilities, religions, genders, sexual orientations, and other identities in a  
 52.19 manner that recognizes, values, and affirms differences and eliminates barriers to access;  
 52.20 and

52.21 (2) "trauma-informed" means to recognize that many people have experienced trauma  
 52.22 in their lifetime and that programs must be designed to respond to people with respect and  
 52.23 accommodate the needs of people who have or are currently experiencing trauma.

52.24 (b) In implementing the sections in this article, the commissioner of the Minnesota  
 52.25 Housing Finance Agency must ensure the work is culturally responsive and trauma-informed.

52.26 Sec. 3. DATA COLLECTION TO MEASURE TIMELINESS OF RENTAL  
 52.27 ASSISTANCE.

52.28 The commissioner of the Minnesota Housing Finance Agency must work with the  
 52.29 commissioner of human services to develop criteria for measuring the timeliness of  
 52.30 processing applications for rental assistance. The commissioner of the Minnesota Housing  
 52.31 Finance Agency must collect data to monitor application speeds of the family homelessness  
 52.32 prevention and assistance program and use the collected data to inform improvements to

53.1 application processing systems. By January 15, 2027, the commissioner of the Minnesota  
53.2 Housing Finance Agency must submit a report to the chairs and ranking minority members  
53.3 of the legislative committees having jurisdiction over housing finance and policy. The report  
53.4 must include analysis of the data collected and whether goals have been met to (1) process  
53.5 an emergency rental assistance application within two weeks of the receipt of a complete  
53.6 application, and (2) if approved, make payment to a landlord within 30 days of the receipt  
53.7 of a complete application.

53.8 **Sec. 4. E-SIGNATURE OPTIONS FOR RENTAL ASSISTANCE.**

53.9 The commissioner of the Minnesota Housing Finance Agency, working with the  
53.10 commissioner of human services, shall develop uniform e-signature options to be used in  
53.11 applications for the family homelessness prevention and assistance program. No later than  
53.12 June 30, 2026, the commissioner shall require administrators of the family homelessness  
53.13 prevention and assistance program to incorporate and implement the developed e-signature  
53.14 options. The commissioner must notify the chairs and ranking minority members of the  
53.15 legislative committees with jurisdiction over housing of the date when the e-signature options  
53.16 are implemented. A copy of this notification must also be filed with the Legislative Reference  
53.17 Library in compliance with Minnesota Statutes, section 3.195.

53.18 **Sec. 5. VERIFICATION PROCEDURES FOR RENTAL ASSISTANCE.**

53.19 (a) The commissioner of the Minnesota Housing Finance Agency, working with program  
53.20 administrators, must develop recommendations to simplify the process of verifying  
53.21 information in applications for the family homelessness prevention and assistance program.  
53.22 In developing recommendations, the commissioner must consider:

53.23 (1) allowing self-attestation of emergencies, assets, and income;

53.24 (2) allowing verbal authorization by applicants to allow emergency rental assistance  
53.25 administrators to communicate with landlords and utility providers regarding applications  
53.26 for assistance; and

53.27 (3) allowing landlords to apply for emergency rental assistance on tenants' behalf.

53.28 (b) The commissioner must:

53.29 (1) prepare recommendations and submit them to the chairs and ranking minority  
53.30 members of the legislative committees having jurisdiction over housing finance and policy  
53.31 by January 1, 2025;

53.32 (2) adopt any recommendations that have become law; and

54.1 (3) provide technical assistance to counties, Tribes, and other emergency rental assistance  
54.2 administrators to implement these recommendations.

54.3 (c) By January 13, 2025, the commissioner must report to the chairs and ranking minority  
54.4 members of the legislative committees with jurisdiction over housing detailing the proposed  
54.5 recommendations required by this section. By July 7, 2025, the commissioner must report  
54.6 to the chairs and ranking minority members of the legislative committees with jurisdiction  
54.7 over housing detailing the recommendations adopted as required by this section."

54.8 Renumber the sections in sequence and correct the internal references

54.9 Amend the title accordingly