

Subject Public corporation creation authorized for Rental Assistance
Demonstration program properties

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Overview

This bill authorizes housing and redevelopment authorities to create public corporations for the purpose of purchasing, owning, and operating properties converted under the federal Rental Assistance Demonstration (RAD) program.

The act is effective July 1, 2024.

Summary

Section	Description
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| 1 | Obligations of public corporations.
Technical change to clarify that the general law requiring the assets of dissolved public corporations to be state property does not apply to the new public corporations statute in section 3. |
| 2 | May be in LLP, LLC, or corporation; bound as if HRA.
Authorizes a housing and redevelopment authority to create a public corporation under section 3 for the purpose of purchasing, owning, and operating real property converted through the federal RAD program. |
| 3 | [469.0121] Public corporation; Rental Assistance Demonstration program.
Describes the powers and procedures for public corporations created for the purpose of purchasing, owning, and operating real property converted through the federal RAD program.

Subd. 1. Definitions. Defines the following terms for purposes of the section: “authority,” “board,” “corporation,” and “RAD.”

Subd. 2. Public corporation created. Authorizes an authority to create a public corporation to purchase, own, and operate real property that has been |

Section	Description
	<p>converted through the RAD program to preserve and improve public housing properties.</p> <p>Subd. 3. Corporation powers. Enumerates the public corporation powers. Powers relate to succession, litigation, acceptance of gifts and property, contracting, purchasing, and governance.</p> <p>Also authorizes the acquisition of properties converted under the RAD program, subject to restrictions and conditions compatible with funding acquisitions and improvements to real property with state general obligation bond proceeds as determined by the commissioner of management and budget.</p> <p>Subd. 4. Board of directors. States that the board of directors of the public corporation is comprised of a member of the city council from the city in which the corporation is incorporated, a commissioner of the housing and redevelopment authority that created the corporation, and the commissioner of the Minnesota Housing Finance Agency or the commissioner’s delegate. A director serves a term of six years. Vacancies are filled by the housing and redevelopment authority. Board members are not compensated except for reasonable expenses incurred in connection with their duties. The board is also authorized to annually elect a chair and other officers.</p> <p>Subd. 5. Bylaws. Authorizes the board of directors to adopt bylaws and rules.</p> <p>Subd. 6. Place of business. Requires the corporation’s place of business to be located and maintained in the city in which the authority that created the corporation is located.</p> <p>Subd. 7. Open meetings. Provides that board meetings are subject to the Open Meeting Law.</p> <p>Subd. 8. Compliance. Requires the corporation to comply with all laws, rules, ordinances, and other regulations required to own and operate properties as project-based rental assistance properties.</p> <p>Subd. 9. Dissolution. Specifies that the assets of the corporation become property of the authority that created the corporation in the event of dissolution.</p>
4	<p>Effective date. Provides that the act is effective July 1, 2024.</p>



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