

1.20

ARTICLE 1

1.21

HOUSING APPROPRIATIONS

1.22 Section 1. APPROPRIATIONS.

1.23 The sums shown in the columns marked "Appropriations" are appropriated to the agency
1.24 for the purposes specified in this article. The appropriations are from the general fund, or
1.25 another named fund, and are available for the fiscal years indicated for each purpose. The
1.26 figures "2024" and "2025" used in this article mean that the appropriations listed under them
1.27 are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The
1.28 first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is
1.29 fiscal years 2024 and 2025.

2.1

APPROPRIATIONS

2.2

Available for the Year

2.3

Ending June 30

2.4

2024 2025

2.5 Sec. 2. HOUSING FINANCE AGENCY

2.6 Subdivision 1. Total Appropriation \$ 607,998,000 \$ 457,298,000

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

2.10 (b) Unless otherwise specified, this
2.11 appropriation is for transfer to the housing
2.12 development fund for the programs specified
2.13 in this section. Except as otherwise indicated,
2.14 this transfer is part of the agency's permanent
2.15 budget base.

2.16 (c) No more than ten percent of any
2.17 appropriation under this section may be spent
2.18 on the administrative expenses of the agency.

2.19 Subd. 2. Challenge Program 37,925,000 37,925,000

1.14

ARTICLE 1

1.15

HOUSING APPROPRIATIONS

1.16 Section 1. APPROPRIATIONS.

1.17 The sums shown in the columns marked "Appropriations" are appropriated to the agency
1.18 for the purposes specified in this article. The appropriations are from the general fund, or
1.19 another named fund, and are available for the fiscal years indicated for each purpose. The
1.20 figures "2024" and "2025" used in this article mean that the appropriations listed under them
1.21 are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The
1.22 first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is
1.23 fiscal years 2024 and 2025.

1.24

APPROPRIATIONS

1.25

Available for the Year

1.26

Ending June 30

1.27

2024 2025

2.1 Sec. 2. HOUSING FINANCE AGENCY

2.2 Subdivision 1. Total Appropriation \$ 811,048,000 \$ 254,548,000

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

2.6 (b) Unless otherwise specified, this
2.7 appropriation is for transfer to the housing
2.8 development fund for the programs specified
2.9 in this section. Except as otherwise indicated,
2.10 this transfer is part of the agency's permanent
2.11 budget base.

2.12 Subd. 2. Challenge Program 62,925,000 62,925,000

2.20 (a) This appropriation is for the economic
 2.21 development and housing challenge program
 2.22 under Minnesota Statutes, sections 462A.33
 2.23 and 462A.07, subdivision 14.
 2.24 (b) The base for this program in fiscal year
 2.25 2026 and beyond is \$12,925,000.

2.13 (a) This appropriation is for the economic
 2.14 development and housing challenge program
 2.15 under Minnesota Statutes, sections 462A.33
 2.16 and 462A.07, subdivision 14.
 2.17 (b) Of this amount, \$6,292,500 each year shall
 2.18 be made available during the first 11 months
 2.19 of the fiscal year exclusively for housing
 2.20 projects for American Indians. Any funds not
 2.21 committed to housing projects for American
 2.22 Indians within the annual consolidated request
 2.23 for funding processes may be available for
 2.24 any eligible activity under Minnesota Statutes,
 2.25 sections 462A.33 and 462A.07, subdivision
 2.26 14.
 2.27 (c) Of the amount in the first year,
 2.28 \$10,000,000 is for a grant to Urban
 2.29 Homeworks to expand initiatives pertaining
 2.30 to deeply affordable homeownership in
 2.31 Minneapolis neighborhoods with over 40
 2.32 percent of residents identifying as Black,
 2.33 Indigenous, or People of Color and at least 40
 2.34 percent of residents making less than 50
 3.1 percent of the area median income. The grant
 3.2 is to be used for acquisition, rehabilitation,
 3.3 and construction of homes to be sold to
 3.4 households with incomes of 50 to 60 percent
 3.5 of the area median income. This is a onetime
 3.6 appropriation, and is available until June 30,
 3.7 2027. By December 15 each year until 2027,
 3.8 Urban Homeworks must submit a report to
 3.9 the chairs and ranking minority members of
 3.10 the legislative committees having jurisdiction
 3.11 over housing finance and policy. The report
 3.12 must include the amount used for (1)
 3.13 acquisition, (2) rehabilitation, and (3)
 3.14 construction of housing units, along with the
 3.15 number of housing units acquired,
 3.16 rehabilitated, or constructed, and the amount
 3.17 of the appropriation that has been spent. If any
 3.18 home was sold or transferred within the year
 3.19 covered by the report, Urban Homeworks must
 3.20 include the price at which the home was sold.

2.26	Subd. 3. Workforce Housing Development	<u>22,000,000</u>	<u>22,000,000</u>
2.27	(a) This appropriation is for the Greater		
2.28	Minnesota workforce housing development		
2.29	program under Minnesota Statutes, section		
2.30	462A.39.		
2.31	(b) The base for this program in fiscal year		
2.32	2026 and beyond is \$2,000,000.		
3.1	Subd. 4. Manufactured Home Park		
3.2	Infrastructure Grants	<u>1,000,000</u>	<u>1,000,000</u>
3.3	This appropriation is for manufactured home		
3.4	park infrastructure grants under Minnesota		
3.5	Statutes, section 462A.2035, subdivision 1b.		

3.21	as well as how much was spent to complete		
3.22	the project before sale.		
3.23	(d) The base for this program in fiscal year		
3.24	2026 and beyond is \$12,925,000.		
3.25	Subd. 3. Workforce Housing Development	<u>22,000,000</u>	<u>22,000,000</u>
3.26	(a) This appropriation is for the Greater		
3.27	Minnesota workforce housing development		
3.28	program under Minnesota Statutes, section		
3.29	462A.39. If requested by the applicant and		
3.30	approved by the agency, funded properties		
3.31	may include a portion of income and rent		
3.32	restricted units. Funded properties may include		
3.33	owner-occupied homes.		
3.34	(b) The base for this program in fiscal year		
3.35	2026 and beyond is \$2,000,000.		
4.1	Subd. 4. Manufactured Home Park		
4.2	Infrastructure Grants and Loans	<u>13,500,000</u>	<u>13,500,000</u>
4.3	(a) This appropriation is for manufactured		
4.4	home park infrastructure grants and loans		
4.5	under Minnesota Statutes, section 462A.2035,		
4.6	subdivision 1b.		
4.7	(b) The base for this program in fiscal year		
4.8	2026 and beyond is \$1,000,000.		
4.9	(c) By January 15 each year, the commissioner		
4.10	must submit a report on the use of funds in		
4.11	this subdivision to the chairs and ranking		
4.12	minority members of the legislative		
4.13	committees having jurisdiction over housing		
4.14	finance and policy. The report must include		
4.15	the following information:		
4.16	(1) grants and loans requested and funded		
4.17	during the prior fiscal year, organized by		
4.18	ownership type of the manufactured home		
4.19	park, such as private, cooperative, and		
4.20	municipal ownership, and by county;		

3.6	<u>Subd. 5. Workforce Homeownership Program</u>	<u>250,000</u>	<u>250,000</u>
3.7	<u>This appropriation is for the workforce</u>		
3.8	<u>homeownership program under Minnesota</u>		
3.9	<u>Statutes, section 462A.38.</u>		
3.10	<u>Subd. 6. Housing Trust Fund</u>	<u>11,646,000</u>	<u>11,646,000</u>
3.11	<u>This appropriation is for deposit in the housing</u>		
3.12	<u>trust fund account created under Minnesota</u>		
3.13	<u>Statutes, section 462A.201, and may be used</u>		
3.14	<u>for the purposes provided in that section.</u>		

4.21	<u>(2) the average amount of grants and loans</u>		
4.22	<u>awarded;</u>		
4.23	<u>(3) loans requested and loans funded during</u>		
4.24	<u>the prior fiscal year, organized by ownership</u>		
4.25	<u>type of the manufactured home park, such as</u>		
4.26	<u>private, cooperative, and municipal ownership,</u>		
4.27	<u>and by county;</u>		
4.28	<u>(4) the average amount of loans issued;</u>		
4.29	<u>(5) information regarding the terms of the</u>		
4.30	<u>loans; and</u>		
4.31	<u>(6) information about how repaid loan funds</u>		
4.32	<u>were used.</u>		
5.1	<u>Subd. 5. Workforce Homeownership Program</u>	<u>17,750,000</u>	<u>17,750,000</u>
5.2	<u>(a) This appropriation is for the workforce</u>		
5.3	<u>homeownership program under Minnesota</u>		
5.4	<u>Statutes, section 462A.38.</u>		
5.5	<u>(b) The base for this program in fiscal year</u>		
5.6	<u>2026 and beyond is \$250,000.</u>		
5.7	<u>Subd. 6. Housing Trust Fund</u>	<u>26,646,000</u>	<u>16,646,000</u>
5.8	<u>(a) This appropriation is for deposit in the</u>		
5.9	<u>housing trust fund account created under</u>		
5.10	<u>Minnesota Statutes, section 462A.201, and</u>		
5.11	<u>may be used for the purposes provided in that</u>		
5.12	<u>section.</u>		
5.13	<u>(b) \$10,000,000 in the first year is for grants</u>		
5.14	<u>to low-income persons eligible under</u>		
5.15	<u>Minnesota Statutes, section 462A.201,</u>		
5.16	<u>subdivision 2, to purchase shares in</u>		
5.17	<u>limited-equity cooperative housing units.</u>		
5.18	<u>Grants are limited to \$20,000 or 25 percent of</u>		
5.19	<u>the cost of a share, whichever is less. This</u>		
5.20	<u>paragraph expires on June 30, 2027, and any</u>		
5.21	<u>money remaining on June 30, 2027, shall be</u>		
5.22	<u>returned to the housing trust fund account.</u>		

3.15	Subd. 7. Childhood Housing Stability	<u>1,750,000</u>	<u>1,750,000</u>
3.16	<u>This appropriation is for the childhood housing</u>		
3.17	<u>stability program under Minnesota Statutes,</u>		
3.18	<u>sections 462A.201, subdivision 2, paragraph</u>		
3.19	<u>(a), clause (4), and 462A.204, subdivision 8,</u>		
3.20	<u>to provide assistance to homeless or highly</u>		
3.21	<u>mobile families with minor children or with</u>		
3.22	<u>children eligible for enrollment in a</u>		
3.23	<u>prekindergarten through grade 12 academic</u>		
3.24	<u>program.</u>		
3.25	Subd. 8. Bridges	<u>5,338,000</u>	<u>5,338,000</u>
3.26	<u>This appropriation is for the bridges housing</u>		
3.27	<u>assistance program under Minnesota Statutes,</u>		
3.28	<u>section 462A.2097.</u>		
3.29	Subd. 9. Family Homeless Prevention	<u>10,269,000</u>	<u>85,269,000</u>
3.30	<u>(a) This appropriation is for the family</u>		
3.31	<u>homeless prevention and assistance programs</u>		
3.32	<u>under Minnesota Statutes, section 462A.204.</u>		

5.23	<u>(c) The base for this program for fiscal year</u>		
5.24	<u>2026 and beyond is \$11,646,000.</u>		
5.25	Subd. 7. Homework Starts with Home	<u>4,250,000</u>	<u>4,250,000</u>
5.26	<u>(a) This appropriation is for the homework</u>		
5.27	<u>starts with home program under Minnesota</u>		
5.28	<u>Statutes, sections 462A.201, subdivision 2,</u>		
5.29	<u>paragraph (a), clause (4), and 462A.204,</u>		
5.30	<u>subdivision 8, to provide assistance to</u>		
5.31	<u>homeless families, those at risk of</u>		
5.32	<u>homelessness, or highly mobile families.</u>		
6.1	<u>(b) The base for this program in fiscal year</u>		
6.2	<u>2026 and beyond is \$1,750,000.</u>		
6.3	Subd. 8. Rental Assistance for Mentally Ill	<u>9,338,000</u>	<u>9,338,000</u>
6.4	<u>(a) This appropriation is for the rental housing</u>		
6.5	<u>assistance program for persons with a mental</u>		
6.6	<u>illness or families with an adult member with</u>		
6.7	<u>a mental illness under Minnesota Statutes,</u>		
6.8	<u>section 462A.2097. Among comparable</u>		
6.9	<u>proposals, the agency shall prioritize those</u>		
6.10	<u>proposals that target, in part, eligible persons</u>		
6.11	<u>who desire to move to more integrated,</u>		
6.12	<u>community-based settings.</u>		
6.13	<u>(b) Notwithstanding any law to the contrary,</u>		
6.14	<u>this appropriation may be used for risk</u>		
6.15	<u>mitigation funds, landlord incentives, or other</u>		
6.16	<u>costs necessary to decrease the risk of</u>		
6.17	<u>homelessness, as determined by the agency.</u>		
6.18	<u>(c) The base for this program in fiscal year</u>		
6.19	<u>2026 and beyond is \$4,338,000.</u>		
6.20	Subd. 9. Family Homeless Prevention	<u>60,269,000</u>	<u>10,269,000</u>
6.21	<u>(a) This appropriation is for the family</u>		
6.22	<u>homeless prevention and assistance program</u>		
6.23	<u>under Minnesota Statutes, section 462A.204.</u>		

4.1 (b) The base for this program in fiscal year
4.2 2026 and beyond is \$10,269,000.

6.24 (b) Up to \$5,000,000 in fiscal year 2024 is for
6.25 grants to eligible applicants to create or expand
6.26 risk mitigation programs to reduce landlord
6.27 financial risks for renting to persons eligible
6.28 under Minnesota Statutes, section 462A.204.
6.29 Eligible programs may use funds for
6.30 administrative costs, outreach and coordination
6.31 staff, and to reimburse landlords for costs
6.32 including but not limited to nonpayment of
6.33 rent, or damage costs above those costs
6.34 covered by security deposits. This
7.1 appropriation may be used for staffing costs
7.2 necessary to implement the program. The
7.3 agency may give priority to applicants that
7.4 demonstrate a matching amount of money by
7.5 a local unit of government, business, or
7.6 nonprofit organization. Grantees must
7.7 establish a procedure to review and validate
7.8 claims and reimbursements under this
7.9 program. This is a onetime appropriation.
7.10 (c) For fiscal year 2024 and fiscal year 2025,
7.11 qualified families may receive more than 24
7.12 months of rental assistance.
7.13 (d) If the agency determines that the
7.14 metropolitan area needs additional support to
7.15 serve homeless households or those at risk of
7.16 homelessness, the agency is authorized to
7.17 grant funds to entities other than counties in
7.18 the metropolitan area, including but not limited
7.19 to nonprofit organizations.
7.20 (e) When a new grantee works with a current
7.21 or former grantee in a given geographic area,
7.22 a new grantee may work with either an
7.23 advisory committee as required under
7.24 Minnesota Statutes, section 462A.204,
7.25 subdivision 6, or the local continuum of care
7.26 and is not required to meet the requirements
7.27 of Minnesota Statutes, section 462A.204,
7.28 subdivision 4.
7.29 (f) Notwithstanding any law to the contrary,
7.30 \$10,000,000 of this appropriation is allocated

4.3	<u>Subd. 10. Home Ownership Assistance Fund</u>	<u>885,000</u>	<u>885,000</u>
4.4	<u>This appropriation is for the home ownership</u>		
4.5	<u>assistance program under Minnesota Statutes,</u>		
4.6	<u>section 462A.21, subdivision 8.</u>		
4.7	<u>Subd. 11. Affordable Rental Investment Fund</u>	<u>4,218,000</u>	<u>4,218,000</u>
4.8	<u>This appropriation is for the affordable rental</u>		
4.9	<u>investment fund program under Minnesota</u>		
4.10	<u>Statutes, section 462A.21, subdivision 8b, to</u>		
4.11	<u>finance the acquisition, rehabilitation, and debt</u>		
4.12	<u>restructuring of federally assisted rental</u>		
4.13	<u>property and for making equity take-out loans</u>		

7.31	<u>to federally recognized American Indian</u>		
7.32	<u>Tribes located in Minnesota. The funds shall</u>		
7.33	<u>be divided proportionally among the Tribes</u>		
7.34	<u>and shall be used for the purposes allowed</u>		
7.35	<u>under this section.</u>		
8.1	<u>(g) \$2,400,000 in fiscal year 2024 is for a</u>		
8.2	<u>grant to Neighborhood House, a Ramsey</u>		
8.3	<u>County-based nonprofit organization, to</u>		
8.4	<u>provide administrative costs for families facing</u>		
8.5	<u>eviction, rental assistance, delinquent utility</u>		
8.6	<u>fees, mortgage assistance, and damage deposit</u>		
8.7	<u>assistance. This is a onetime appropriation.</u>		
8.8	<u>(h) The base for this program in fiscal year</u>		
8.9	<u>2026 and beyond is \$10,269,000.</u>		
8.10	<u>Subd. 10. Home Ownership Assistance Fund</u>	<u>13,385,000</u>	<u>13,385,000</u>
8.11	<u>(a) This appropriation is for the home</u>		
8.12	<u>ownership assistance program under</u>		
8.13	<u>Minnesota Statutes, section 462A.21,</u>		
8.14	<u>subdivision 8. The agency shall continue to</u>		
8.15	<u>strengthen its efforts to address the disparity</u>		
8.16	<u>gap in the homeownership rate between white</u>		
8.17	<u>households and indigenous American Indians</u>		
8.18	<u>and communities of color. To better</u>		
8.19	<u>understand and address the disparity gap, the</u>		
8.20	<u>agency is required to collect, on a voluntary</u>		
8.21	<u>basis, demographic information regarding</u>		
8.22	<u>race, color, national origin, and sex of</u>		
8.23	<u>applicants for agency programs intended to</u>		
8.24	<u>benefit homeowners and homebuyers.</u>		
8.25	<u>(b) The base for this program in fiscal year</u>		
8.26	<u>2026 and beyond is \$885,000.</u>		
8.27	<u>Subd. 11. Affordable Rental Investment Fund</u>	<u>4,218,000</u>	<u>4,218,000</u>
8.28	<u>(a) This appropriation is for the affordable</u>		
8.29	<u>rental investment fund program under</u>		
8.30	<u>Minnesota Statutes, section 462A.21,</u>		
8.31	<u>subdivision 8b, to finance the acquisition,</u>		
8.32	<u>rehabilitation, and debt restructuring of</u>		
8.33	<u>federally assisted rental property and for</u>		

4.14 under Minnesota Statutes, section 462A.05,
4.15 subdivision 39.

9.1 making equity take-out loans under Minnesota
9.2 Statutes, section 462A.05, subdivision 39.

9.3 (b) The owner of federally assisted rental
9.4 property must agree to participate in the
9.5 applicable federally assisted housing program
9.6 and to extend any existing low-income
9.7 affordability restrictions on the housing for
9.8 the maximum term permitted.

9.9 (c) The appropriation also may be used to
9.10 finance the acquisition, rehabilitation, and debt
9.11 restructuring of existing supportive housing
9.12 properties and naturally occurring affordable
9.13 housing as determined by the commissioner.
9.14 For purposes of this paragraph, "supportive
9.15 housing" means affordable rental housing with
9.16 links to services necessary for individuals,
9.17 youth, and families with children to maintain
9.18 housing stability.

4.16 **Subd. 12. Owner-Occupied Housing**
4.17 **Rehabilitation**

2,772,000 2,772,000

9.19 **Subd. 12. Owner-Occupied Housing**
9.20 **Rehabilitation**

2,772,000 2,772,000

4.18 This appropriation is for the rehabilitation of
4.19 owner-occupied housing under Minnesota
4.20 Statutes, section 462A.05, subdivisions 14 and
4.21 14a.

9.21 (a) This appropriation is for the rehabilitation
9.22 of owner-occupied housing under Minnesota
9.23 Statutes, section 462A.05, subdivisions 14 and
9.24 14a.

9.25 (b) Notwithstanding any law to the contrary,
9.26 grants or loans under this subdivision may be
9.27 made without rent or income restrictions of
9.28 owners or tenants. To the extent practicable,
9.29 grants or loans must be made available
9.30 statewide.

4.22 **Subd. 13. Rental Housing Rehabilitation**

3,743,000 3,743,000

9.31 **Subd. 13. Rental Housing Rehabilitation**

3,743,000 3,743,000

4.23 This appropriation is for the rehabilitation of
4.24 eligible rental housing under Minnesota
4.25 Statutes, section 462A.05, subdivision 14.

9.32 (a) This appropriation is for the rehabilitation
9.33 of eligible rental housing under Minnesota
9.34 Statutes, section 462A.05, subdivision 14. In
10.1 administering a rehabilitation program for
10.2 rental housing, the agency may apply the
10.3 processes and priorities adopted for
10.4 administration of the economic development

4.26	Subd. 14. Homeownership Education,		
4.27	<u>Counseling, and Training</u>	<u>1,857,000</u>	<u>1,857,000</u>
4.28	(a) This appropriation is for the		
4.29	homeownership education, counseling, and		
4.30	training program under Minnesota Statutes,		
4.31	section 462A.209.		
4.32	(b) The base for this program in fiscal year		
4.33	2026 and beyond is \$857,000.		
5.1	Subd. 15. Capacity-Building Grants	<u>4,645,000</u>	<u>4,645,000</u>
5.2	(a) This appropriation is for capacity-building		
5.3	grants under Minnesota Statutes, section		
5.4	462A.21, subdivision 3b.		
5.5	(b) The base for this program in fiscal year		
5.6	2026 and beyond is \$645,000.		

10.5	and housing challenge program under		
10.6	Minnesota Statutes, section 462A.33, and may		
10.7	provide grants or forgivable loans if approved		
10.8	by the agency.		
10.9	(b) Notwithstanding any law to the contrary,		
10.10	grants or loans under this subdivision may be		
10.11	made without rent or income restrictions of		
10.12	owners or tenants. To the extent practicable,		
10.13	grants or loans must be made available		
10.14	statewide.		
10.15	Subd. 14. Homeownership Education,		
10.16	<u>Counseling, and Training</u>	<u>2,357,000</u>	<u>2,357,000</u>
10.17	(a) This appropriation is for the		
10.18	homeownership education, counseling, and		
10.19	training program under Minnesota Statutes,		
10.20	section 462A.209.		
10.21	(b) The base for this program in fiscal year		
10.22	2026 and beyond is \$857,000.		
10.23	Subd. 15. Capacity-Building Grants	<u>5,230,000</u>	<u>5,230,000</u>
10.24	(a) This appropriation is for capacity-building		
10.25	grants under Minnesota Statutes, section		
10.26	462A.21, subdivision 3b. Of this amount, up		
10.27	to \$125,000 each year is for support of the		
10.28	Homeless Management Information System		
10.29	(HMIS), and \$85,000 in fiscal year 2024 and		
10.30	\$85,000 in fiscal year 2025 are for Open		
10.31	Access Connections. The appropriations for		
10.32	Open Access Connections are onetime.		
10.33	(b) \$445,000 in fiscal year 2024 is for a grant		
10.34	to the Community Stabilization Project to: (1)		
11.1	deliver services and curriculum to renters and		
11.2	property owners in order to preserve deeply		
11.3	affordable rental units in underrepresented		
11.4	communities; (2) help create entry-level		
11.5	employment opportunities for renters; and (3)		
11.6	construct a secure space for documents and		

5.7	Subd. 16. Supportive Housing	<u>2,500,000</u>	<u>2,500,000</u>
5.8	This appropriation is for the supportive		
5.9	housing program under Minnesota Statutes,		
5.10	section 462A.42. This is a onetime		
5.11	appropriation.		
5.12	Subd. 17. Greater Minnesota Housing		
5.13	Infrastructure Grants	<u>5,000,000</u>	<u>-0-</u>
5.14	This appropriation is for the Greater		
5.15	Minnesota housing infrastructure grant		
5.16	program under Minnesota Statutes, section		
5.17	462A.43. This is a onetime appropriation.		
5.18	Subd. 18. Housing Infrastructure Bonds	<u>92,500,000</u>	<u>92,500,000</u>
5.19	This appropriation is for the housing		
5.20	infrastructure program for the eligible		
5.21	purposes under Minnesota Statutes, section		
5.22	462A.37, subdivision 2. This is a onetime		
5.23	appropriation.		
5.24	Subd. 19. Homeownership Investment Grants	<u>40,000,000</u>	<u>40,000,000</u>
5.25	This appropriation is for the homeownership		
5.26	investment grants program. This is a onetime		
5.27	appropriation.		

11.7	<u>identification for those experiencing</u>		
11.8	<u>homelessness. This is a onetime appropriation.</u>		
11.9	<u>(c) The base for this program in fiscal year</u>		
11.10	<u>2026 and beyond is \$645,000.</u>		
12.12	Subd. 19. Supportive Housing	<u>40,000,000</u>	<u>0</u>
12.13	This appropriation is for the supportive		
12.14	housing program under Minnesota Statutes,		
12.15	section 462A.42. This is a onetime		
12.16	appropriation.		
14.1	Subd. 22. Greater Minnesota Housing		
14.2	Infrastructure Grant Program	<u>5,000,000</u>	<u>0</u>
14.3	This appropriation is for a pilot program to		
14.4	provide grants to municipalities for up to 50		
14.5	percent of the costs of infrastructure that		
14.6	would otherwise be required to be paid by the		
14.7	developer for new housing developments. The		
14.8	grants shall be limited to 16 housing units in		
14.9	the municipality and a maximum of \$12,000		
14.10	per housing unit. This is a onetime		
14.11	appropriation.		
11.27	Subd. 17. Housing Infrastructure	<u>100,000,000</u>	<u>0</u>
11.28	This appropriation is for the housing		
11.29	infrastructure program for the eligible		
11.30	purposes under Minnesota Statutes, section		
11.31	462A.37, subdivision 2. This is a onetime		
11.32	appropriation.		
17.5	Subd. 29. Homeownership Investment Grants		
17.6	Program	<u>80,000,000</u>	<u>0</u>
17.7	This appropriation is for the homeownership		
17.8	investment grants program. This is a onetime		
17.9	appropriation.		

5.28 Subd. 20. Manufactured Home Lending Grants 25,000,000 -0-
 5.29 This appropriation is for the manufactured
 5.30 home lending grants program. This is a
 5.31 onetime appropriation.

6.1 Subd. 21. Manufactured Home Park Cooperative
 6.2 Purchase 10,000,000 -0-
 6.3 This appropriation is for the manufactured
 6.4 home park cooperative purchase program. This
 6.5 is a onetime appropriation.

SEE R38, LINES 27.22-28.11

16.8 Subd. 25. Manufactured Home Lending Grants 25,000,000 0
 16.9 This appropriation is for the manufactured
 16.10 home lending grant program. This is a onetime
 16.11 appropriation.

14.19 Subd. 24. Manufactured Home Park Cooperative
 14.20 Purchase Program 10,000,000 0
 14.21 (a) This appropriation is for loans under this
 14.22 subdivision.

14.23 (b) The funding under this subdivision may
 14.24 be used for a revolving loan fund under
 14.25 Minnesota Statutes, section 462A.05,
 14.26 subdivision 35, to provide interest-free loans
 14.27 for residents of manufactured home parks to
 14.28 purchase the manufactured home park in
 14.29 which they reside for the purpose of
 14.30 conversion of the manufactured home park to
 14.31 cooperative ownership. Repayments of
 14.32 principal from loans issued under this section
 14.33 must be used for the purposes of this
 14.34 subdivision.

15.1 (c) The agency may develop criteria for loan
 15.2 requests under this subdivision. Within 90
 15.3 days of final enactment, the commissioner
 15.4 shall develop the forms, applications, and
 15.5 reporting requirements for use by eligible
 15.6 organizations. In developing these materials,
 15.7 the commissioner shall consult with
 15.8 manufactured housing cooperatives,
 15.9 resident-owned manufactured home
 15.10 communities, and nonprofit organizations
 15.11 working with manufactured housing
 15.12 cooperatives and resident-owned communities.

15.13 (d) Borrowers must use funds to assist in the
 15.14 creation and preservation of housing that is
 15.15 affordable to households with incomes at or

15.16 below 80 percent of the greater of state or area
15.17 median income.

15.18 (e) A deed purchased with a loan under this
15.19 section must contain a covenant running with
15.20 the land requiring that the land be used as a
15.21 manufactured home park for 30 years from
15.22 the date of purchase.

15.23 (f) For the purposes of this subdivision, the
15.24 terms "manufactured home," "manufactured
15.25 home park," and "resident" have the meanings
15.26 given in Minnesota Statutes, section 327C.015.

15.27 (g) By January 15 each year, the commissioner
15.28 must submit a report to the chairs and ranking
15.29 minority members of the legislative
15.30 committees with jurisdiction over housing
15.31 finance and policy detailing the use of funds
15.32 under this section. The report must include the
15.33 following information:

15.34 (1) the number and amount of loans issued;

16.1 (2) the amount of loans that have been repaid;

16.2 (3) the amount of interest earned within the
16.3 fund and the remaining balance of the
16.4 revolving loan fund;

16.5 (4) the number of residents included in each
16.6 project; and

16.7 (5) the location of each project.

6.6 Subd. 22. **Local Housing Trust Fund** 7,700,000

-0-

6.7 This appropriation is for local housing trust
6.8 fund grants. This is a onetime appropriation.

SEE R33-R34, LINES 23.8-23.29

12.21 Subd. 21. **Local Housing Trust Fund Grants** 10,000,000

0

12.22 (a) \$8,000,000 in fiscal year 2024 is for
12.23 deposit in the housing development fund for
12.24 grants to local housing trust funds established
12.25 under Minnesota Statutes, section 462C.16,
12.26 to incentivize local funding. This is a onetime
12.27 appropriation.

12.28 (b) A grantee is eligible to receive a grant
12.29 amount equal to 100 percent of the public

12.30 revenue committed to the local housing trust
12.31 fund from any source other than the state or
12.32 federal government, up to \$150,000, and in
12.33 addition, an amount equal to 50 percent of the
12.34 public revenue committed to the local housing
13.1 trust fund from any source other than the state
13.2 or federal government that is more than
13.3 \$150,000 but not more than \$300,000.

13.4 (c) \$100,000 of the amount appropriated in
13.5 paragraph (a) is for technical assistance grants
13.6 to local and regional housing trust funds. A
13.7 housing trust fund may apply for a technical
13.8 assistance grant at the time and in the manner
13.9 and form required by the agency. The agency
13.10 shall make grants on a first-come, first-served
13.11 basis. A technical assistance grant must not
13.12 exceed \$5,000.

13.13 (d) A grantee must use grant funds within
13.14 eight years of receipt for purposes (1)
13.15 authorized under Minnesota Statutes, section
13.16 462C.16, subdivision 3, and (2) benefiting
13.17 households with incomes at or below 115
13.18 percent of the state median income. A grantee
13.19 must return any grant funds not used for these
13.20 purposes within eight years of receipt to the
13.21 commissioner of the Minnesota Housing
13.22 Finance Agency for deposit into the housing
13.23 development fund.

13.24 (e) \$2,000,000 in fiscal year 2024 is for a grant
13.25 to Northland Foundation. Northland
13.26 Foundation may use the funds on expenditures
13.27 authorized under Minnesota Statutes, section
13.28 462C.16, subdivision 3, and on assisting local
13.29 governments to establish local or regional
13.30 housing trust funds. Northland Foundation
13.31 may award grants and loans to other entities
13.32 to expend on authorized expenditures under
13.33 this section. This is a onetime appropriation
13.34 and is available until June 30, 2025.

SEE R17, LINES 8.27-9.3

6.9	Subd. 23. Rent Assistance	<u>50,000,000</u>	<u>50,000,000</u>
6.10	<u>This appropriation is for deposit in the state</u>		
6.11	<u>rent assistance account in the housing</u>		
6.12	<u>development fund for expenditure on the rent</u>		
6.13	<u>assistance program under Minnesota Statutes,</u>		
6.14	<u>section 462A.2095. Of this amount,</u>		
6.15	<u>\$20,000,000 is added to the agency's</u>		
6.16	<u>permanent budget base.</u>		
6.17	Subd. 24. First-Generation Homebuyers Down		
6.18	Payment Assistance Fund	<u>150,000,000</u>	<u>-0-</u>
6.19	<u>This appropriation is for the first-generation</u>		
6.20	<u>homebuyers down payment assistance fund.</u>		
6.21	<u>This appropriation is onetime. Services</u>		
6.22	<u>rendered under grant contracts with the grantee</u>		
6.23	<u>may occur any time up until June 30, 2026.</u>		
6.24	Subd. 25. Build Wealth Minnesota	<u>1,500,000</u>	<u>1,500,000</u>
6.25	<u>(a) This appropriation is for a grant to Build</u>		
6.26	<u>Wealth Minnesota to provide a family</u>		
6.27	<u>stabilization plan program, including program</u>		
6.28	<u>outreach, financial literacy education, and</u>		
6.29	<u>budget and debt counseling. This is a onetime</u>		
6.30	<u>appropriation.</u>		
6.31	<u>(b) The base for this program in fiscal year</u>		
6.32	<u>2026 and beyond is \$500,000.</u>		

16.28	Subd. 28. Rent Assistance Program	<u>65,665,000</u>	<u>65,665,000</u>
16.29	<u>(a) This appropriation is for the rent assistance</u>		
16.30	<u>program under Minnesota Statutes, section</u>		
16.31	<u>462A.2095. This appropriation is available</u>		
16.32	<u>until June 30, 2027. Up to five percent of the</u>		
17.1	<u>amount may be used in the first year to set up</u>		
17.2	<u>the program.</u>		
17.3	<u>(b) The base for this program in fiscal year</u>		
17.4	<u>2026 and beyond is \$10,000,000.</u>		
12.17	Subd. 20. First Generation Homebuyer	<u>100,000,000</u>	<u>0</u>
12.18	<u>This appropriation is for the first generation</u>		
12.19	<u>homebuyer program down payment assistance</u>		
12.20	<u>fund. This is a onetime appropriation.</u>		
11.11	Subd. 16. Build Wealth Minnesota	<u>5,500,000</u>	<u>500,000</u>
11.12	<u>(a) \$500,000 each year is for a grant to Build</u>		
11.13	<u>Wealth Minnesota to provide a family</u>		
11.14	<u>stabilization plan program.</u>		
11.15	<u>(b) \$5,000,000 the first year is for a grant to</u>		
11.16	<u>Build Wealth Minnesota for the 9,000 Equities</u>		
11.17	<u>Fund, a targeted loan pool, to provide</u>		
11.18	<u>affordable first mortgages or equivalent</u>		
11.19	<u>financing opportunities to households</u>		
11.20	<u>struggling to access mortgages in underserved</u>		
11.21	<u>communities of color. Of this amount, up to</u>		
11.22	<u>\$1,000,000 may be used for a grant to</u>		
11.23	<u>Stairstep Foundation to support completion of</u>		
11.24	<u>the Family Stabilization Plan program</u>		
11.25	<u>developed by Build Wealth Minnesota. This</u>		
11.26	<u>is a onetime appropriation.</u>		

7.1	Subd. 26. First-Time Homebuyer, Fee-Based		
7.2	Home Purchase Financing	<u>5,000,000</u>	<u>5,000,000</u>
7.3	<u>This appropriation is for the first-time</u>		
7.4	<u>homebuyer, fee-based home purchase</u>		
7.5	<u>financing program. This appropriation is</u>		
7.6	<u>onetime. Services rendered under grant</u>		
7.7	<u>contracts with the grantee may occur any time</u>		
7.8	<u>up until June 30, 2026.</u>		
7.9	Subd. 27. Community Stabilization	<u>75,000,000</u>	<u>75,000,000</u>
7.10	<u>This appropriation is for the community</u>		
7.11	<u>stabilization program under Minnesota</u>		
7.12	<u>Statutes, section 462A.41. This a onetime</u>		
7.13	<u>appropriation. Of this amount, \$10,000,000 is</u>		
7.14	<u>for a grant to AEON for Huntington Place.</u>		
7.15	Subd. 28. High-Rise Sprinkler System Grant	<u>10,000,000</u>	<u>-0-</u>
7.16	<u>This appropriation is for the high-rise sprinkler</u>		
7.17	<u>system grant program. This appropriation is</u>		
7.18	<u>onetime. Of this amount, up to \$4,000,000</u>		
7.19	<u>must be for a grant to CommonBond</u>		
7.20	<u>Communities for installation of sprinkler</u>		
7.21	<u>systems at two buildings known as Seward</u>		
7.22	<u>Tower West located at 2515 South 9th Street</u>		
7.23	<u>in Minneapolis and Seward Tower East</u>		
7.24	<u>located at 2910 East Franklin Avenue in</u>		
7.25	<u>Minneapolis.</u>		
7.26	Subd. 29. Lead Safe Homes	<u>4,000,000</u>	<u>-0-</u>
7.27	<u>This appropriation is for the lead safe homes</u>		
7.28	<u>grant program under Minnesota Statutes,</u>		

11.33	Subd. 18. Community Stabilization	<u>100,000,000</u>	<u>-0-</u>
12.1	<u>This appropriation is for the community</u>		
12.2	<u>stabilization program under Minnesota</u>		
12.3	<u>Statutes, section 462A.43. Of this amount,</u>		
12.4	<u>\$30,000,000 is for a grant to the Minneapolis</u>		
12.5	<u>Public Housing Authority for the city of</u>		
12.6	<u>Minneapolis and its affiliated entities,</u>		
12.7	<u>including but not limited to its wholly</u>		
12.8	<u>controlled nonprofit corporation, Community</u>		
12.9	<u>Housing Resources, to rehabilitate, preserve,</u>		
12.10	<u>equip, and repair its deeply affordable family</u>		
12.11	<u>housing units. This a onetime appropriation.</u>		
16.17	Subd. 27. High-Rise Sprinkler System Grant		
16.18	Program	<u>10,000,000</u>	<u>0</u>
16.19	<u>This appropriation is for the high-rise sprinkler</u>		
16.20	<u>system grant program. Of this amount, up to</u>		
16.21	<u>\$4,000,000 must be for a grant to</u>		
16.22	<u>CommonBond Communities for installation</u>		
16.23	<u>of sprinkler systems at two buildings known</u>		
16.24	<u>as Seward Tower West located at 2515 South</u>		
16.25	<u>9th Street in Minneapolis and Seward Tower</u>		
16.26	<u>East located at 2910 East Franklin Avenue in</u>		
16.27	<u>Minneapolis. This is a onetime appropriation.</u>		
16.12	Subd. 26. Lead Safe Homes Grant Program	<u>5,000,000</u>	<u>0</u>
16.13	<u>This appropriation is for the lead safe homes</u>		
16.14	<u>grant program under Minnesota Statutes,</u>		

7.29 section 462A.2906. This appropriation is
7.30 onetime.

7.31 Subd. 30. **Landlord Risk Mitigation Fund** 500,000 -0-

7.32 (a) This appropriation is for grants to eligible
7.33 applicants to create or expand risk mitigation
7.34 programs to reduce landlord financial risks
8.1 for renting to persons eligible for services
8.2 under Minnesota Statutes, sections 245.4661,
8.3 subdivision 9, paragraph (a), clause (2);
8.4 462A.204; and 462A.2097. This appropriation
8.5 is onetime.

8.6 (b) Eligible programs may reimburse landlords
8.7 for costs, including but not limited to
8.8 nonpayment of rent or damage costs above
8.9 those costs covered by security deposits. The
8.10 agency may give higher priority to applicants
8.11 that demonstrate a matching amount of money
8.12 by a local unit of government, business, or
8.13 nonprofit organization. Grantees must
8.14 establish a procedure to review and validate
8.15 claims and reimbursements under this grant
8.16 program.

8.17 (c) Eligible grantees include but are not limited
8.18 to nonprofit organizations under Minnesota
8.19 Statutes, section 462A.03, subdivision 22, and
8.20 supportive housing providers under Minnesota
8.21 Statutes, section 245.4661, subdivision 9,
8.22 paragraph (a), clause (2).

8.23 Subd. 31. **Housing Meditation** 1,500,000 -0-

8.24 This appropriation is for the Minnesota
8.25 Housing mediation grant program. This
8.26 appropriation is onetime.

16.15 section 462A.2096. This is a onetime
16.16 appropriation.

14.12 Subd. 23. **Stable Rental Housing Mediation** 4,000,000 0

14.13 This appropriation is for housing mediation
14.14 grants under Minnesota Statutes, section
14.15 462A.2098. This is a onetime appropriation.
14.16 Of this amount, up to \$300,000 may be used
14.17 for administrative costs under Minnesota
14.18 Statutes, section 462A.2098, subdivision 3.

8.27 Subd. 32. **Northland Foundation** 2,000,000 -0-

SEE R13, LINES 13.24-13.34.

8.28 This appropriation is for a grant to Northland
8.29 Foundation for use on expenditures authorized
8.30 under Minnesota Statutes, section 462C.16,
8.31 subdivision 3 and on assisting local
8.32 governments to establish local or regional
8.33 housing trust funds. Northland Foundation
8.34 may award grants and loans to other entities
9.1 to expend on authorized expenditures under
9.2 this section. This appropriation is onetime and
9.3 available until June 30, 2025.

9.4 Subd. 33. **Stable Housing Organization Relief** 25,000,000 -0-

9.5 This appropriation is for the stable housing
9.6 organization relief program. This appropriation
9.7 is onetime.

17.10 Subd. 30. **Housing Cost Reduction Incentive**
17.11 **Program** 2,500,000 0

17.12 This appropriation is for the housing cost
17.13 reduction incentive program under Minnesota
17.14 Statutes, section 462A.41. This is a onetime
17.15 appropriation.

17.16 Subd. 31. **Availability and Transfer of Funds**

17.17 Money appropriated in the first year in this
17.18 article is available the second year. The
17.19 commissioner may shift or transfer money in
17.20 the second year in subdivisions 2, 3, 4, 5, 11,
17.21 12, and 13 to address high-priority housing
17.22 needs.

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

9.9 \$300,000 in fiscal year 2024 is to the
9.10 commissioner of management and budget to
9.11 fund a study by Management Analysis and

9.12 Development on expediting rental assistance
9.13 payment. This is a onetime appropriation.

9.14 **Sec. 4. FINANCIAL REVIEW OF NONPROFIT GRANT RECIPIENTS REQUIRED.**

9.15 Subdivision 1. **Financial review required.** (a) Before awarding a competitive,
9.16 legislatively named, single source, or sole source grant to a nonprofit organization under
9.17 this act, the grantor must require the applicant to submit financial information sufficient for
9.18 the grantor to document and assess the applicant's current financial standing and management.
9.19 Items of significant concern must be addressed with the applicant and resolved to the
9.20 satisfaction of the grantor before a grant is awarded. The grantor must document the material
9.21 requested and reviewed; whether the applicant had a significant operating deficit, a deficit
9.22 in unrestricted net assets, or insufficient internal controls; whether and how the applicant
9.23 resolved the grantor's concerns; and the grantor's final decision. This documentation must
9.24 be maintained in the grantor's files.

9.25 (b) At a minimum, the grantor must require each applicant to provide the following
9.26 information:

9.27 (1) the applicant's most recent Form 990, Form 990-EZ, or Form 990-N filed with the
9.28 Internal Revenue Service. If the applicant has not been in existence long enough or is not
9.29 required to file Form 990, Form 990-EZ, or Form 990-N, the applicant must demonstrate
9.30 to the grantor that the applicant is exempt and must instead submit documentation of internal
9.31 controls and the applicant's most recent financial statement prepared in accordance with
9.32 generally accepted accounting principles and approved by the applicant's board of directors
9.33 or trustees or, if there is no such board, by the applicant's managing group;

10.1 (2) evidence of registration and good standing with the secretary of state under Minnesota
10.2 Statutes, chapter 317A, or other applicable law;

10.3 (3) unless exempt under Minnesota Statutes, section 309.515, evidence of registration
10.4 and good standing with the attorney general under Minnesota Statutes, chapter 309; and

10.5 (4) if required under Minnesota Statutes, section 309.53, subdivision 3, the applicant's
10.6 most recent audited financial statement prepared in accordance with generally accepted
10.7 accounting principles;

47.8 **Sec. 37. FINANCIAL REVIEW OF GRANT AND BUSINESS SUBSIDY**
47.9 **RECIPIENTS.**

47.10 Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the
47.11 meanings given.

47.12 (b) "Grant" means a grant or business subsidy funded by an appropriation in this act.

47.13 (c) "Grantee" means a business entity as defined in Minnesota Statutes, section 5.001.

47.14 Subd. 2. **Financial information required; determination of ability to perform.** Before
47.15 an agency awards a competitive, legislatively named, single-source, or sole-source grant,
47.16 the agency must assess the risk that a grantee cannot or would not perform the required
47.17 duties. In making this assessment, the agency must review the following information:

47.18 (1) the grantee's history of performing duties similar to those required by the grant,
47.19 whether the size of the grant requires the grantee to perform services at a significantly
47.20 increased scale, and whether the size of the grant will require significant changes to the
47.21 operation of the grantee's organization;

47.22 (2) for a grantee that is a nonprofit organization, the grantee's Form 990 or Form 990-EZ
47.23 filed with the Internal Revenue Service in each of the prior three years. If the grantee has
47.24 not been in existence long enough or is not required to file Form 990 or Form 990-EZ, the
47.25 grantee must demonstrate to the grantor's satisfaction that the grantee is exempt and must
47.26 instead submit the grantee's most recent board-reviewed financial statements and
47.27 documentation of internal controls;

47.28 (3) for a for-profit business, three years of federal and state tax returns, current financial
47.29 statements, certification that the business is not under bankruptcy proceedings, and disclosure
47.30 of any liens on its assets. If a business has not been in business long enough to have three
47.31 years of tax returns, the grantee must demonstrate to the grantor's satisfaction that the grantee
47.32 has appropriate internal financial controls;

48.1 (4) evidence of registration and good standing with the secretary of state under Minnesota
48.2 Statutes, chapter 317A, or other applicable law;

48.3 (5) if the grantee's total annual revenue exceeds \$750,000, the grantee's most recent
48.4 financial audit performed by an independent third party in accordance with generally accepted
48.5 accounting principles; and

10.8 Subd. 2. **Authority to postpone or forgo.** Notwithstanding any contrary provision in
 10.9 this act, a grantor that identifies an area of significant concern regarding the financial standing
 10.10 or management of a legislatively named applicant may postpone or forgo awarding the
 10.11 grant.

10.12 Subd. 3. **Authority to award subject to additional assistance and oversight.** A grantor
 10.13 that identifies an area of significant concern regarding an applicant's financial standing or
 10.14 management may award a grant to the applicant if the grantor provides or the grantee
 10.15 otherwise obtains additional technical assistance, as needed, and the grantor imposes
 10.16 additional requirements in the grant agreement. Additional requirements may include but
 10.17 are not limited to enhanced monitoring, additional reporting, or other reasonable requirements
 10.18 imposed by the grantor to protect the interests of the state.

10.19 Subd. 4. **Relation to other law and policy.** The requirements in this section are in
 10.20 addition to any other requirements imposed by law; the commissioner of administration
 10.21 under Minnesota Statutes, sections 16B.97 and 16B.98; or agency policy.

48.6 (6) certification, provided by the grantee, that none of its principals have been convicted
 48.7 of a financial crime.

48.15 Subd. 5. **Agency authority to not award grant.** If an agency determines that there is
 48.16 an appreciable risk that a grantee receiving a competitive, single-source, or sole-source
 48.17 grant cannot or would not perform the required duties under the grant agreement, the agency
 48.18 must notify the grantee and the commissioner of administration and give the grantee an
 48.19 opportunity to respond to the agency's concerns. If the grantee does not satisfy the agency's
 48.20 concerns within 45 days, the agency must not award the grant.

48.12 Subd. 4. **Assistance from administration.** An agency without adequate resources or
 48.13 experience to perform obligations under this section may contract with the commissioner
 48.14 of administration to perform the agency's duties under this section.

49.3 Subd. 8. **Effect.** The requirements of this section are in addition to other requirements
 49.4 imposed by law; the commissioner of administration under Minnesota Statutes, sections
 49.5 16B.97 and 16B.98; or agency grant policy.

48.8 Subd. 3. **Additional measures for some grantees.** The agency may require additional
 48.9 information and must provide enhanced oversight for grants that have not previously received
 48.10 state or federal grants for similar amounts or similar duties and so have not yet demonstrated
 48.11 the ability to perform the duties required under the grant on the scale required.

48.21 Subd. 6. **Legislatively named grantees.** If an agency determines that there is an
 48.22 appreciable risk that a grantee receiving a legislatively named grant cannot or would not
 48.23 perform the required duties under the grant agreement, the agency must notify the grantee,
 48.24 the commissioner of administration, and the chair and ranking minority members of the
 48.25 Ways and Means Committee in the house of representatives, the chair and ranking minority
 48.26 members of the Finance Committee in the senate, and the chairs and ranking minority
 48.27 members of the committees in the house of representatives and the senate with primary
 48.28 jurisdiction over the bill in which the money for the grant was appropriated. The agency
 48.29 must give the grantee an opportunity to respond to the agency's concerns. If the grantee
 48.30 does not satisfy the agency's concerns within 45 days, the agency must delay award of the
 48.31 grant until adjournment of the next regular or special legislative session.

48.32 Subd. 7. **Subgrants.** If a grantee will disburse the money received from the grant to
 48.33 other organizations to perform duties required under the grant agreement, the agency must
 48.34 be a party to agreements between the grantee and a subgrantee. Before entering agreements
 49.1 for subgrants, the agency must perform the financial review required under this section with
 49.2 respect to the subgrantees.

10.22 **Sec. 5. REPORTING BY THE MINNESOTA HOUSING FINANCE AGENCY ON**
 10.23 **USE OF APPROPRIATIONS UNDER THIS ACT.**

10.24 The Minnesota Housing Finance Agency shall annually, until all funds appropriated to
 10.25 the agency under this act are expended or lapsed to the fund from which it was originally
 10.26 appropriated, by January 15 each year, report to the chairs and ranking minority members
 10.27 of the legislative committees having jurisdiction over housing finance and policy on the use
 10.28 of funds awarded under this act. The agency must annually report on the efficacy of spending
 10.29 of appropriations under this act and on the increase of housing stock within the state.

17.23 **Subd. 32. Report to Legislature**

17.24 (a) By January 15, 2024; January 15, 2025;
 17.25 and January 15, 2026, the commissioner shall
 17.26 submit a report to the chairs and ranking
 17.27 minority members of the legislative
 17.28 committees having jurisdiction over housing
 17.29 finance and policy containing the following
 17.30 information about each of the programs funded
 17.31 in this act:

17.32 (1) the amount expended and the remaining
 17.33 balance from each program;

18.1 (2) grant awards, including the amounts and
 18.2 geographic distribution of the awards; and

18.3 (3) the number of housing units that are
 18.4 affected by each grant including new and
 18.5 rehabilitated owner-occupied homes, new and
 18.6 rehabilitated rental units, and new and
 18.7 rehabilitated manufactured homes, as reported
 18.8 in paragraph (b).

18.9 (b) The commissioner shall require any entity
 18.10 that receives a grant for new construction or
 18.11 housing rehabilitation from a program funded
 18.12 in this act to submit the following information
 18.13 prior to receiving the grant award, and at the
 18.14 conclusion of the grant:

18.15 (1) the number of newly constructed rental
 18.16 units;

18.17 (2) the number of newly constructed

18.18 owner-occupied units;

18.19 (3) the number of units to be used as rentals

18.20 that were rehabilitated; and

18.21 (4) the number of units to be owner-occupied

18.22 that were rehabilitated.

18.23

ARTICLE 2

18.24

HOUSING POLICY

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

20.5 Subd. 43. **Rent assistance program.** The agency may administer the rent assistance
20.6 program established in section 462A.2095.

21.3 Sec. 8. **[462A.2095] RENT ASSISTANCE PROGRAM.**

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

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

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

21.17 (c) "Program administrator" means:

11.1

ARTICLE 2

11.2

HOUSING GRANT PROGRAMS

11.3 Section 1. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision
11.4 to read:

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

11.7 Sec. 2. **[462A.2095] RENT ASSISTANCE PROGRAM.**

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

11.11 (b) Money deposited in the account under section 297A.9925 is for grants to program
11.12 administrators in the metropolitan counties.

11.13 (c) Money deposited in the account through a general fund appropriation is for grants
11.14 to program administrators outside the metropolitan counties, as defined by section 473.121,
11.15 subdivision 4.

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

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

11.26 (c) "Program administrator" means:

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

11.30 (2) a Tribal government or Tribal housing authority; or

12.1 (3) if the local housing authority, Tribal government, or Tribal housing authority declines
 12.2 to administer the program established in this section, a nongovernmental organization
 12.3 determined by the agency to have the capacity to administer the program.

12.4 Subd. 3. Grants to program administrators. (a) The agency may make grants to
 12.5 program administrators to provide rental assistance for eligible households. For both
 12.6 tenant-based and project-based assistance, program administrators shall pay assistance
 12.7 directly to housing providers. Rental assistance may be provided in the form of tenant-based
 12.8 assistance or project-based assistance. Notwithstanding the amounts awarded under
 12.9 subdivision 1, paragraph (b), and to the extent practicable, the agency must make grants
 12.10 statewide in proportion to the number of households eligible for assistance in each county
 12.11 according to the most recent American Community Survey of the United States Census
 12.12 Bureau.

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

12.17 Subd. 4. Amount of rent assistance. A program administrator may provide tenant-based
 12.18 or project-based vouchers in amounts equal to the difference between 30 percent of household
 12.19 income and the rent charged, plus an allowance for utilities if not included in rent. A program
 12.20 administrator may not provide assistance that is more than the difference between 30 percent
 12.21 of the tenant's gross income and 120 percent of the payment standard, plus utilities, as
 12.22 established by the local public housing authority, unless otherwise authorized by the agency.

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

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

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

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

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

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

21.22 (3) if the local housing authority, Tribal government, or Tribally designated housing
 21.23 entity declines to administer the program established in this section, a nongovernmental
 21.24 organization determined by the agency to have the capacity to administer the program.

21.25 Subd. 3. Grants to program administrators. (a) The agency may make grants to
 21.26 program administrators to provide rental assistance for eligible households. For both
 21.27 tenant-based and project-based assistance, program administrators shall pay assistance
 21.28 directly to housing providers. Rental assistance may be provided in the form of tenant-based
 21.29 assistance or project-based assistance. To the extent practicable, the agency must make
 21.30 grants statewide in proportion to the number of households eligible for assistance in each
 21.31 county according to the most recent American Community Survey of the United States
 21.32 Census Bureau.

22.1 (b) The program administrator may use its existing procedures to administer the rent
 22.2 assistance program or may develop alternative procedures with the goals of reaching
 22.3 households most in need and incentivizing landlord participation. The agency must approve
 22.4 a program administrator's alternative procedures. Priority for rental assistance shall be given
 22.5 to households with children 18 years of age and under, and annual incomes of up to 30
 22.6 percent of the area median income.

22.7 Subd. 4. Amount of rent assistance. A program administrator may provide tenant-based
 22.8 or project-based vouchers in amounts equal to the difference between 30 percent of household
 22.9 income and the rent charged, plus an allowance for utilities if not included in rent. A program
 22.10 administrator may not provide assistance that is more than the difference between 30 percent
 22.11 of the tenant's gross income and 120 percent of the payment standard, plus utilities, as
 22.12 established by the local public housing authority, unless otherwise authorized by the agency.

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

22.15 Subd. 6. Rent assistance not income. (a) Rent assistance grant money under this section
 22.16 is excluded from income as defined in sections 290.0674, subdivision 2a, and 290A.03,
 22.17 subdivision 3.

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

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

12.32 (2) general assistance, Minnesota supplemental aid, and food support under chapter
 12.33 256D;

13.1 (3) housing support under chapter 256I;

13.2 (4) Minnesota family investment program and diversionary work program under chapter
 13.3 256J; and

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

13.5 (c) The commissioner of human services must not consider rent assistance grant money
 13.6 under this section as income or assets under section 256B.056, subdivision 1a, paragraph
 13.7 (a); subdivision 3; or subdivision 3c, or for persons with eligibility determined under section
 13.8 256B.057, subdivision 3, 3a, or 3b.

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

13.11 Sec. 3. **[462A.2096] LEAD SAFE HOMES GRANT PROGRAM.**

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

13.19 Subd. 2. **Eligibility.** (a) Eligible grantees must be a nonprofit or political subdivision
 13.20 capable of providing funding and services to a defined geographic area. The grant programs
 13.21 established by the grantees receiving funding under this section must provide lead risk
 13.22 assessments completed by a lead inspector or a lead risk assessor licensed by the
 13.23 commissioner of health pursuant to section 144.9505 for properties built before 1978 to
 13.24 determine the presence of lead hazards and to provide interim controls to reduce lead health
 13.25 hazards. The grant programs must provide funding for testing and lead hazard reduction to:

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

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

13.30 (3) tenants with an income that does not exceed 60 percent of area median income.

22.22 (2) general assistance, Minnesota supplemental aid, and food support under chapter
 22.23 256D;

22.24 (3) housing support under chapter 256I;

22.25 (4) Minnesota family investment program and diversionary work program under chapter
 22.26 256J; and

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

22.28 (c) The commissioner of human services must not consider rent assistance grant money
 22.29 under this section as income or assets under section 256B.056, subdivision 1a, paragraph
 22.30 (a); subdivision 3; or subdivision 3c, or for persons with eligibility determined under section
 22.31 256B.057, subdivision 3, 3a, or 3b.

23.1 Subd. 7. **Oversight.** The agency may direct program administrators to comply with
 23.2 applicable sections of Code of Federal Regulations, title 24, part 982.

23.3 Sec. 9. **[462A.2096] LEAD SAFE HOMES GRANT PROGRAM.**

23.4 Subdivision 1. **Establishment.** The commissioner of the Minnesota Housing Finance
 23.5 Agency must establish and administer a grant program to support making homes safer
 23.6 through lead testing and hazard reduction.

23.7 Subd. 2. **Eligible projects.** (a) The commissioner may award a grant under this section
 23.8 for any project that will:

23.9 (1) provide lead risk assessments completed by a lead inspector or a lead risk assessor
 23.10 licensed by the commissioner of health pursuant to section 144.9505 for properties built
 23.11 before 1978 to determine the presence of lead hazards;

23.12 (2) provide interim controls to reduce lead health hazards; and

23.13 (3) serve low-income residents. For multifamily rental properties, at least 50 percent of
 23.14 the tenants must have an income below 60 percent of the area median income.

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

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

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

14.4 Sec. 4. **[462A.2098] MINNESOTA HOUSING MEDIATION GRANT PROGRAM.**

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

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

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

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

14.16 (1) provide housing dispute resolution services;

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

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

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

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

23.15 (b) The commissioner must give priority to funding projects that serve areas where there
 23.16 are high concentrations of lead poisoning in children based on information provided by the
 23.17 commissioner of health.

23.18 (c) The commissioner must not award a grant unless all other available state and federal
 23.19 funding sources related to lead testing and hazard reduction for which an applicant is eligible
 23.20 are used.

23.21 (d) The commissioner must balance grant awards so that projects occur within and
 23.22 outside metropolitan counties as defined in section 473.121, subdivision 4.

23.23 (e) Up to ten percent of a grant award may be used to administer the grant and provide
 23.24 education and outreach about lead health hazards.

23.25 Subd. 3. **Grant eligibility.** A nonprofit organization or local unit of government may
 23.26 apply for a grant under this section.

23.27 Subd. 4. **Short title.** This section shall be known as the "Dustin Luke Shields Act."

23.28 Sec. 10. **[462A.2098] MINNESOTA HOUSING MEDIATION GRANT PROGRAM.**

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

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

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

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

24.10 (1) provide housing dispute resolution services;

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

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

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

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

- 14.24 (6) increase the diversity and cultural competency of the housing mediator roster;
- 14.25 (7) integrate housing mediation services with navigation and resource connection services,
- 14.26 legal assistance, and court services programs; and
- 14.27 (8) develop and administer evaluation tools to design, modify, and replicate effective
- 14.28 program outcomes.
- 15.1 Sec. 5. **[462A.41] COMMUNITY STABILIZATION PROGRAM.**
- 15.2 Subdivision 1. **Establishment.** The agency shall establish a community stabilization
- 15.3 program for the purpose of providing grants or loans for the preservation of naturally
- 15.4 occurring affordable housing through acquisition or rehabilitation.
- 15.5 Subd. 2. **Definitions.** For the purposes of this section, "naturally occurring affordable
- 15.6 housing" means:
- 15.7 (1) multiunit rental housing that:
- 15.8 (i) is at least 20 years old; and
- 15.9 (ii) has rents in a majority of units that are affordable to households at or below 60
- 15.10 percent of the greater of state or area median income as determined by the United States
- 15.11 Department of Housing and Urban Development; or
- 15.12 (2) owner-occupied housing located in communities where market pressures or significant
- 15.13 deferred rehabilitation needs, as defined by the agency, create opportunities for displacement
- 15.14 or the loss of owner-occupied housing affordable to households at or below 115 percent of
- 15.15 the greater of state or area median income as determined by the United States Department
- 15.16 of Housing and Urban Development.
- 15.17 Subd. 3. **Eligible recipients.** (a) Grants or loans may be made to:
- 15.18 (1) a local unit of government;
- 15.19 (2) a federally recognized American Indian Tribe located in Minnesota or its Tribally
- 15.20 Designated Housing Entity;
- 15.21 (3) a private developer;
- 15.22 (4) limited equity cooperatives;
- 15.23 (5) cooperatives created under chapter 308A or 308B;
- 15.24 (6) community land trusts created for the purposes outlined in section 462A.31,
- 15.25 subdivision 1; or
- 15.26 (7) a nonprofit organization.

- 24.18 (6) increase the diversity and cultural competency of the housing mediator roster;
- 24.19 (7) integrate housing mediation services with navigation and resource connection services,
- 24.20 legal assistance, and court services programs; and
- 24.21 (8) develop and administer evaluation tools to design, modify, and replicate effective
- 24.22 program outcomes.
- 39.1 Sec. 28. **[462A.43] COMMUNITY STABILIZATION PROGRAM.**
- 39.2 Subdivision 1. **Establishment.** The agency shall establish a community stabilization
- 39.3 program to provide grants or loans to preserve naturally occurring affordable housing through
- 39.4 acquisition, acquisition and rehabilitation, or rehabilitation.
- 39.5 Subd. 2. **Definitions.** For the purposes of this section, "naturally occurring affordable
- 39.6 housing" means:
- 39.7 (1) multiunit rental housing that:
- 39.8 (i) is at least 20 years old; and
- 39.9 (ii) has rents in a majority of units that are affordable to households at or below 60
- 39.10 percent of the greater of state or area median income as determined by the United States
- 39.11 Department of Housing and Urban Development; or
- 39.12 (2) owner-occupied housing located in communities where market pressures or significant
- 39.13 deferred rehabilitation needs, as defined by the agency, are creating opportunities for
- 39.14 displacement or the loss of owner-occupied housing affordable to households at or below
- 39.15 115 percent of the greater of state or area median income as determined by the United States
- 39.16 Department of Housing and Urban Development.
- 39.17 Subd. 3. **Eligible recipients.** (a) Grants or loans may be made to a local unit of
- 39.18 government; federally recognized American Indian Tribe located in Minnesota or its Tribally
- 39.19 Designated Housing Entity; private developer; limited equity cooperative; cooperative
- 39.20 created under chapter 308A or 308B; community land trust created for the purposes outlined
- 39.21 in section 462A.31, subdivision 1; or nonprofit organization.

15.27 (b) The agency shall make a grant to a statewide intermediary to facilitate the acquisition
 15.28 and associated rehabilitation of existing multiunit rental housing and may use an intermediary
 15.29 or intermediaries for the acquisition and associated rehabilitation of owner-occupied housing.

15.30 Subd. 4. **Eligible uses.** The program shall provide grants or loans for the purpose of
 15.31 acquisition, rehabilitation, interest rate reduction, or gap financing of housing to support
 16.1 the preservation of naturally occurring affordable housing. Priority in funding shall be given
 16.2 to proposals that serve lower incomes and maintain longer periods of affordability.

16.3 Subd. 5. **Owner-occupied housing income limits.** Households served through grants
 16.4 or loans related to owner-occupied housing must have, at initial occupancy, income that is
 16.5 at or below 115 percent of the greater of state or area median income as determined by the
 16.6 United States Department of Housing and Urban Development.

16.7 Subd. 6. **Multifamily housing rent limits.** Multifamily housing financed through grants
 16.8 or loans under this section must remain affordable to low-income or moderate-income
 16.9 households as defined by the agency.

16.10 Subd. 7. **Application.** (a) The agency shall develop forms and procedures for soliciting
 16.11 and reviewing applications for grants or loans under this section. The agency shall consult
 16.12 with interested stakeholders when developing the guidelines and procedures for the program.

16.13 (b) Notwithstanding any other applicable law, the agency may accept applications on a
 16.14 noncompetitive, rolling basis in order to provide funds for eligible properties as they become
 16.15 available.

16.16 Subd. 8. **Voucher requirement for multifamily properties.** Rental properties that
 16.17 receive funds must accept rental subsidies, including but not limited to vouchers under
 16.18 Section 8 of the United States Housing Act of 1937, as amended.

39.22 (b) The agency may make a grant to a statewide intermediary to facilitate the acquisition
 39.23 and associated rehabilitation of existing multiunit rental housing and may use an intermediary
 39.24 or intermediaries for the acquisition and associated rehabilitation of owner-occupied housing.

39.25 Subd. 4. **Eligible uses.** The program shall provide grants or loans for the purpose of
 39.26 acquisition, rehabilitation, interest rate reduction, or gap financing of housing to support
 39.27 the preservation of naturally occurring affordable housing. Priority in funding shall be given
 39.28 to proposals that serve lower incomes and maintain longer periods of affordability.

39.29 Subd. 5. **Owner-occupied housing income limits.** Households served through grants
 39.30 or loans related to owner-occupied housing must have, at initial occupancy, income that is
 39.31 at or below 115 percent of the greater of state or area median income as determined by the
 39.32 United States Department of Housing and Urban Development.

40.1 Subd. 6. **Multifamily housing rent limits.** Multifamily housing financed through grants
 40.2 or loans under this section must remain affordable to low-income or moderate-income
 40.3 households as defined by the agency.

40.4 Subd. 7. **Application.** (a) The agency shall develop forms and procedures for soliciting
 40.5 and reviewing applications for loans or grants under this section. The agency shall consult
 40.6 with interested stakeholders when developing the guidelines and procedures for the program.

40.7 (b) Notwithstanding any other applicable law, the agency may accept applications on a
 40.8 noncompetitive, rolling basis in order to provide funds for eligible properties as they become
 40.9 available.

40.10 Subd. 8. **Voucher requirement for multifamily properties.** Rental properties that
 40.11 receive funds must accept rental subsidies, including but not limited to vouchers under
 40.12 Section 8 of the United States Housing Act of 1937, as amended.

37.4 Sec. 26. **[462A.41] HOUSING COST REDUCTION INCENTIVE PROGRAM.**

37.5 Subdivision 1. **Grant program established.** The agency must establish and administer
 37.6 the housing cost reduction incentive program for the purpose of reimbursing cities for fee
 37.7 waivers or reductions provided to qualified multifamily housing developments and
 37.8 single-family, owner-occupied housing developments through local fee waiver and
 37.9 inclusionary housing programs.

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

37.12 (b) "Applicant" means any statutory or home rule charter city or county.

37.13 (c) "Inclusionary housing program" means a program that requires at least 25 percent
 37.14 of new construction to be affordable to households with incomes at or below 80 percent of
 37.15 the area median income for multifamily housing developments or 115 percent of the area
 37.16 median income for single-family, owner-occupied housing developments.

16.19 Sec. 6. **[462A.42] SUPPORTIVE HOUSING PROGRAM.**

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

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

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

16.29 Subd. 4. **Eligible uses.** (a) Funds shall be used to cover costs needed for supportive
 16.30 housing to operate effectively. Costs may include but are not limited to building operating

37.17 (d) "Local fee waiver program" means a program established by a statutory or home
 37.18 rule charter city that waives or reduces fees for developers of qualified multifamily housing
 37.19 developments and single-family, owner-occupied housing developments.

37.20 (e) "Multifamily housing development" has the meaning given in section 462C.02,
 37.21 subdivision 5, except that only new construction qualifies.

37.22 (f) "Program" means the housing cost reduction incentive program established in this
 37.23 section.

37.24 (g) "Single-family housing" has the meaning given in section 462C.02, subdivision 4,
 37.25 except that only manufactured or modular homes and new construction qualify.

37.26 Subd. 3. **Application.** (a) The agency must develop forms and procedures for soliciting
 37.27 and reviewing applications for grants under this section. An application of a city must
 37.28 include, at a minimum, information about the local fee waiver and inclusionary housing
 37.29 programs under which the city issued fee waivers or reductions.

37.30 (b) The agency must evaluate complete applications for funding for reimbursement for
 37.31 eligible fee waivers or reductions to determine whether the fee waiver or reduction is
 38.1 necessary to increase the number of multifamily housing developments and single-family,
 38.2 owner-occupied housing developments within the applicant's boundaries.

38.3 (c) The determination of whether to award a grant for reimbursement of fee waivers or
 38.4 reductions is within the discretion of the agency, subject to this section. The agency's decision
 38.5 and application of the criteria are not subject to judicial review, except for abuse of discretion.

38.6 Subd. 4. **Grant amount.** The commissioner may award grants to applicants in an amount
 38.7 up to 50 percent of the amount of the development impact fee waived or reduced by a city
 38.8 for a qualified rental housing development. A city may receive no more than \$250,000 per
 38.9 multifamily housing development or single-family housing project.

38.10 Sec. 27. **[462A.42] SUPPORTIVE HOUSING PROGRAM.**

38.11 Subdivision 1. **Establishment.** The agency shall establish a supportive housing program
 38.12 to provide funding to support the operations of supportive housing for individuals and
 38.13 families who are at risk of homelessness or have experienced homelessness.

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

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

38.20 Subd. 4. **Eligible uses.** (a) Funds shall be used to cover costs needed for supportive
 38.21 housing to operate effectively. Costs may include but are not limited to building operating

16.31 expenses such as front desk, tenant service coordination, revenue shortfall, and security
 16.32 costs.

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

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

17.9 Sec. 7. **[462A.43] GREATER MINNESOTA HOUSING INFRASTRUCTURE**
 17.10 **GRANT PROGRAM.**

17.11 Subdivision 1. **Grant program established.** The commissioner may make grants to
 17.12 cities to provide up to 50 percent of the capital costs of public infrastructure necessary for
 17.13 an eligible workforce housing development project. The commissioner may make a grant
 17.14 award only after determining that nonstate resources are committed to complete the project.
 17.15 The nonstate contribution may be cash, other committed grant funds, or in kind. In-kind
 17.16 contributions may include the value of the site, whether the site is prepared before or after
 17.17 the law appropriating money for the grant is enacted.

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

17.20 (b) "City" means a statutory or home rule charter city that includes undeveloped parcels
 17.21 that is located outside the metropolitan area, as defined in section 473.121, subdivision 2.

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

17.26 Subd. 3. **Eligible projects.** Housing infrastructure projects eligible for a grant under this
 17.27 section may be for the development of single-family housing, manufactured home parks,
 17.28 or multifamily housing, either owner-occupied or rental.

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

38.22 expenses such as front desk, tenant service coordination, revenue shortfall, and security
 38.23 costs. These funds may be capitalized as part of development costs. Funds may be provided
 38.24 to support existing permanent supportive housing units or to cover costs associated with
 38.25 new permanent supportive housing units.

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

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

43.1 Sec. 31. **GREATER MINNESOTA HOUSING INFRASTRUCTURE GRANT**
 43.2 **PROGRAM.**

43.3 Subdivision 1. **Grant program established.** The commissioner of the Minnesota Housing
 43.4 Finance Agency may make grants to cities to provide up to 50 percent of the capital costs
 43.5 of public infrastructure necessary for an eligible workforce housing development project.
 43.6 The commissioner may make a grant award only after determining that nonstate resources
 43.7 are committed to complete the project. The nonstate contribution may be either cash or in
 43.8 kind. In-kind contributions may include the value of the site, whether the site is prepared
 43.9 before or after the law appropriating money for the grant is enacted.

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

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

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

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

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

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

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

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

18.8 Subd. 5. **Maximum grant amount.** A city may receive no more than \$30,000 per lot
 18.9 for single-family, duplex, triplex, or fourplex housing developed and no more than \$60,000
 18.10 per lot for **manufactured home parks** or multifamily housing with more than four units per
 18.11 building. A city may receive no more than \$500,000 in two years for one or more housing
 18.12 developments.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19.15 (ii) rental housing units, not including naturally occurring affordable housing, of which
19.16 50 percent of the total number of units are rented to individuals or families whose annual
19.17 incomes, according to the most recent income certification as of December 31, 2022, are
19.18 at or below 30 percent of the area median income as determined by the United States
19.19 Department of Housing and Urban Development, adjusted for family size; or

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

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

19.24 (b) An organization that seeks to obtain a grant must apply to the commissioner by July
19.25 28, 2023, and certify:

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

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

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

19.31 (c) The commissioner must disburse grants to eligible organizations no later than
19.32 September 30, 2023.

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

20.2 (1) the number of units an eligible organization certifies that it owns or controls in the
20.3 state divided by the total number of units certified by all eligible organizations; multiplied
20.4 by

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

20.6 (e) No grant to an eligible organization may exceed \$4,000 per certified unit. The per-unit
 20.7 amount of the grant for each eligible organization must be calculated based on the total
 20.8 number of units each eligible organization owns or controls in the state and is not limited
 20.9 to the number of units that qualify it as an eligible organization under subdivision 2, clause
 20.10 (5).

20.11 (f) Grantees must use grant funds to maintain or improve the housing stability of tenants
 20.12 by expending funds on:

20.13 (1) property maintenance, improvements, and security;

20.14 (2) providing services, including services and programs that promote economic and
 20.15 social mobility;

20.16 (3) efforts to attract and retain employees that will assist in providing services and support
 20.17 to tenants; or

20.18 (4) forgiveness of all or a portion of rent balances owed by former or current tenants.

20.19 The commissioner may approve additional uses of this fund that would have a beneficial
 20.20 impact on the housing stability of tenants.

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

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

20.27 Sec. 9. **FIRST-GENERATION HOMEBUYERS DOWN PAYMENT ASSISTANCE**
 20.28 **FUND.**

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

21.5 Subd. 2. **Eligible household.** For purposes of this section, "eligible household" means
 21.6 a household:

21.7 (1) whose income is at or below 100 percent of the area median income at the time of
 21.8 purchase; and

21.9 (2) that includes at least one adult member:

41.9 Sec. 30. **FIRST-GENERATION HOMEBUYERS DOWN PAYMENT ASSISTANCE**
 41.10 **FUND.**

41.11 Subdivision 1. **Establishment.** A first-generation homebuyers down payment assistance
 41.12 fund is established as a pilot project under the administration of the Midwest Minnesota
 41.13 Community Development Corporation, a community development financial institution
 41.14 (CDFI) as defined under the Riegle Community Development and Regulatory Improvement
 41.15 Act of 1994, to provide targeted assistance to eligible first-generation homebuyers.

41.16 Subd. 2. **Eligible homebuyer.** For purposes of this section, "eligible homebuyer" means
 41.17 a borrower:

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

21.10 (i) who is preapproved for a first mortgage loan;

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

21.12 and

21.13 (iii) whose parent or prior legal guardian either never owned a home or owned a home

21.14 but lost it due to foreclosure.

21.15 At least one adult household member meeting the criteria under clause (2) must complete

21.16 an approved homebuyer education course prior to signing a purchase agreement and,

21.17 following the purchase of the home, must occupy it as their primary residence.

21.18 Subd. 3. **Use of funds.** Assistance under this section is limited to ten percent of the

21.19 purchase price of a one or two unit home, not to exceed \$32,000. Funds shall be reserved

21.20 for eligible households. Fund reservation is not contingent on having an executed purchase

21.21 agreement. The assistance must be provided in the form of a loan that is forgivable at a rate

21.22 of 20 percent per year on the day after the anniversary date of the note. The prorated balance

21.23 due is repayable if the property converts to nonowner occupancy, is sold, is subjected to an

21.24 ineligible refinance, is subjected to an unauthorized transfer of title, or is subjected to a

21.25 completed foreclosure action within the five-year loan term. Recapture can be waived in

21.26 the event of financial or personal hardship. Funds may be used for closing costs, down

21.27 payment, or principal reduction. The eligible household may select any first mortgage lender

21.28 or broker of their choice, provided that the funds are used in conjunction with a conforming

21.29 first mortgage loan that is fully amortizing and meets the standards of a qualified mortgage

21.30 or meets the minimum standards for exemption under Code of Federal Regulations, title

21.31 12, section 1026.43. Funds may be used in conjunction with other programs the eligible

21.32 household may qualify for and the loan placed in any priority position.

22.1 Subd. 4. **Administration.** The first-generation homebuyers down payment assistance

22.2 fund is available statewide and shall be administered by MMCDC, the designated central

22.3 CDFI. MMCDC may originate and service funds and authorize other CDFIs, Tribal entities,

22.4 and nonprofit organizations administering down payment assistance to reserve, originate,

22.5 fund, and service funds for eligible households. Administrative costs must not exceed \$3,200

22.6 per loan. Any funds recaptured prior to June 30, 2026, are returned to MMCDC for

22.7 redistribution to eligible households. Any unused funds, or funds recaptured on or after

22.8 June 30, 2026, shall be remitted to the agency to be returned to the general fund.

22.9 Subd. 5. **Report to legislature.** By January 15 each year, the fund administrator,

22.10 MMCDC, must report to the chairs and ranking minority members of the legislative

22.11 committees with jurisdiction over housing finance and policy the following information:

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

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

41.22 (4) whose parent or prior legal guardian either never owned a home or owned a home

41.23 but lost it due to foreclosure.

41.24 For joint borrowers, the combined income of all borrowers must be at or below 100 percent

41.25 of the area median income at the time of purchase. One borrower must be an eligible

41.26 homebuyer. An eligible homebuyer must complete an approved homebuyer education course

41.27 prior to signing a purchase agreement and, following the purchase of the home, must occupy

41.28 it as their primary residence.

41.29 Subd. 3. **Use of funds.** Assistance under this section is limited to ten percent of the

41.30 purchase price of a one or two unit home, not to exceed \$32,000. Funds are reserved at the

41.31 issuance of preapproval. Reservation of funds is not contingent on having an executed

41.32 purchase agreement. The assistance must be provided in the form of a loan that is forgivable

42.1 at a rate of 20 percent per year on the day after the anniversary date of the note. The prorated

42.2 balance due is repayable if the property converts to nonowner occupancy, is sold, is subjected

42.3 to an ineligible refinance, is subjected to an unauthorized transfer of title, or is subjected to

42.4 a completed foreclosure action within the five-year loan term. Recapture can be waived in

42.5 the event of financial or personal hardship. Funds may be used for closing costs, down

42.6 payment, or principal reduction. The eligible homebuyer may select any first mortgage

42.7 lender or broker. The funds must be used in conjunction with a conforming first mortgage

42.8 loan that is fully amortizing and meets the standards of a qualified mortgage or meets the

42.9 minimum standards for exemption under Code of Federal Regulations, title 12, section

42.10 1026.43. Funds may be used in conjunction with other programs the eligible homebuyer

42.11 may qualify for and the loan placed in any priority position.

42.12 Subd. 4. **Administration.** The first-generation homebuyers down payment assistance

42.13 fund is available statewide and shall be administered by Midwest Minnesota Community

42.14 Development Corporation, the designated central CDFI. Midwest Minnesota Community

42.15 Development Corporation may originate and service funds and authorize other CDFIs,

42.16 Tribal entities, and nonprofit organizations administering down payment assistance to

42.17 reserve, originate, fund, and service funds for eligible homebuyers. Administrative costs

42.18 must not exceed \$3,200 per loan. Any funds recaptured prior to June 30, 2026, are deposited

42.19 in the fund established in subdivision 1 and are to be redistributed to eligible homebuyers.

42.20 Any unused funds, or funds recaptured on or after June 30, 2026, shall be remitted to the

42.21 agency to be returned to the general fund.

42.22 Subd. 5. **Report to legislature.** By January 15 each year, the fund administrator, Midwest

42.23 Minnesota Community Development Corporation, must report to the chairs and ranking

42.24 minority members of the legislative committees having jurisdiction over housing finance

42.25 and policy the following information:

- 22.12 (1) the number and amount of loans closed;
- 22.13 (2) the median loan amount;
- 22.14 (3) the number and amount of loans issued by race or ethnic categories;
- 22.15 (4) the median home purchase price;
- 22.16 (5) the type of mortgage;
- 22.17 (6) the total amount returned to the fund; and
- 22.18 (7) the number and amount of loans issued by county.

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

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

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

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

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

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

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

23.1 Subd. 2. **Grant program.** The commissioner of the Housing Finance Agency must make
23.2 grants to owners of eligible buildings for installation of sprinkler systems and for relocation
23.3 of residents during the installation of sprinkler systems. Priority shall be given to nonprofit
23.4 applicants. The maximum grant per eligible building shall be \$2,000,000. Each grant to a
23.5 nonprofit organization shall require a 25 percent match. Each grant to a for-profit organization
23.6 shall require a 50 percent match.

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

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

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

23.12 (b) A local government with an existing local housing trust fund may receive a grant
23.13 amount equal to 100 percent of the public revenue committed to the local housing trust fund
23.14 from any source other than the state or federal government, up to \$150,000, and in addition,

- 42.26 (1) the number and amount of loans closed;
- 42.27 (2) the median loan amount;
- 42.28 (3) the number and amount of loans issued by race or ethnic categories;
- 42.29 (4) the median home purchase price;
- 42.30 (5) the interest rates and types of mortgages;
- 42.31 (6) the total amount returned to the fund; and
- 42.32 (7) the number and amount of loans issued by county.

44.7 Sec. 32. **HIGH-RISE SPRINKLER SYSTEM GRANT PROGRAM.**

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

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

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

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

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

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

SEE R12-R13, LINES 12.21-13.23

23.15 an amount equal to 50 percent of the public revenue committed to the local housing trust
 23.16 fund from any source other than the state or federal government that is more than \$150,000
 23.17 but not more than \$300,000.

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

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

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

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

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

24.1 (1) "commissioner" means the commissioner of the Minnesota Housing Finance Agency;
 24.2 and

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

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

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

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

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

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

45.14 **Sec. 35. HOMEOWNERSHIP INVESTMENT GRANTS PROGRAM.**

45.15 Subdivision 1. **Grant program established.** The commissioner of the Minnesota Housing
 45.16 Finance Agency must establish and administer a program to support projects that encourage
 45.17 affordable homeownership in accordance with this section.

45.29 Subd. 3. **Eligible organization.** To be eligible for a grant under this section, a nonprofit
 45.30 organization must:

46.1 (1) qualify for tax exempt status under United States Code, title 26, section 501(c)(3);

46.2 (2) have primary operations located in Minnesota;

46.3 (3) be certified as a community development financial institution by the United States
 46.4 Department of the Treasury; and

46.5 (4) provide affordable housing lending or financing programs.

45.18 Subd. 2. **Eligible projects.** The commissioner may award a grant under this section for
 45.19 a project that invests in the following:

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

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

24.17 (3) acquisition, rehabilitation, and resale of affordable owner-occupied homes or homes

24.18 to be converted to owner-occupied homes;

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

24.20 (5) services to increase access to stable, affordable, owner-occupied housing in

24.21 low-income communities, Indigenous American Indian communities, and communities of

24.22 color.

24.23 Subd. 4. Commissioner duties. (a) The commissioner shall consult with eligible

24.24 organizations and develop forms, applications, and reporting requirements for use by eligible

24.25 organizations. All organizations applying for a grant must include as part of their application

24.26 a plan to create new affordable home ownership and home preservation opportunities for

24.27 targeted areas. The commissioner shall develop a grant award scoring system that ensures

24.28 a distribution of awards throughout the state based on population and eligible households

24.29 and communities.

24.30 (b) The commissioner shall complete the requirements under paragraph (a) within 90

24.31 days of enactment of this section.

25.1 (c) By January 15, 2024, the commissioner must submit a report to the chairs and ranking

25.2 minority members of the legislative committees with jurisdiction over housing finance and

25.3 policy detailing the use of funds under this section.

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

25.5 Sec. 13. **FIRST-TIME HOMEBUYER, FEE-BASED HOME PURCHASE**

25.6 **FINANCING PROGRAM.**

25.7 Subdivision 1. **Administration.** A first-time homebuyer, fee-based home purchasing

25.8 financing program is established as a pilot project under the administration of NeighborWorks

25.9 Home Partners.

25.10 Subd. 2. **Eligible homebuyer.** For the purposes of this section, an "eligible homebuyer"

25.11 means an individual:

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

25.13 (2) who resides in a census tract where at least 60 percent of occupied housing units are

25.14 renter-occupied, based on the most recent estimates or experimental estimates provided by

25.15 the American Community Survey of the United States Census Bureau;

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

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

45.22 (3) acquisition, rehabilitation, and resale of affordable owner-occupied homes or homes

45.23 to be converted to owner-occupied homes;

45.24 (4) financing programs for affordable owner-occupied manufactured housing; or

45.25 (5) services to increase access to stable, affordable, owner-occupied housing in

45.26 low-income communities, American Indian communities, and communities of color.

45.27 The commissioner must ensure grant awards are distributed throughout the state based on

45.28 population.

46.6 Subd. 4. **Application.** An organization applying for a grant must include as part of their

46.7 application a plan to create new affordable home ownership and home preservation

46.8 opportunities for targeted areas.

46.9 Subd. 5. **Report.** By January 15, 2024, the commissioner must submit a report to the

46.10 chairs and ranking minority members of the legislative committees with jurisdiction over

46.11 housing finance and policy detailing the use of funds under this section.

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

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

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

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

25.27 Subd. 4. **Use of funds.** NeighborWorks Home Partners shall use the money appropriated
25.28 to this program to provide forgivable grants of down payment assistance not to exceed 30
25.29 percent of the price of the eligible property that an eligible homebuyer seeks to purchase.
25.30 NeighborWorks Home Partners shall provide grants to eligible homebuyers using no-interest,
25.31 fee-based loans to finance the purchase of eligible properties. In making grants,
25.32 NeighborWorks Home Partners shall determine the circumstances, terms, and conditions
26.1 under which all or any portion of the grant will be repaid and shall determine the appropriate
26.2 security required for a repayment. The administrative fees for operating the program shall
26.3 not exceed five percent of the appropriation. An eligible homebuyer may use the funds in
26.4 conjunction with any other funding programs.

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

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

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

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

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

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

26.15 Subd. 6. **Reports.** By January 15 and July 15 each year, NeighborWorks Home Partners
26.16 must report to the chairs and ranking minority members of the legislative committees with
26.17 jurisdiction over housing finance and policy the following information:

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

26.19 (2) the median grant amount;
 26.20 (3) the number and amount of grants issued by race or ethnic categories;
 26.21 (4) the median home purchase price;
 26.22 (5) the total amount returned to the fund; and
 26.23 (6) the number and amount of grants issued by county.

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

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

26.27 (1) "commissioner" means the commissioner of the Minnesota Housing Finance Agency;
 26.28 and

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

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

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

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

27.6 (3) be a qualified nonprofit lender or a community development financial institution
 27.7 certified by the United States Department of the Treasury; and

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

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

27.12 (1) new manufactured home financing programs;

27.13 (2) manufactured home down payment assistance; and

27.14 (3) manufactured home repair, renovation, removal, and site preparation financing
 27.15 programs.

27.16 Subd. 4. **Commissioner duties.** Within 90 days of final enactment, the commissioner
 27.17 shall develop the forms, applications, and reporting requirements for use by eligible
 27.18 organizations. In developing these materials, the commissioner shall consult with

46.12 Sec. 36. **MANUFACTURED HOME LENDING GRANTS PROGRAM.**

46.13 Subdivision 1. **Program established.** The commissioner of the Minnesota Housing
 46.14 Finance Agency must award a grant to an organization for manufactured home lending
 46.15 services under subdivision 2.

46.22 Subd. 3. **Eligible organization.** To be eligible for a grant under this section, a nonprofit
 46.23 organization must:

46.24 (1) qualify for tax exempt status under United States Code, title 26, section 501(c)(3);

46.25 (2) have primary operations located in Minnesota;

46.26 (3) be a qualified nonprofit lender or certified as a community development financial
 46.27 institution by the United States Department of the Treasury;

46.28 (4) provide affordable housing lending or financing programs; and

46.29 (5) serve low-income populations in manufactured home communities owned by residents,
 46.30 cooperatives, nonprofits, or municipalities.

46.16 Subd. 2. **Eligible services.** The commissioner may award a grant under this section to
 46.17 an organization providing lending funds for the following services:

46.18 (1) new manufactured home financing programs;

46.19 (2) manufactured home down payment assistance; or

46.20 (3) manufactured home repair, renovation, removal, and site preparation financing
 46.21 programs.

47.1 Subd. 4. **Application.** Within 90 days of final enactment, the commissioner shall develop
 47.2 the forms, applications, and reporting requirements for use by eligible organizations. In
 47.3 developing these materials, the commissioner shall consult with manufactured housing

27.19 manufactured housing cooperatives, resident-owned manufactured home communities, and
27.20 nonprofit organizations working with manufactured housing cooperatives and resident-owned
27.21 communities.

27.22 Sec. 15. **MANUFACTURED HOME PARK COOPERATIVE PURCHASE**
27.23 **PROGRAM.**

27.24 (a) The funding under this section shall be used for a revolving loan fund under Minnesota
27.25 Statutes, section 462A.05, subdivision 35, to provide interest-free loans for residents of
27.26 manufactured home parks to purchase the manufactured home park in which they reside
27.27 for the purpose of conversion of the manufactured home park to cooperative ownership.
27.28 Repayments of principal from loans issued under this section must be used for the purposes
27.29 of this section.

27.30 (b) The agency shall develop criteria for loan requests under this section. Within 90 days
27.31 of final enactment, the commissioner shall develop the forms, applications, and reporting
27.32 requirements for use by eligible organizations. In developing these materials, the
28.1 commissioner shall consult with manufactured housing cooperatives, resident-owned
28.2 manufactured home communities, and nonprofit organizations working with manufactured
28.3 housing cooperatives and resident-owned communities.

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

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

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

28.12 **ARTICLE 3**

28.13 **BONDING AUTHORITY AND AUTHORIZATION**

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

28.15 Subdivision 1. **Debt ceiling.** The aggregate principal amount of general obligation bonds
28.16 and notes which are outstanding at any time, excluding the principal amount of any bonds
28.17 and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of
28.18 \$5,000,000,000.

47.4 cooperatives, resident-owned manufactured home communities, and nonprofit organizations
47.5 working with manufactured housing cooperatives and resident-owned communities.

47.6 Subd. 5. **Loan payments and interest.** Interest earned and repayments of principal from
47.7 loans issued under this section must be used for the purposes of this section.

SEE R11, LINES 14.19-15.15

27.21 Sec. 14. Minnesota Statutes 2022, section 462A.22, subdivision 1, is amended to read:

27.22 Subdivision 1. **Debt ceiling.** The aggregate principal amount of bonds and notes that
27.23 are general obligations of the agency and secured by its full faith and credit, as described
27.24 in section 462A.08, subdivision 3, and which are outstanding at any time, excluding the
27.25 principal amount of any bonds and notes refunded by the issuance of new bonds or notes,
27.26 shall not exceed the sum of \$5,000,000,000.

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

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

28.26 (b) In the refunding of nonprofit housing bonds, each bond must be called for redemption
28.27 prior to its maturity in accordance with its terms no later than the earliest date on which it
28.28 may be redeemed. No refunding bonds may be issued unless as of the date of the refunding
28.29 bonds the present value of the dollar amount of the debt service on the refunding bonds,
28.30 computed to their stated maturity dates, is lower than the present value of the dollar amount
28.31 of debt service on all nonprofit housing bonds refunded computed to their stated maturity
28.32 dates. For purposes of this subdivision, "present value of the dollar amount of debt service"
29.1 means the dollar amount of debt service to be paid, discounted to the nominal date of the
29.2 refunding bonds at a rate equal to the yield on the refunding bonds.

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

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

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

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

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

27.27 Sec. 15. Minnesota Statutes 2022, section 462A.36, is amended by adding a subdivision
27.28 to read:

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

28.3 (b) In the refunding of nonprofit housing bonds, each bond must be called for redemption
28.4 prior to its maturity in accordance with its terms no later than the earliest date on which it
28.5 may be redeemed. No refunding bonds may be issued unless as of the date of the refunding
28.6 bonds the present value of the dollar amount of the debt service on the refunding bonds,
28.7 computed to their stated maturity dates, is lower than the present value of the dollar amount
28.8 of debt service on all nonprofit housing bonds refunded computed to their stated maturity
28.9 dates. For purposes of this subdivision, "present value of the dollar amount of debt service"
28.10 means the dollar amount of debt service to be paid, discounted to the nominal date of the
28.11 refunding bonds at a rate equal to the yield on the refunding bonds.

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

28.17 Sec. 16. Minnesota Statutes 2022, section 462A.36, subdivision 4, is amended to read:

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

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

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

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

29.23 Subd. 2i. **Additional authorization.** In addition to the amounts authorized in subdivisions
29.24 2 to 2h, the agency may issue up to \$33,333,500 in housing infrastructure bonds in one or
29.25 more series to which the payments under this section may be pledged.

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

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

29.29 Subd. 2j. **Additional authorization.** In addition to the amounts authorized in subdivisions
29.30 2 to 2i, the agency may issue up to \$33,333,500 in housing infrastructure bonds in one or
29.31 more series to which the payments under this section may be pledged.

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

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

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

30.10 (b) In the refunding of housing infrastructure bonds, each bond must be called for
30.11 redemption prior to its maturity in accordance with its terms no later than the earliest date
30.12 on which it may be redeemed. No refunding bonds may be issued unless as of the date of
30.13 the refunding bonds the present value of the dollar amount of the debt service on the
30.14 refunding bonds, computed to their stated maturity dates, is lower than the present value of
30.15 the dollar amount of debt service on all housing infrastructure bonds refunded computed to
30.16 their stated maturity dates. For purposes of this subdivision, "present value of the dollar
30.17 amount of debt service" means the dollar amount of debt service to be paid, discounted to
30.18 the nominal date of the refunding bonds at a rate equal to the yield on the refunding bonds.

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

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

32.24 Subd. 2i. **Additional authorization.** In addition to the amounts authorized in subdivisions
32.25 2 to 2h, the agency may issue up to \$250,000,000 in housing infrastructure bonds in one or
32.26 more series to which the payments under this section may be pledged.

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

33.1 Sec. 20. Minnesota Statutes 2022, section 462A.37, is amended by adding a subdivision
33.2 to read:

33.3 Subd. 2j. **Refunding bonds.** (a) The agency may issue housing infrastructure bonds in
33.4 one or more series to refund bonds authorized in this section. The amount of refunding
33.5 housing infrastructure bonds that may be issued from time to time will not be subject to the
33.6 dollar limitation contained in any of the authorizations in this section nor will those bonds
33.7 be included in computing the amount of bonds that may be issued within those dollar
33.8 limitations.

33.9 (b) In the refunding of housing infrastructure bonds, each bond must be called for
33.10 redemption prior to its maturity in accordance with its terms no later than the earliest date
33.11 on which it may be redeemed. No refunding bonds may be issued unless as of the date of
33.12 the refunding bonds the present value of the dollar amount of the debt service on the
33.13 refunding bonds, computed to their stated maturity dates, is lower than the present value of
33.14 the dollar amount of debt service on all housing infrastructure bonds refunded computed to
33.15 their stated maturity dates. For purposes of this subdivision, "present value of the dollar
33.16 amount of debt service" means the dollar amount of debt service to be paid, discounted to
33.17 the nominal date of the refunding bonds at a rate equal to the yield on the refunding bonds.

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

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

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

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

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

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

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

31.9 (b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure
31.10 bonds issued under subdivision 2a remain outstanding, or housing infrastructure bonds
31.11 issued to refund those bonds, the commissioner of management and budget must transfer
31.12 to the housing infrastructure bond account established under section 462A.21, subdivision
31.13 33, the amount certified under paragraph (a), not to exceed \$6,400,000 annually. The amounts
31.14 necessary to make the transfers are appropriated from the general fund to the commissioner
31.15 of management and budget.

31.16 (c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure
31.17 bonds issued under subdivision 2b remain outstanding, or housing infrastructure bonds
31.18 issued to refund those bonds, the commissioner of management and budget must transfer
31.19 to the housing infrastructure bond account established under section 462A.21, subdivision
31.20 33, the amount certified under paragraph (a), not to exceed \$800,000 annually. The amounts
31.21 necessary to make the transfers are appropriated from the general fund to the commissioner
31.22 of management and budget.

31.23 (d) Each July 15, beginning in 2019 and through 2040, if any housing infrastructure
31.24 bonds issued under subdivision 2c remain outstanding, or housing infrastructure bonds
31.25 issued to refund those bonds, the commissioner of management and budget must transfer
31.26 to the housing infrastructure bond account established under section 462A.21, subdivision
31.27 33, the amount certified under paragraph (a), not to exceed \$2,800,000 annually. The amounts
31.28 necessary to make the transfers are appropriated from the general fund to the commissioner
31.29 of management and budget.

33.23 Sec. 21. Minnesota Statutes 2022, section 462A.37, subdivision 4, is amended to read:

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

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

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

34.3 Sec. 22. Minnesota Statutes 2022, section 462A.37, subdivision 5, is amended to read:

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

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

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

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

31.30 (e) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure
 31.31 bonds issued under subdivision 2d remain outstanding, or housing infrastructure bonds
 31.32 issued to refund those bonds, the commissioner of management and budget must transfer
 31.33 to the housing infrastructure bond account established under section 462A.21, subdivision
 32.1 33, the amount certified under paragraph (a). The amounts necessary to make the transfers
 32.2 are appropriated from the general fund to the commissioner of management and budget.

32.3 (f) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure
 32.4 bonds issued under subdivision 2e remain outstanding, or housing infrastructure bonds
 32.5 issued to refund those bonds, the commissioner of management and budget must transfer
 32.6 to the housing infrastructure bond account established under section 462A.21, subdivision
 32.7 33, the amount certified under paragraph (a). The amounts necessary to make the transfers
 32.8 are appropriated from the general fund to the commissioner of management and budget.

32.9 (g) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure
 32.10 bonds issued under subdivision 2f remain outstanding, or housing infrastructure bonds
 32.11 issued to refund those bonds, the commissioner of management and budget must transfer
 32.12 to the housing infrastructure bond account established under section 462A.21, subdivision
 32.13 33, the amount certified under paragraph (a). The amounts necessary to make the transfers
 32.14 are appropriated from the general fund to the commissioner of management and budget.

32.15 (h) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure
 32.16 bonds issued under subdivision 2g remain outstanding, or housing infrastructure bonds
 32.17 issued to refund those bonds, the commissioner of management and budget must transfer
 32.18 to the housing infrastructure bond account established under section 462A.21, subdivision
 32.19 33, the amount certified under paragraph (a). The amounts necessary to make the transfers
 32.20 are appropriated from the general fund to the commissioner of management and budget.

32.21 (i) Each July 15, beginning in 2023 and through 2044, if any housing infrastructure
 32.22 bonds issued under subdivision 2h remain outstanding, or housing infrastructure bonds
 32.23 issued to refund those bonds, the commissioner of management and budget must transfer
 32.24 to the housing infrastructure bond account established under section 462A.21, subdivision
 32.25 33, the amount certified under paragraph (a). The amounts necessary to make the transfers
 32.26 are appropriated from the general fund to the commissioner of management and budget.

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

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

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

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

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

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

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

35.25 (j) Each July 15, beginning in 2024 and through 2045, if any housing infrastructure
 35.26 bonds issued under subdivision 2i remain outstanding, the commissioner of management
 35.27 and budget must transfer to the housing infrastructure bond account established under section
 35.28 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary
 35.29 to make the transfers are appropriated from the general fund to the commissioner of
 35.30 management and budget.

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

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

33.10 **ARTICLE 4**

33.11 **ELIGIBILITY AND USES**

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

33.13 Subd. 14. **Rehabilitation loans.** It may agree to purchase, make, or otherwise participate
33.14 in the making, and may enter into commitments for the purchase, making, or participation
33.15 in the making, of eligible loans for rehabilitation, with terms and conditions as the agency
33.16 deems advisable, to persons and families of low and moderate income, and to owners of
33.17 existing residential housing for occupancy by such persons and families, for the rehabilitation
33.18 of existing residential housing owned by them. Rehabilitation may include the addition or
33.19 rehabilitation of a detached accessory dwelling unit. The loans may be insured or uninsured
33.20 and may be made with security, or may be unsecured, as the agency deems advisable. The
33.21 loans may be in addition to or in combination with long-term eligible mortgage loans under
33.22 subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness
33.23 secured by the property, if refinancing is determined by the agency to be necessary to permit
33.24 the owner to meet the owner's housing cost without expending an unreasonable portion of
33.25 the owner's income thereon. No loan for rehabilitation shall be made unless the agency
33.26 determines that the loan will be used primarily to make the housing more desirable to live
33.27 in, to increase the market value of the housing, for compliance with state, county or municipal
33.28 building, housing maintenance, fire, health or similar codes and standards applicable to
33.29 housing, or to accomplish energy conservation related improvements. In unincorporated
33.30 areas and municipalities not having codes and standards, the agency may, solely for the
33.31 purpose of administering the provisions of this chapter, establish codes and standards. No
33.32 loan under this subdivision for the rehabilitation of owner-occupied housing shall be denied
33.33 solely because the loan will not be used for placing the owner-occupied residential housing
33.34 in full compliance with all state, county, or municipal building, housing maintenance, fire,
34.1 health, or similar codes and standards applicable to housing. Rehabilitation loans shall be
34.2 made only when the agency determines that financing is not otherwise available, in whole
34.3 or in part, from private lenders upon equivalent terms and conditions. Accessibility
34.4 rehabilitation loans authorized under this subdivision may be made to eligible persons and
34.5 families without limitations relating to the maximum incomes of the borrowers if:

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

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

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

18.26 Subd. 14. **Rehabilitation loans.** It may agree to purchase, make, or otherwise participate
18.27 in the making, and may enter into commitments for the purchase, making, or participation
18.28 in the making, of eligible loans for rehabilitation, with terms and conditions as the agency
18.29 deems advisable, to persons and families of low and moderate income, and to owners of
18.30 existing residential housing for occupancy by such persons and families, for the rehabilitation
18.31 of existing residential housing owned by them. Rehabilitation may include the addition or
18.32 rehabilitation of a detached accessory dwelling unit. The loans may be insured or uninsured
19.1 and may be made with security, or may be unsecured, as the agency deems advisable. The
19.2 loans may be in addition to or in combination with long-term eligible mortgage loans under
19.3 subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness
19.4 secured by the property, if refinancing is determined by the agency to be necessary to permit
19.5 the owner to meet the owner's housing cost without expending an unreasonable portion of
19.6 the owner's income thereon. No loan for rehabilitation shall be made unless the agency
19.7 determines that the loan will be used primarily to make the housing more desirable to live
19.8 in, to increase the market value of the housing, for compliance with state, county or municipal
19.9 building, housing maintenance, fire, health or similar codes and standards applicable to
19.10 housing, or to accomplish energy conservation related improvements. In unincorporated
19.11 areas and municipalities not having codes and standards, the agency may, solely for the
19.12 purpose of administering the provisions of this chapter, establish codes and standards. No
19.13 loan under this subdivision for the rehabilitation of owner-occupied housing shall be denied
19.14 solely because the loan will not be used for placing the owner-occupied residential housing
19.15 in full compliance with all state, county, or municipal building, housing maintenance, fire,
19.16 health, or similar codes and standards applicable to housing. Rehabilitation loans shall be
19.17 made only when the agency determines that financing is not otherwise available, in whole
19.18 or in part, from private lenders upon equivalent terms and conditions. Accessibility
19.19 rehabilitation loans authorized under this subdivision may be made to eligible persons and
19.20 families without limitations relating to the maximum incomes of the borrowers if:

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

34.9 (2) home care is appropriate; and

34.10 (3) the improvement will enable the borrower or a member of the borrower's family to

34.11 reside in the housing.

34.12 The agency may waive any requirement that the housing units in a residential housing

34.13 development be rented to persons of low and moderate income if the development consists

34.14 of four or ~~less~~ dwelling units, one of which is occupied by the owner.

34.15 Sec. 2. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to

34.16 read:

34.17 Subd. 43. **Housing disparities.** The agency must prioritize its use of appropriations for

34.18 any program under this chapter to serve households most affected by housing disparities.

34.19 Sec. 3. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to

34.20 read:

34.21 Subd. 44. **Special purpose credit program.** The agency may establish special purpose

34.22 credit programs to assist one or more economically disadvantaged classes of persons in

34.23 order to address the effects of historic and current discrimination which resulted in limiting

34.24 access to housing credit by persons on the basis of race, color, ethnicity, or national origin.

34.25 A special purpose credit program may include a wide variety of remedies, including but

34.26 not limited to loans or other financial assistance, based on current, documented need as

34.27 determined by the agency.

34.28 Sec. 4. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to

34.29 read:

34.30 Subd. 45. **Indian Tribes.** Notwithstanding any other provision in this chapter, at its

34.31 discretion the agency may make any federally recognized Indian Tribe in Minnesota, or

35.1 their associated Tribally Designated Housing Entity (TDHE) as defined by United States

35.2 Code, title 25, section 4103(22), eligible for funding authorized under this chapter.

35.3 Sec. 5. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to

35.4 read:

35.5 Subd. 46. **Translation services.** The agency shall provide to all applicants for funding

35.6 authorized under this chapter interpreter or translation services to ensure that any

35.7 communications to the applicant are made in the applicant's primary language. The agency

35.8 shall require grantees, borrowers, or any other recipients of funding under this chapter to

35.9 provide interpreter or translation services to any member of the public seeking access to

35.10 services funded under this chapter.

35.11 Sec. 6. Minnesota Statutes 2022, section 462A.201, subdivision 2, is amended to read:

35.12 Subd. 2. **Low-income housing.** (a) The agency may use money from the housing trust

35.13 fund account to provide loans or grants for:

19.24 (2) home care is appropriate; and

19.25 (3) the improvement will enable the borrower or a member of the borrower's family to

19.26 reside in the housing.

19.27 The agency may waive any requirement that the housing units in a residential housing

19.28 development be rented to persons of low and moderate income if the development consists

19.29 of four or ~~less~~ fewer dwelling units, one of which is occupied by the owner.

20.7 Sec. 4. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to

20.8 read:

20.9 Subd. 44. **Housing disparities.** The agency must prioritize its use of appropriations for

20.10 any program under this chapter to serve households most affected by housing disparities.

20.11 Sec. 5. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to

20.12 read:

20.13 Subd. 45. **Special purpose credit program.** The agency may establish special purpose

20.14 credit programs to assist one or more economically disadvantaged classes of persons in

20.15 order to address the effects of historic and current discrimination which resulted in limiting

20.16 access to housing credit by persons on the basis of race, color, ethnicity, or national origin.

20.17 A special purpose credit program may include a wide variety of remedies, including but

20.18 not limited to loans or other financial assistance, based on current, documented need as

20.19 determined by the agency.

19.30 Sec. 2. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to

19.31 read:

19.32 Subd. 42. **Indian Tribes.** Notwithstanding any other provision in this chapter, at its

19.33 discretion the agency may make any federally recognized Indian Tribe in Minnesota, or

20.1 their associated Tribally Designated Housing Entity (TDHE) as defined by United States

20.2 Code, title 25, section 4103(22), eligible for funding authorized under this chapter.

24.23 Sec. 11. Minnesota Statutes 2022, section 462A.201, subdivision 2, is amended to read:

24.24 Subd. 2. **Low-income housing.** (a) The agency may use money from the housing trust

24.25 fund account to provide loans or grants for:

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

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

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

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

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

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

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

36.4 (c) Rental assistance under this section must be provided by governmental units which
 36.5 administer housing assistance supplements or by for-profit or nonprofit organizations
 36.6 experienced in housing management. Rental assistance shall be limited to households whose
 36.7 income at the time of initial receipt of rental assistance does not exceed 60 percent of median
 36.8 income, as determined by the United States Department of Housing and Urban Development
 36.9 for the metropolitan area. Priority among comparable applications for tenant-based rental
 36.10 assistance will be given to proposals that will serve households whose income at the time
 36.11 of initial application for rental assistance does not exceed 30 percent of median income, as
 36.12 determined by the United States Department of Housing and Urban Development for the
 36.13 metropolitan area. Rental assistance must be terminated when it is determined that 30 percent
 36.14 of a household's monthly income for four consecutive months equals or exceeds the market
 36.15 rent for the unit in which the household resides plus utilities for which the tenant is
 36.16 responsible. Rental assistance may only be used for rental housing units that meet the housing
 36.17 maintenance code of the local unit of government in which the unit is located, if such a code
 36.18 has been adopted, or the housing quality standards adopted by the United States Department
 36.19 of Housing and Urban Development, if no local housing maintenance code has been adopted.

36.20 (d) In making the loans or grants, the agency shall determine the terms and conditions
 36.21 of repayment and the appropriate security, if any, should repayment be required. To promote

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

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

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

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

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

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

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

25.17 (c) Rental assistance under this section must be provided by governmental units which
 25.18 administer housing assistance supplements or by for-profit or nonprofit organizations
 25.19 experienced in housing management. Rental assistance shall be limited to households whose
 25.20 income at the time of initial receipt of rental assistance does not exceed 60 percent of median
 25.21 income, as determined by the United States Department of Housing and Urban Development
 25.22 for the metropolitan area. Priority among comparable applications for tenant-based rental
 25.23 assistance will be given to proposals that will serve households whose income at the time
 25.24 of initial application for rental assistance does not exceed 30 percent of median income, as
 25.25 determined by the United States Department of Housing and Urban Development for the
 25.26 metropolitan area. Rental assistance must be terminated when it is determined that 30 percent
 25.27 of a household's monthly income for four consecutive months equals or exceeds the market
 25.28 rent for the unit in which the household resides plus utilities for which the tenant is
 25.29 responsible. Rental assistance may only be used for rental housing units that meet the housing
 25.30 maintenance code of the local unit of government in which the unit is located, if such a code
 25.31 has been adopted, or the housing quality standards adopted by the United States Department
 25.32 of Housing and Urban Development, if no local housing maintenance code has been adopted.

25.33 (d) In making the loans or grants, the agency shall determine the terms and conditions
 25.34 of repayment and the appropriate security, if any, should repayment be required. To promote

36.22 the geographic distribution of grants and loans, the agency may designate a portion of the
 36.23 grant or loan awards to be set aside for projects located in specified congressional districts
 36.24 or other geographical regions specified by the agency. The agency may adopt rules for
 36.25 awarding grants and loans under this subdivision.

36.26 Sec. 7. Minnesota Statutes 2022, section 462A.2035, subdivision 1b, is amended to read:

36.27 Subd. 1b. **Manufactured home park infrastructure grants and loans.** Eligible
 36.28 recipients may use manufactured home park infrastructure grants and loans under this
 36.29 program for:

36.30 (1) acquisition of and improvements in manufactured home parks; and
 36.31 (2) infrastructure, including storm shelters and community facilities.

37.1 Sec. 8. Minnesota Statutes 2022, section 462A.204, subdivision 3, is amended to read:

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

37.7 Sec. 9. Minnesota Statutes 2022, section 462A.204, subdivision 8, is amended to read:

37.8 Subd. 8. **School Childhood housing stability.** (a) The agency in consultation with the
 37.9 Interagency Council on Homelessness may establish a ~~school~~ childhood housing stability
 37.10 project under the family homeless prevention and assistance program. The purpose of the
 37.11 project is to secure stable housing for families with ~~school-age~~ minor children or with
 37.12 children eligible for enrollment in a prekindergarten through grade 12 academic program
 37.13 who have moved frequently and for unaccompanied youth. For purposes of this subdivision,
 37.14 "unaccompanied youth" are minors who are leaving foster care or juvenile correctional
 37.15 facilities, or minors who meet the definition of a child in need of services or protection
 37.16 under section 260C.007, subdivision 6, but for whom no court finding has been made
 37.17 pursuant to that statute.

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

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

37.25 (1) targeting of families with minor children or with children who are eligible for
 37.26 enrollment in a prekindergarten through grade 12 academic program and who are living in

26.1 the geographic distribution of grants and loans, the agency may designate a portion of the
 26.2 grant or loan awards to be set aside for projects located in specified congressional districts
 26.3 or other geographical regions specified by the agency. The agency may adopt rules for
 26.4 awarding grants and loans under this subdivision.

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

20.21 Subd. 1b. **Manufactured home park infrastructure grants and loans.** Eligible
 20.22 recipients may use manufactured home park infrastructure grants and loans under this
 20.23 program for:

20.24 (1) acquisition of and improvements in manufactured home parks; and
 20.25 (2) infrastructure, including storm shelters and community facilities.

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

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

26.5 Sec. 12. Minnesota Statutes 2022, section 462A.204, subdivision 8, is amended to read:

26.6 Subd. 8. **School Childhood housing stability.** (a) The agency in consultation with the
 26.7 Interagency Council on Homelessness may establish a ~~school~~ childhood housing stability
 26.8 project under the family homeless prevention and assistance program. The purpose of the
 26.9 project is to secure stable housing for families with ~~school-age~~ minor children or with
 26.10 children eligible for enrollment in a prekindergarten through grade 12 academic program
 26.11 who have moved frequently and for unaccompanied youth. For purposes of this subdivision,
 26.12 "unaccompanied youth" are minors who are leaving foster care or juvenile correctional
 26.13 facilities, or minors who meet the definition of a child in need of services or protection
 26.14 under section 260C.007, subdivision 6, but for whom no court finding has been made
 26.15 pursuant to that statute.

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

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

26.23 (1) targeting of families with minor children or with children who are eligible for
 26.24 enrollment in a prekindergarten through grade 12 academic program and who are living in

37.27 overcrowded conditions in their current housing; are paying more than 50 percent of their
 37.28 income for rent; or ~~who~~ lack a fixed, regular, and adequate nighttime residence;

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

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

37.33 (4) one or more of the following:

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

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

38.5 (d) In selecting projects for funding under this subdivision, preference shall be given to
 38.6 organizations granted funding under section 462A.201, subdivision 2, paragraph (a), clause
 38.7 (4).

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

38.10 Sec. 10. Minnesota Statutes 2022, section 462A.21, subdivision 3b, is amended to read:

38.11 Subd. 3b. **Capacity building grants.** It may make capacity building grants to nonprofit
 38.12 organizations, local government units, Indian tribes, and Indian tribal organizations to
 38.13 expand their capacity to provide affordable housing and housing-related services. The grants
 38.14 may be used to assess housing needs and to develop and implement strategies to meet those
 38.15 needs, including but not limited to the creation or preservation of affordable housing,
 38.16 prepurchase and postpurchase counseling and associated administrative costs, and the linking
 38.17 of supportive services to the housing. The agency shall adopt rules, policies, and procedures
 38.18 specifying the eligible uses of grant money. Funding priority ~~must~~ may be given to those
 38.19 applicants that include low-income persons in their membership, have provided
 38.20 housing-related services to low-income people, and demonstrate a local commitment of
 38.21 local resources, which may include in-kind contributions. ~~Grants under this subdivision~~
 38.22 ~~may be made only with specific appropriations by the legislature.~~

38.23 Sec. 11. Minnesota Statutes 2022, section 462A.33, subdivision 2, is amended to read:

38.24 Subd. 2. **Eligible recipients.** Challenge grants or loans may be made to a city, a federally
 38.25 recognized American Indian Tribe or subdivision located in Minnesota, a Tribal housing
 38.26 corporation, a private developer, a nonprofit organization, a school district, a cooperative
 38.27 unit, as defined in section 123A.24, subdivision 2, or the owner of the housing, including
 38.28 individuals. For the purpose of this section, "city" has the meaning given it in section
 38.29 462A.03, subdivision 21. To the extent practicable, grants and loans shall be made so that

26.25 overcrowded conditions in their current housing; are paying more than 50 percent of their
 26.26 income for rent; or ~~who~~ lack a fixed, regular, and adequate nighttime residence;

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

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

26.31 (4) one or more of the following:

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

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

27.3 (d) In selecting projects for funding under this subdivision, preference shall be given to
 27.4 organizations granted funding under section 462A.201, subdivision 2, paragraph (a), clause
 27.5 (4).

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

27.8 Sec. 13. Minnesota Statutes 2022, section 462A.21, subdivision 3b, is amended to read:

27.9 Subd. 3b. **Capacity building grants.** It may make capacity building grants to nonprofit
 27.10 organizations, local government units, Indian tribes, and Indian tribal organizations to
 27.11 expand their capacity to provide affordable housing and housing-related services. The grants
 27.12 may be used to assess housing needs and to develop and implement strategies to meet those
 27.13 needs, including but not limited to the creation or preservation of affordable housing,
 27.14 prepurchase and postpurchase counseling and associated administrative costs, and the linking
 27.15 of supportive services to the housing. The agency shall adopt rules, policies, and procedures
 27.16 specifying the eligible uses of grant money. Funding priority ~~must~~ may be given to those
 27.17 applicants that include low-income persons in their membership, have provided
 27.18 housing-related services to low-income people, and demonstrate a local commitment of
 27.19 local resources, which may include in-kind contributions. ~~Grants under this subdivision~~
 27.20 ~~may be made only with specific appropriations by the legislature.~~

38.30 an approximately equal number of housing units are financed in the metropolitan area and
38.31 in the nonmetropolitan area.

39.1 Sec. 12. Minnesota Statutes 2022, section 462A.33, is amended by adding a subdivision
39.2 to read:

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

39.9 Sec. 13. Minnesota Statutes 2022, section 462A.37, subdivision 1, is amended to read:

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

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

39.13 (c) "Community land trust" means an entity that meets the requirements of section
39.14 462A.31, subdivisions 1 and 2.

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

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

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

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

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

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

39.29 ~~(4)~~ (3) are tax-exempt bonds that are not private activity bonds, within the meaning of
39.30 section 141(a) of the Internal Revenue Code, for the purpose of financing or refinancing
39.31 affordable housing authorized under this chapter.

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

28.30 Sec. 17. Minnesota Statutes 2022, section 462A.37, subdivision 1, is amended to read:

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

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

29.2 (c) "Community land trust" means an entity that meets the requirements of section
29.3 462A.31, subdivisions 1 and 2.

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

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

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

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

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

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

29.18 ~~(4)~~ (3) are tax-exempt bonds that are not private activity bonds, within the meaning of
29.19 section 141(a) of the Internal Revenue Code, for the purpose of financing or refinancing
29.20 affordable housing authorized under this chapter.

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

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

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

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

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

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

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

40.10 ~~(j)~~ (j) "Senior housing" means housing intended and operated for occupancy by ~~at least~~
40.11 ~~one senior per unit~~ senior households with at least 80 percent of the units occupied by ~~at~~
40.12 ~~least one senior per unit~~ senior households, and for which there is publication of, and
40.13 adherence to, policies and procedures that demonstrate an intent by the owner or manager
40.14 to provide housing for seniors. Senior housing may be developed in conjunction with and
40.15 as a distinct portion of mixed-income senior housing developments that use a variety of
40.16 public or private financing sources.

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

40.20 Sec. 14. Minnesota Statutes 2022, section 462A.37, subdivision 2, is amended to read:

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

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

40.29 (2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned
40.30 housing to be used for affordable rental housing and the costs of new construction of rental
40.31 housing on abandoned or foreclosed property where the existing structures will be demolished
40.32 or removed;

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

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

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

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

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

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

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

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

29.30 ~~(j)~~ (j) "Senior housing" means housing intended and operated for occupancy by ~~at least~~
29.31 ~~one senior per unit~~ senior households with at least 80 percent of the units occupied by ~~at~~
30.1 ~~least one senior per unit~~ senior households, and for which there is publication of, and
30.2 adherence to, policies and procedures that demonstrate an intent by the owner or manager
30.3 to provide housing for seniors. Senior housing may be developed in conjunction with and
30.4 as a distinct portion of mixed-income senior housing developments that use a variety of
30.5 public or private financing sources.

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

30.9 Sec. 18. Minnesota Statutes 2022, section 462A.37, subdivision 2, is amended to read:

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

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

30.18 (2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned
30.19 housing to be used for affordable rental housing and the costs of new construction of rental
30.20 housing on abandoned or foreclosed property where the existing structures will be demolished
30.21 or removed;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

42.8 ~~(5)~~ (4) include households with incomes that do not exceed 30 percent of the median
42.9 household income for the metropolitan area.

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

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

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

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

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

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

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

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

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

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

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

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

31.27 ~~(5)~~ (4) include households with incomes that do not exceed 30 percent of the median
31.28 household income for the metropolitan area.

42.10 (d) To the extent practicable, the agency shall balance the loans made between projects
 42.11 in the metropolitan area and projects outside the metropolitan area. Of the loans made to
 42.12 projects outside the metropolitan area, the agency shall, to the extent practicable, balance
 42.13 the loans made between projects in counties or cities with a population of 20,000 or less,
 42.14 as established by the most recent decennial census, and projects in counties or cities with
 42.15 populations in excess of 20,000.

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

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

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

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

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

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

42.29 (C) low-fume paint;

42.30 (D) low-chemical carpet; and

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

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

43.5 Sec. 15. Minnesota Statutes 2022, section 462A.38, subdivision 1, is amended to read:

43.6 Subdivision 1. **Establishment.** A workforce and affordable homeownership development
 43.7 program is established to award homeownership development grants to cities, counties,
 43.8 Tribal governments, nonprofit organizations, cooperatives created under chapter 308A or
 43.9 308B, and community land trusts created for the purposes outlined in section 462A.31,
 43.10 subdivision 1, for development of workforce and affordable homeownership projects. The
 43.11 purpose of the program is to increase the supply of workforce and affordable, owner-occupied
 43.12 multifamily or single-family housing throughout Minnesota.

31.29 (d) To the extent practicable, the agency shall balance the loans made between projects
 31.30 in the metropolitan area and projects outside the metropolitan area. Of the loans made to
 31.31 projects outside the metropolitan area, the agency shall, to the extent practicable, balance
 31.32 the loans made between projects in counties or cities with a population of 20,000 or less,
 32.1 as established by the most recent decennial census, and projects in counties or cities with
 32.2 populations in excess of 20,000.

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

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

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

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

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

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

32.16 (C) low-fume paint;

32.17 (D) low-chemical carpet; and

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

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

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

36.1 Sec. 23. Minnesota Statutes 2022, section 462A.38, subdivision 1, is amended to read:

36.2 Subdivision 1. **Establishment.** A workforce and affordable homeownership development
 36.3 program is established to award homeownership development grants to cities, counties,
 36.4 Tribal governments, nonprofit organizations, cooperatives created under chapter 308A or
 36.5 308B, and community land trusts created for the purposes outlined in section 462A.31,
 36.6 subdivision 1, for development of workforce and affordable homeownership projects. The
 36.7 purpose of the program is to increase the supply of workforce and affordable, owner-occupied
 36.8 multifamily or single-family housing throughout Minnesota.

43.13 Sec. 16. Minnesota Statutes 2022, section 462A.39, subdivision 2, is amended to read:

43.14 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the

43.15 meanings given.

43.16 (b) "Eligible project area" means a home rule charter or statutory city located outside

43.17 of ~~the a metropolitan area county~~ as defined in section 473.121, subdivision ~~2 4~~, with a

43.18 population exceeding 500; a community that has a combined population of 1,500 residents

43.19 located within 15 miles of a home rule charter or statutory city located outside ~~the a~~

43.20 metropolitan ~~area~~ county as defined in section 473.121, subdivision ~~2 4~~; federally recognized

43.21 Tribal reservations; or an area served by a joint county-city economic development authority.

43.22 (c) "Joint county-city economic development authority" means an economic development

43.23 authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between

43.24 a city and county and excluding those established by the county only.

43.25 (d) "Market rate residential rental properties" means properties that are rented at market

43.26 value, including new modular homes, new manufactured homes, and new manufactured

43.27 homes on leased land or in a manufactured home park, and may include rental developments

43.28 that have a portion of income-restricted units.

43.29 (e) "Qualified expenditure" means expenditures for market rate residential rental

43.30 properties including acquisition of property; construction of improvements; and provisions

43.31 of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing

43.32 costs.

44.1 Sec. 17. Minnesota Statutes 2022, section 462A.39, subdivision 5, is amended to read:

44.2 Subd. 5. **Allocation.** The amount of a grant or deferred loans may not exceed ~~25 50~~

44.3 percent of the rental housing development project cost. The commissioner shall not award

44.4 a grant or deferred loans to ~~a city an eligible project area~~ without certification by the ~~city~~

44.5 eligible project area that the amount of the grant or deferred loans shall be matched by a

44.6 local unit of government, business, ~~or~~ nonprofit organization, ~~or~~ federally recognized Tribe,

44.7 with \$1 for every \$2 provided in grant or deferred loans funds.

44.8 Sec. 18. Laws 2021, First Special Session chapter 8, article 1, section 3, subdivision 11,

44.9 is amended to read:

44.10	Subd. 11. Affordable Rental Investment Fund	4,218,000	4,218,000
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44.11 (a) This appropriation is for the affordable

44.12 rental investment fund program under

44.13 Minnesota Statutes, section 462A.21,

44.14 subdivision 8b, to finance the acquisition,

44.15 rehabilitation, replacement, and debt

44.16 restructuring of federally assisted rental

44.17 property and for making equity take-out loans

36.9 Sec. 24. Minnesota Statutes 2022, section 462A.39, subdivision 2, is amended to read:

36.10 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the

36.11 meanings given.

36.12 (b) "Eligible project area" means a home rule charter or statutory city located outside

36.13 of ~~the a metropolitan area county~~ as defined in section 473.121, subdivision ~~2 4~~, with a

36.14 population exceeding 500; a community that has a combined population of 1,500 residents

36.15 located within 15 miles of a home rule charter or statutory city located outside ~~the a~~

36.16 metropolitan ~~area~~ county as defined in section 473.121, subdivision ~~2 4~~; federally recognized

36.17 Tribal reservations; or an area served by a joint county-city economic development authority.

36.18 (c) "Joint county-city economic development authority" means an economic development

36.19 authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between

36.20 a city and county and excluding those established by the county only.

36.21 (d) "Market rate residential rental properties" means properties that are rented at market

36.22 value, including new modular homes, new manufactured homes, and new manufactured

36.23 homes on leased land or in a manufactured home park, and may include rental developments

36.24 that have a portion of income-restricted units.

36.25 (e) "Qualified expenditure" means expenditures for market rate residential rental

36.26 properties including acquisition of property; construction of improvements; and provisions

36.27 of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing

36.28 costs.

36.29 Sec. 25. Minnesota Statutes 2022, section 462A.39, subdivision 5, is amended to read:

36.30 Subd. 5. **Allocation.** The amount of a grant or deferred loans may not exceed ~~25 50~~

36.31 percent of the rental housing development project cost. The commissioner shall not award

36.32 a grant or deferred loans to ~~a city an eligible project area~~ without certification by the ~~city~~

37.1 eligible project area that the amount of the grant or deferred loans shall be matched by a

37.2 local unit of government, business, ~~or~~ nonprofit organization, ~~or~~ federally recognized Tribe,

37.3 with \$1 for every \$2 provided in grant or deferred loans funds.

40.13 Sec. 29. Laws 2021, First Special Session chapter 8, article 1, section 3, subdivision 11,

40.14 is amended to read:

40.15	Subd. 11. Affordable Rental Investment Fund	4,218,000	4,218,000
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40.16 (a) This appropriation is for the affordable

40.17 rental investment fund program under

40.18 Minnesota Statutes, section 462A.21,

40.19 subdivision 8b, to finance the acquisition,

40.20 rehabilitation, replacement, and debt

40.21 restructuring of federally assisted rental

40.22 property and for making equity take-out loans

44.18 under Minnesota Statutes, section 462A.05,
44.19 subdivision 39.

44.20 (b) The owner of federally assisted rental
44.21 property must agree to participate in the
44.22 applicable federally assisted housing program
44.23 and to extend any existing low-income
44.24 affordability restrictions on the housing for
44.25 the maximum term permitted.

44.26 (c) The appropriation also may be used to
44.27 finance the acquisition, rehabilitation, and debt
44.28 restructuring of existing supportive housing
44.29 properties and naturally occurring affordable
44.30 housing as determined by the commissioner.
44.31 For purposes of this paragraph, "supportive
44.32 housing" means affordable rental housing with
44.33 links to services necessary for individuals,
45.1 youth, and families with children to maintain
45.2 housing stability.

45.3 **ARTICLE 5**

45.4 **METROPOLITAN SALES TAX AND HOUSING AID**

45.5 Section 1. Minnesota Statutes 2022, section 297A.99, subdivision 1, is amended to read:

45.6 Subdivision 1. **Authorization; scope.** (a) A political subdivision of this state may impose
45.7 a general sales tax (1) under section 297A.992, (2) under section ~~297A.993~~ 297A.9925, (3)
45.8 under section 297A.993, (4) if permitted by special law, or (4) (5) if the political subdivision
45.9 enacted and imposed the tax before January 1, 1982, and its predecessor provision.

45.10 (b) This section governs the imposition of a general sales tax by the political subdivision.
45.11 The provisions of this section preempt the provisions of any special law:

45.12 (1) enacted before June 2, 1997, or

45.13 (2) enacted on or after June 2, 1997, that does not explicitly exempt the special law
45.14 provision from this section's rules by reference.

45.15 (c) This section does not apply to or preempt a sales tax on motor vehicles. Beginning
45.16 July 1, 2019, no political subdivision may impose a special excise tax on motor vehicles
45.17 unless it is imposed under section 297A.993.

40.23 under Minnesota Statutes, section 462A.05,
40.24 subdivision 39.

40.25 (b) The owner of federally assisted rental
40.26 property must agree to participate in the
40.27 applicable federally assisted housing program
40.28 and to extend any existing low-income
40.29 affordability restrictions on the housing for
40.30 the maximum term permitted.

40.31 (c) The appropriation also may be used to
40.32 finance the acquisition, rehabilitation, and debt
40.33 restructuring of existing supportive housing
41.1 properties and naturally occurring affordable
41.2 housing as determined by the commissioner.
41.3 For purposes of this paragraph, "supportive
41.4 housing" means affordable rental housing with
41.5 links to services necessary for individuals,
41.6 youth, and families with children to maintain
41.7 housing stability.

41.8 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2021.

- 45.18 (d) A political subdivision may not advertise or expend funds for the promotion of a
45.19 referendum to support imposing a local sales tax and may only spend funds related to
45.20 imposing a local sales tax to:
- 45.21 (1) conduct the referendum;
- 45.22 (2) disseminate information included in the resolution adopted under subdivision 2, but
45.23 only if the disseminated information includes a list of specific projects and the cost of each
45.24 individual project;
- 45.25 (3) provide notice of, and conduct public forums at which proponents and opponents on
45.26 the merits of the referendum are given equal time to express their opinions on the merits of
45.27 the referendum;
- 45.28 (4) provide facts and data on the impact of the proposed local sales tax on consumer
45.29 purchases; and
- 45.30 (5) provide facts and data related to the individual programs and projects to be funded
45.31 with the local sales tax.
- 46.1 Sec. 2. **[297A.9925] METROPOLITAN REGION SALES AND USE TAX.**
- 46.2 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
46.3 the meanings given.
- 46.4 (b) "Metropolitan Council" or "council" means the Metropolitan Council established by
46.5 section 473.123.
- 46.6 (c) "Metropolitan county" has the meaning given in section 473.121, subdivision 4.
- 46.7 (d) "Metropolitan sales tax" means the metropolitan region sales and use tax imposed
46.8 under this section.
- 46.9 Subd. 2. **Sales tax imposition; rate.** Notwithstanding section 473.123, subdivision 1,
46.10 the Metropolitan Council must impose a metropolitan region sales and use tax at a rate of
46.11 0.25 percent on retail sales made in the metropolitan counties or to a destination in the
46.12 metropolitan counties.
- 46.13 Subd. 3. **Administration; collection; enforcement.** Except as otherwise provided in
46.14 this section, the provisions of section 297A.99, subdivisions 4, and 6 to 12a, govern the
46.15 administration, collection, and enforcement of the metropolitan sales tax.
- 46.16 Subd. 4. **Distribution.** Proceeds of the metropolitan sales tax are distributed:
- 46.17 (1) 25 percent to the state rent assistance account under section 462A.2095;
- 46.18 (2) 15 percent to the metropolitan city aid account in the housing assistance fund under
46.19 section 477A.37; and

46.20 (3) 60 percent to the metropolitan county aid account in the housing assistance fund
46.21 under section 477A.37.

46.22 **EFFECTIVE DATE; APPLICATION.** This section is effective for sales and purchases
46.23 made after June 30, 2023, and applies in the metropolitan counties, as defined by Minnesota
46.24 Statutes, section 473.121, subdivision 4.

46.25 Sec. 3. **[477A.35] LOCAL AFFORDABLE HOUSING AID.**

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

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

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

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

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

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

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

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

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

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

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

- 47.23 (1) three percent of the total amount available to counties under this section; plus
- 47.24 (2) 79 percent of the total amount available to counties under this section, multiplied by
- 47.25 the county distribution factor.
- 47.26 (b) The commissioner of revenue shall calculate the amount of aid to distribute to each
- 47.27 tier I city under this section as:
- 47.28 (1) the tier I city's city distribution factor; multiplied by
- 47.29 (2) the total amount available to cities under this section.
- 47.30 Subd. 4. **Grants to tier II cities.** (a) The commissioner of the Minnesota Housing Finance
- 47.31 Agency shall establish a program to award grants of at least \$25,000 to tier II cities. The
- 48.1 agency shall develop program guidelines and criteria in consultation with the League of
- 48.2 Minnesota Cities.
- 48.3 (b) Among comparable proposals, the agency shall prioritize grants to local governments
- 48.4 that have a higher proportion of cost-burdened households.
- 48.5 (c) A grantee must use its grant on a qualifying project.
- 48.6 (d) In making grants, the agency shall determine the circumstances, terms, and conditions
- 48.7 under which all or any portion thereof will be repaid and shall determine the appropriate
- 48.8 security should repayment be required. Any repaid funds shall be returned to the account
- 48.9 or accounts established pursuant to paragraph (e).
- 48.10 (e) The agency shall establish a bookkeeping account or accounts in the housing
- 48.11 development fund for money distributed to the agency for grants under this subdivision. By
- 48.12 May 1 of each year, the Minnesota Housing Finance Agency shall report to the Department
- 48.13 of Revenue on the amount in the account or accounts.
- 48.14 Subd. 5. **Qualifying projects.** (a) Qualifying projects shall include emergency rental
- 48.15 assistance for households earning less than 80 percent of area median income as determined
- 48.16 by the United States Department of Housing and Urban Development and projects designed
- 48.17 for the purpose of construction, acquisition, rehabilitation, demolition or removal of existing
- 48.18 structures, construction financing, permanent financing, interest rate reduction, refinancing,
- 48.19 and gap financing of housing to provide affordable housing to households that have incomes
- 48.20 which do not exceed, for homeownership projects, 115 percent of the greater of state or
- 48.21 area median income as determined by the United States Department of Housing and Urban
- 48.22 Development, and for rental housing projects, 80 percent of the greater of state or area
- 48.23 median income as determined by the United States Department of Housing and Urban
- 48.24 Development, except that the housing developed or rehabilitated with funds under this
- 48.25 section must be affordable to the local work force. Projects shall be prioritized that provide
- 48.26 affordable housing to households that have incomes which do not exceed, for homeownership
- 48.27 projects, 80 percent of the greater of state or area median income as determined by the
- 48.28 United States Department of Housing and Urban Development, and for rental housing
- 48.29 projects, 50 percent of the greater of state or area median income as determined by the

48.30 United States Department of Housing and Urban Development, except that the housing
48.31 developed or rehabilitated with funds under this section must be affordable to the local work
48.32 force.

48.33 (b) Gap financing is either:

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

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

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

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

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

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

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

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

49.17 (C) low-fume paint;

49.18 (D) low-chemical carpet; and

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

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

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

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

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

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

50.1 (b) Any unspent funds must be remitted to the Housing Finance Agency by December
50.2 31 in the third year following the year after the aid was received. The commissioner of the
50.3 Housing Finance Agency shall deposit any remitted funds under this paragraph into the
50.4 housing development fund. Funds deposited under this paragraph are appropriated to the
50.5 commissioner for use on the family homeless prevention and assistance program under
50.6 section 462A.204, the economic development and housing challenge program under section
50.7 462A.33, and the workforce and affordable homeownership development program under
50.8 section 462A.38.

50.9 Subd. 7. **Administration.** (a) The commissioner of revenue must compute the amount
50.10 of aid payable to each tier I city and county under this section. Before computing the amount
50.11 of aid for counties and after receiving the report required by subdivision 4, paragraph (e),
50.12 the commissioner shall transfer from the funds available to counties to the Minnesota
50.13 Housing Finance Agency a sum such that the amount in the account or accounts established
50.14 under that paragraph equals ten percent of the total aid paid to tier I cities and counties under
50.15 this section in the previous year. By August 1 of each year, the commissioner must certify
50.16 the amount to be paid to each tier I city and county in the following year. The commissioner
50.17 must pay local affordable housing aid annually at the times provided in section 477A.015.

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

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

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

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

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

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

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

51.7 (f) By May 1, any funds repaid to the commissioner of revenue by cities under paragraph
51.8 (c) must be added to the overall distribution of aids certified under this section for tier I
51.9 cities in the following year. By May 1, any funds repaid to the commissioner of revenue by
51.10 counties under paragraph (c) must be added to the overall distribution of aids certified under
51.11 this section for counties in the following year.

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

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

51.16 **Sec. 4. [477A.37] HOUSING ASSISTANCE FUND.**

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

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

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

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

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

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

52.5

ARTICLE 6

52.6

MISCELLANEOUS52.7 Section 1. Minnesota Statutes 2022, section 82.75, subdivision 8, is amended to read:

52.8 Subd. 8. **Accrued interest.** (a) Each broker shall maintain a pooled interest-bearing trust
52.9 account for deposit of client funds. The interest accruing on the trust account, less reasonable
52.10 transaction costs, must be paid to the ~~commissioner of management and budget~~ Minnesota
52.11 Housing Finance Agency for deposit in the housing trust fund account created under section
52.12 462A.201 unless otherwise specified pursuant to an expressed written agreement between
52.13 the parties to a transaction.

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

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

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

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

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

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

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

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

53.7 Subd. 12. **Payment to the Minnesota manufactured home relocation trust fund.** (a)
53.8 If a manufactured home owner is required to move due to the conversion of all or a portion

53.9 of a manufactured home park to another use, the closure of a park, or cessation of use of
53.10 the land as a manufactured home park, the manufactured park owner shall, upon the change
53.11 in use, pay to the ~~commissioner of management and budget~~ Minnesota Housing Finance
53.12 Agency for deposit in the Minnesota manufactured home relocation trust fund under section
53.13 462A.35, the lesser amount of the actual costs of moving or purchasing the manufactured
53.14 home approved by the neutral third party and paid by the Minnesota Housing Finance
53.15 Agency under subdivision 13, paragraph (a) or (e), or \$3,250 for each single section
53.16 manufactured home, and \$6,000 for each multisection manufactured home, for which a
53.17 manufactured home owner has made application for payment of relocation costs under
53.18 subdivision 13, paragraph (c). The manufactured home park owner shall make payments
53.19 required under this section to the Minnesota manufactured home relocation trust fund within
53.20 60 days of receipt of invoice from the neutral third party.

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

53.24 (1) the manufactured home park owner relocates the manufactured home owner to
53.25 another space in the manufactured home park or to another manufactured home park at the
53.26 park owner's expense;

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

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

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

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

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

54.12 (c) If the unencumbered fund balance in the manufactured home relocation trust fund
54.13 is less than \$2,000,000 as of June 30 of each year, the ~~commissioner of management and~~
54.14 ~~budget~~ Minnesota Housing Finance Agency shall assess each manufactured home park

54.15 owner by mail the total amount of \$15 for each licensed lot in their park, payable on or
54.16 before December 15 of that year. Failure to notify and timely assess the manufactured home
54.17 park owner by July 31 of any year shall waive the assessment and payment obligations of
54.18 the manufactured home park owner for that year. Together with said assessment notice,
54.19 each year the ~~commissioner of management and budget~~ Minnesota Housing Finance Agency
54.20 shall prepare and distribute to park owners a letter explaining whether funds are being
54.21 collected for that year, information about the collection, an invoice for all licensed lots, a
54.22 notice for distribution to the residents, and a sample form for the park owners to collect
54.23 information on which park residents and lots have been accounted for. In a font no smaller
54.24 than 14-point, the notice provided by ~~management and budget~~ the Minnesota Housing
54.25 Finance Agency for distribution to residents by the park owner will include the payment
54.26 deadline of October 31 and the following language: "THIS IS NOT AN OPTIONAL FEE.
54.27 IF YOU OWN A MANUFACTURED HOME ON A LOT YOU RENT IN A
54.28 MANUFACTURED HOME PARK, AND YOU RESIDE IN THAT HOME, YOU MUST
54.29 PAY WHEN PROVIDED NOTICE." If assessed under this paragraph, the park owner may
54.30 recoup the cost of the \$15 assessment as a lump sum or as a monthly fee of no more than
54.31 \$1.25 collected from park residents together with monthly lot rent as provided in section
54.32 327C.03, subdivision 6. If, by September 15, a park owner provides the notice to residents
54.33 for the \$15 lump sum, a park owner may adjust payment for lots in their park that are vacant
54.34 or otherwise not eligible for contribution to the trust fund under section 327C.095, subdivision
54.35 12, paragraph (b), and for park residents who have not paid the \$15 assessment when due
55.1 to the park owner by October 31, and deduct from the assessment accordingly. The
55.2 ~~commissioner of management and budget~~ Minnesota Housing Finance Agency shall deposit
55.3 any payments in the Minnesota manufactured home relocation trust fund and ~~provide to the~~
55.4 ~~Minnesota Housing Finance Agency by December 31, a~~ maintain an annual record for each
55.5 manufactured home park of the amount received for that park and the number of deductions
55.6 made for each of the following reasons: vacant lots, ineligible lots, and uncollected fees.

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

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

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

55.13 Subd. 13. **Change in use, relocation expenses; payments by park owner.** (a) If a
55.14 manufactured home owner is required to relocate due to the conversion of all or a portion
55.15 of a manufactured home park to another use, the closure of a manufactured home park, or
55.16 cessation of use of the land as a manufactured home park under subdivision 1, and the
55.17 manufactured home owner complies with the requirements of this section, the manufactured
55.18 home owner is entitled to payment from the Minnesota manufactured home relocation trust
55.19 fund equal to the manufactured home owner's actual relocation costs for relocating the
55.20 manufactured home to a new location within a 50-mile radius of the park that is being closed,

55.21 up to a maximum of \$7,000 for a single-section and \$12,500 for a multisection manufactured
55.22 home. The actual relocation costs must include the reasonable cost of taking down, moving,
55.23 and setting up the manufactured home, including equipment rental, utility connection and
55.24 disconnection charges, minor repairs, modifications necessary for transportation of the
55.25 home, necessary moving permits and insurance, moving costs for any appurtenances, which
55.26 meet applicable local, state, and federal building and construction codes.

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

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

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

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

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

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

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

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

56.13 (d) The neutral third party shall promptly process all payments for completed applications
56.14 within 14 days. If the neutral third party has acted reasonably and does not approve or deny
56.15 payment within 45 days after receipt of the information set forth in paragraph (c), the
56.16 payment is deemed approved. Upon approval and request by the neutral third party, the
56.17 Minnesota Housing Finance Agency shall issue two checks in equal amount for 50 percent
56.18 of the contract price payable to the mover and towing contractor for relocating the
56.19 manufactured home in the amount of the actual relocation cost, plus a check to the home
56.20 owner for additional certified costs associated with third-party vendors, that were necessary
56.21 in relocating the manufactured home. The moving or towing contractor shall receive 50
56.22 percent upon execution of the contract and 50 percent upon completion of the relocation
56.23 and approval by the manufactured home owner. The moving or towing contractor may not
56.24 apply the funds to any other purpose other than relocation of the manufactured home as
56.25 provided in the contract. A copy of the approval must be forwarded by the neutral third

56.26 party to the park owner with an invoice for payment of the amount specified in subdivision
56.27 12, paragraph (a).

56.28 (e) In lieu of collecting a relocation payment from the Minnesota manufactured home
56.29 relocation trust fund under paragraph (a), the manufactured home owner may collect an
56.30 amount from the fund after reasonable efforts to relocate the manufactured home have failed
56.31 due to the age or condition of the manufactured home, or because there are no manufactured
56.32 home parks willing or able to accept the manufactured home within a 25-mile radius. A
56.33 manufactured home owner may tender title of the manufactured home in the manufactured
56.34 home park to the manufactured home park owner, and collect an amount to be determined
57.1 by an independent appraisal. The appraiser must be agreed to by both the manufactured
57.2 home park owner and the manufactured home owner. If the appraised market value cannot
57.3 be determined, the tax market value, averaged over a period of five years, can be used as a
57.4 substitute. The maximum amount that may be reimbursed under the fund is \$8,000 for a
57.5 single-section and \$14,500 for a multisection manufactured home. The minimum amount
57.6 that may be reimbursed under the fund is \$2,000 for a single section and \$4,000 for a
57.7 multisection manufactured home. The manufactured home owner shall deliver to the
57.8 manufactured home park owner the current certificate of title to the manufactured home
57.9 duly endorsed by the owner of record, and valid releases of all liens shown on the certificate
57.10 of title, and a statement from the county where the manufactured home is located evidencing
57.11 that the personal property taxes have been paid. The manufactured home owner's application
57.12 for funds under this paragraph must include a document certifying that the manufactured
57.13 home cannot be relocated, that the lot rental is current, that the annual \$15 payments to the
57.14 Minnesota manufactured home relocation trust fund have been paid when due, that the
57.15 manufactured home owner has chosen to tender title under this section, and that the park
57.16 owner agrees to make a payment to the ~~commissioner of management and budget~~ Minnesota
57.17 Housing Finance Agency in the amount established in subdivision 12, paragraph (a), less
57.18 any documented costs submitted to the neutral third party, required for demolition and
57.19 removal of the home, and any debris or refuse left on the lot, not to exceed \$1,500. The
57.20 manufactured home owner must also provide a copy of the certificate of title endorsed by
57.21 the owner of record, and certify to the neutral third party, with a copy to the park owner,
57.22 that none of the exceptions to receipt of compensation under subdivision 12, paragraph (b),
57.23 clauses (1) to (6), apply to the manufactured home owner, and that the home owner will
57.24 vacate the home within 60 days after receipt of payment or the date of park closure,
57.25 whichever is earlier, provided that the monthly lot rent is kept current.

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

57.31 (g) Neither the neutral third party nor the Minnesota Housing Finance Agency shall be
57.32 liable to any person for recovery if the funds in the Minnesota manufactured home relocation

57.33 trust fund are insufficient to pay the amounts claimed. The Minnesota Housing Finance
57.34 Agency shall keep a record of the time and date of its approval of payment to a claimant.

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

58.9 (2) Beginning in 2019, the Minnesota Housing Finance Agency shall post on its website
58.10 and report to the chairs of the senate Finance Committee and house of representatives Ways
58.11 and Means Committee by October 15 of each year on the Minnesota manufactured home
58.12 relocation trust fund, including the aggregate account balance, the aggregate assessment
58.13 payments received, summary information regarding each closed park including the total
58.14 payments to claimants and payments received from each closed park, the amount of any
58.15 advances to the fund, the amount of any insufficiencies encountered during the previous
58.16 fiscal year, reports of neutral third parties provided pursuant to subdivision 4, and any
58.17 itemized administrative charges or expenses deducted from the trust fund balance, all of
58.18 which should be reconciled to the previous year's trust fund balance. If sufficient funds
58.19 become available, the Minnesota Housing Finance Agency shall pay the manufactured home
58.20 owner whose unpaid claim is the earliest by time and date of approval.

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

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

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

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

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

59.2 Subdivision 1. **Authority for zoning.** For the purpose of promoting the public health,
59.3 safety, morals, and general welfare, a municipality may by ordinance regulate on the earth's
59.4 surface, in the air space above the surface, and in subsurface areas, the location, height,
59.5 width, bulk, type of foundation, number of stories, size of buildings and other structures,
59.6 the percentage of lot which may be occupied, the size of yards and other open spaces, the

59.7 density and distribution of population, the uses of buildings and structures for trade, industry,
59.8 residence, recreation, public activities, or other purposes, and the uses of land for trade,
59.9 industry, residence, recreation, agriculture, forestry, soil conservation, water supply
59.10 conservation, conservation of shorelands, as defined in sections 103F.201 to 103F.221,
59.11 access to direct sunlight for solar energy systems as defined in section 216C.06, flood control
59.12 or other purposes, and may establish standards and procedures regulating such uses. To
59.13 accomplish these purposes, official controls may include provision for purchase of
59.14 development rights by the governing body in the form of conservation easements under
59.15 chapter 84C in areas where the governing body considers preservation desirable and the
59.16 transfer of development rights from those areas to areas the governing body considers more
59.17 appropriate for development. No regulation may prohibit earth sheltered construction as
59.18 defined in section 216C.06, subdivision 14, relocated residential buildings, ~~or~~ manufactured
59.19 homes built in conformance with sections 327.31 to 327.35, or industrialized or modular
59.20 buildings for residential use built in conformance with Minnesota Rules, chapter 1361, that
59.21 comply with all other zoning ordinances promulgated pursuant to this section. The regulations
59.22 may divide the surface, above surface, and subsurface areas of the municipality into districts
59.23 or zones of suitable numbers, shape, and area. The regulations shall be uniform for each
59.24 class or kind of buildings, structures, or land and for each class or kind of use throughout
59.25 such district, but the regulations in one district may differ from those in other districts. The
59.26 ordinance embodying these regulations shall be known as the zoning ordinance and shall
59.27 consist of text and maps. A city may by ordinance extend the application of its zoning
59.28 regulations to unincorporated territory located within two miles of its limits in any direction,
59.29 but not in a county or town which has adopted zoning regulations; provided that where two
59.30 or more noncontiguous municipalities have boundaries less than four miles apart, each is
59.31 authorized to control the zoning of land on its side of a line equidistant between the two
59.32 noncontiguous municipalities unless a town or county in the affected area has adopted
59.33 zoning regulations. Any city may thereafter enforce such regulations in the area to the same
59.34 extent as if such property were situated within its corporate limits, until the county or town
59.35 board adopts a comprehensive zoning regulation which includes the area.

60.1 Sec. 6. Minnesota Statutes 2022, section 469.002, subdivision 12, is amended to read:

60.2 Subd. 12. **Project.** "Project" means a housing project, a housing development project,
60.3 a workforce housing project, or a redevelopment project, or any combination of those
60.4 projects. The term "project" also may be applied to all real and personal property, assets,
60.5 cash, or other funds, held or used in connection with the development or operation of the
60.6 project. The term "project" also includes an interest reduction program authorized by section
60.7 469.012, subdivision 7.

60.8 Sec. 7. Minnesota Statutes 2022, section 469.002, is amended by adding a subdivision to
60.9 read:

60.10 Subd. 25. **Workforce housing project.** (a) "Workforce housing project" means any
60.11 work or undertaking by an authority located in an eligible project area to develop market

60.12 rate residential rental properties, as defined in section 462A.39, subdivision 2, paragraph
60.13 (d), or single-family housing, as defined under section 462C.02, subdivision 4.

60.14 (b) For the purposes of this paragraph, "eligible project area" means an area that meets
60.15 the criteria under section 462A.39, subdivisions 2, paragraph (b), and 4, paragraph (a).

60.16 Sec. 8. Minnesota Statutes 2022, section 473.145, is amended to read:

60.17 **473.145 DEVELOPMENT GUIDE.**

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

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

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

61.4 Sec. 9. Minnesota Statutes 2022, section 500.20, subdivision 2a, is amended to read:

61.5 Subd. 2a. **Restriction of duration of condition.** Except for any right to reenter or to
61.6 repossess as provided in subdivision 3, all private covenants, conditions, or restrictions
61.7 created by which the title or use of real property is affected, cease to be valid and operative
61.8 30 years after the date of the deed, or other instrument, or the date of the probate of the will,
61.9 creating them, and may be disregarded.

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

61.11 (1) that were created before August 1, 1959, under which a person who owns or has an
61.12 interest in real property against which the covenants, conditions, or restrictions have been
61.13 filed claims a benefit of the covenant, condition, or restriction if the person records in the
61.14 office of the county recorder or files in the office of the registrar of titles in the county in
61.15 which the real estate affected is located, on or before March 30, 1989, a notice sworn to by
61.16 the claimant or the claimant's agent or attorney: setting forth the name of the claimant;
61.17 describing the real estate affected; describing the deed, instrument, or will creating the

- 61.18 covenant, condition, or restriction; and stating that the covenant, condition, or restriction is
61.19 not nominal and may not be disregarded under subdivision 1;
- 61.20 (2) that are created by the declaration, bylaws, floor plans, or condominium plat of a
61.21 condominium created before August 1, 1980, under chapter 515, or created on or after
61.22 August 1, 1980, under chapter 515A or 515B, or by any amendments of the declaration,
61.23 bylaws, floor plans, or condominium plat;
- 61.24 (3) that are created by the articles of incorporation, bylaws, or proprietary leases of a
61.25 cooperative association formed under chapter 308A;
- 61.26 (4) that are created by a declaration or other instrument that authorizes and empowers
61.27 a corporation of which the qualification for being a stockholder or member is ownership of
61.28 certain parcels of real estate, to hold title to common real estate for the benefit of the parcels;
- 61.29 (5) that are created by a deed, declaration, reservation, or other instrument by which one
61.30 or more portions of a building, set of connecting or adjacent buildings, or complex or project
61.31 of related buildings and structures share support, structural components, ingress and egress,
61.32 or utility access with another portion or portions;
- 62.1 (6) that were created after July 31, 1959, under which a person who owns or has an
62.2 interest in real estate against which covenants, conditions, or restrictions have been filed
62.3 claims a benefit of the covenants, conditions, or restrictions if the person records in the
62.4 office of the county recorder or files in the office of the registrar of titles in the county in
62.5 which the real estate affected is located during the period commencing on the 28th
62.6 anniversary of the date of the deed or instrument, or the date of the probate of the will,
62.7 creating them and ending on the 30th anniversary, a notice as described in clause (1); ~~or~~
- 62.8 (7) that are created by a declaration or bylaws of a common interest community created
62.9 under or governed by chapter 515B, or by any amendments thereto; or
- 62.10 (8) that are created by a declaration or other instrument required by a government entity
62.11 related to affordable housing.
- 62.12 A notice filed in accordance with clause (1) or (6) delays application of this subdivision
62.13 to the covenants, conditions, or restrictions for a period ending on the later of seven years
62.14 after the date of filing of the notice, or until final judgment is entered in an action to determine
62.15 the validity of the covenants, conditions, or restrictions, provided in the case of an action
62.16 the summons and complaint must be served and a notice of lis pendens must be recorded
62.17 in the office of the county recorder or filed in the office of the registrar of titles in each
62.18 county in which the real estate affected is located within seven years after the date of
62.19 recording or filing of the notice under clause (1) or (6).
- 62.20 County recorders and registrars of titles shall accept for recording or filing a notice
62.21 conforming with this subdivision and charge a fee corresponding with the fee charged for
62.22 filing a notice of lis pendens of similar length. The notice may be discharged in the same

- 62.23 manner as a notice of lis pendens and when discharged, together with the information
62.24 included with it, ceases to constitute either actual or constructive notice.
- 62.25 Sec. 10. Laws 2023, chapter 20, section 1, is amended to read:
62.26 Section 1. **APPROPRIATION.**
- 62.27 (a) \$50,000,000 in fiscal year 2023 is appropriated from the general fund to the Housing
62.28 Finance Agency for transfer to the housing development fund for the family homeless
62.29 prevention and assistance program under Minnesota Statutes, section 462A.204. This
62.30 appropriation is onetime. Notwithstanding procurement provisions outlined in Minnesota
62.31 Statutes, section 16C.06, subdivisions 1, 2, and 6, the agency may award grants to existing
62.32 program grantees. The agency shall make best efforts to spend the appropriation by June
62.33 30, 2024.
- 63.1 (b) Notwithstanding Minnesota Statutes, section 462A.204, subdivision 5, qualified
63.2 families may receive more than 24 months of rental assistance.
- 63.3 (c) By January 15, 2024, and 60 days after the appropriation in paragraph (a) has been
63.4 expended, the commissioner shall report to the chairs and ranking minority members of the
63.5 legislative committees of housing finance the following:
- 63.6 (1) the number of applicants and the total amount receiving rental assistance under this
63.7 section;
- 63.8 (2) the geographic distribution of the rental assistance; and
- 63.9 (3) for the January 15, 2024, report, the remaining balance of the appropriation in this
63.10 section.
- 63.11 (d) Notwithstanding Minnesota Statutes, section 462A.204, subdivision 3, a
63.12 community-based nonprofit organization without a sponsoring resolution may apply for
63.13 and receive grants outside the metropolitan area.
- 63.14 (e) If the agency determines that the metropolitan area is in need of additional support
63.15 to serve households that are homeless or at risk of homelessness, the agency may grant
63.16 funds to entities other than counties in the metropolitan area, including but not limited to
63.17 nonprofit organizations.
- 63.18 (f) In circumstances where more than one grantee operates in a given geographic area,
63.19 grantees may work with either an advisory committee as required under Minnesota Statutes,
63.20 section 462A.204, subdivision 6, or the local Continuum of Care and are not required to
63.21 meet the requirements of Minnesota Statutes, section 462A.204, subdivision 4.
- 63.22 Sec. 11. **TRANSITION OF RESPONSIBILITIES TO THE MINNESOTA HOUSING**
63.23 **FINANCE AGENCY.**
- 63.24 A payment submitted to the commissioner of management and budget on or before July
63.25 1, 2025, for deposit into the housing trust fund account created under Minnesota Statutes,

63.26 section 462A.201, or into the Minnesota manufactured home relocation trust fund established
 63.27 under Minnesota Statutes, section 462A.35, must be deposited by the commissioner of
 63.28 management and budget in the housing trust fund account created under Minnesota Statutes,
 63.29 section 462A.201, or in the Minnesota manufactured home relocation trust fund. The
 63.30 commissioner of management and budget must notify the person who submitted the payment
 63.31 to the commissioner of management and budget that the payment was received, documented,
 63.32 and has been or will be deposited into the trust fund; that future payments must be submitted
 63.33 to the Minnesota Housing Finance Agency rather than the commissioner of management
 64.1 and budget; and that payments submitted to the commissioner of management and budget
 64.2 after July 1, 2025, will not be accepted.

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

64.4 **Sec. 12. REQUIRING CITIES TO REPORT BUILDINGS THAT DO NOT HAVE**
 64.5 **SPRINKLER SYSTEMS.**

64.6 (a) A city of the first or second class shall provide to the state fire marshal a list by June
 64.7 20, 2024, and an updated list by June 30, 2027, and June 30, 2032, of each residential
 64.8 building in the city that:

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

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

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

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

64.17 **Sec. 13. LEGISLATIVE TASK FORCE; EXPEDITING RENTAL ASSISTANCE.**

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

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

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

44.23 **Sec. 33. REQUIRING CITIES TO REPORT BUILDINGS THAT DO NOT HAVE**
 44.24 **SPRINKLER SYSTEMS.**

44.25 (a) A city of the first or second class shall provide to the state fire marshal a list by June
 44.26 20, 2024, and an updated list by June 30, 2027, and June 30, 2032, of each residential
 44.27 building in the city that:

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

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

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

45.2 (b) The state fire marshal shall submit the lists within 60 days of the due dates under
 45.3 paragraph (a) to the chairs and ranking minority members of the legislative committees with
 45.4 jurisdiction over the State Building Code, State Fire Code, and Minnesota Housing Finance
 45.5 Agency.

45.6 **Sec. 34. EXPEDITING RENTAL ASSISTANCE ADVISORY GROUP.**

45.7 The commissioner shall convene stakeholders to evaluate methods of processing
 45.8 applications for rental assistance and emergency rental assistance, methods of distributing
 45.9 rental assistance funds, and ways to expedite these processes. The advisory group shall have
 45.10 a range of stakeholder representation as determined by the commissioner. By January 31,
 45.11 2024, the commissioner must report to the legislative committees with jurisdiction over
 45.12 housing finance and policy with the findings of the advisory group, including
 45.13 recommendations to improve rental assistance procedures.

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

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

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

65.4 (2) one member appointed by the Minnesota Multi Housing Association;

65.5 (3) one member appointed by Mid-Minnesota Legal Aid;

65.6 (4) one member appointed by HOME Line;

65.7 (5) one member appointed by United Way;

65.8 (6) one member appointed by The Salvation Army;

65.9 (7) four county administrators of emergency rental assistance, including two working
65.10 for metropolitan counties, as defined by Minnesota Statutes, section 473.121, subdivision
65.11 4, and two working for nonmetropolitan counties, with one member from each category
65.12 appointed by the speaker of the house of representatives, and one from each category
65.13 appointed by the senate majority leader;

65.14 (8) one member from the house of representatives appointed by the speaker of the house;
65.15 and

65.16 (9) one member from the senate, appointed by the senate majority leader.

65.17 (b) Appointments to the task force must be made by August 15, 2023.

65.18 Subd. 3. **Compensation.** Public members of the task force may be compensated as
65.19 provided by Minnesota Statutes, section 15.059, subdivision 3.

65.20 Subd. 4. **Officers; meetings.** (a) The first meetings of the task force shall be cochaired
65.21 by the task force member from the house of representatives and the task force member from
65.22 the senate. The task force shall elect a chair and vice-chair at the first meeting who shall
65.23 preside at the remainder of the task force meetings. The task force may elect other officers
65.24 as necessary.

65.25 (b) The task force shall meet at least monthly. The Legislative Coordinating Commission
65.26 shall convene the first meeting by September 1, 2023.

65.27 (c) Meetings of the task force are subject to the Minnesota Open Meeting Law under
65.28 Minnesota Statutes, chapter 13D.

65.29 Subd. 5. **Report required.** The task force shall submit a final report by February 15,
 65.30 2024, to the chairs and ranking minority members of the legislative committees with
 65.31 jurisdiction over housing finance and policy.

66.1 Subd. 6. **Expiration.** The task force expires upon submission of the final report in
 66.2 subdivision 5 or February 28, 2024, whichever is later.

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

66.5 Sec. 14. **STUDY ON EXPEDITING RENTAL ASSISTANCE PAYMENTS.**

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

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

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

66.16 (b) By December 1, 2023, MAD shall conduct the study and prepare an informal report
 66.17 to be delivered to the legislative task force on expediting rental assistance payments. By
 66.18 February 15, 2024, MAD shall submit a formal report to the chairs and ranking minority
 66.19 members of the legislative committees with jurisdiction over housing finance and policy.

66.20 Sec. 15. **REPORTING ON STAFFING CHANGES REQUIRED AT THE**
 66.21 **MINNESOTA HOUSING FINANCE AGENCY.**

66.22 The Minnesota Housing Finance Agency shall by January 15, 2024, report to the chairs
 66.23 and ranking minority members of the legislative committees having jurisdiction over housing
 66.24 finance and policy on the number of new full-time equivalent employees required to
 66.25 administer the appropriations and programs authorized under this act.

49.6 Sec. 38. **EMPLOYMENT REPORT.**

49.7 By January 15, 2024, the agency must report to the chairs and ranking members of the
 49.8 legislative committees having jurisdiction over housing finance and policy on the number
 49.9 of new full-time equivalent employees required to administer the appropriations and programs
 49.10 authorized under this act, as well as the total costs associated with those new employees.