

Chapter 32

2025 Regular Session

Subject Omnibus housing act

Bill S.F. 2298

Analyst Justin Cope
Mary Davis

Date June 18, 2025

Overview

This act is the 2025 omnibus housing finance and policy act, setting the biennial budget for the Minnesota Housing Finance Agency (MHFA).

Article 1: Housing Budget

This article establishes the budget for MHFA. More information on the appropriations in this article can be found in the [fiscal tracking sheet](#).

Section	Description – Article 1: Housing Budget
---------	-----------------------------------------

- | | |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Appropriations.
Sets drafting conventions for the appropriations in this article. |
| 2 | Housing finance agency.
Sets the biennial budget for MHFA. |
| 3 | Community stabilization.
Reduces a 2024 appropriation to MHFA. The amount is reappropriated in section two of this article. |
| 4 | Repealer.
Repeals a budgetary account within MHFA and a standing transfer to the account. The amount in the account and the amount of the transfer are reappropriated in section one of this article. |

Article 2: Housing Infrastructure Bonds

This article provides MHFA with authority to issue housing infrastructure bonds, a form of appropriations bond, and appropriates money to MHFA to pay the debt service.

Section	Description – Article 2: Housing Infrastructure Bonds
---------	-------------------------------------------------------

- | | |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Additional authorization.
Allows MHFA to issue \$50,000,000 in housing infrastructure bonds. |
| 2 | Additional appropriation.
Appropriates to MHFA the amount necessary to pay the debt service on the bonds issued under section one of this article. |

Article 3: Housing Policy

This article modifies operations and programs of MHFA.

Section	Description – Article 3: Housing Policy
---------	-----------------------------------------

- | | |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Payment to the Minnesota manufactured home relocation trust fund.
Requires MHFA to include information about available tax credits and notice requirements related to manufactured home park sales in the annual letter to manufactured home park owners. Allows MHFA to include information on additional programs and resources available to manufactured home park residents and owners. |
| 2 | Application.
Subjects counties and cities that allocate low-income housing tax credits to certain requirements relating to wage theft prevention. |
| 3 | Promotion of materials on rights and obligations of landlords and residential tenants.
Requires the commissioner of MHFA to publish information on the rights and responsibilities of landlords and residential tenants and to provide a link or copy of the attorney general's "Landlords and Tenants: Rights and Responsibilities" publication that is updated annually. |
| 4 | Definitions.
Replaces annual eligibility recertification for the state rental assistance program with annual income recertification for the purpose of determining the amount of rental assistance. |
| 5 | Grants to program administrators.
Allows the commissioner to determine a formula to determine award amounts for the rent assistance program and to redistribute unused funds among program administrators. |

Section Description – Article 3: Housing Policy

- 6 **Eligible recipients.**
Makes conforming changes relating to the changes in the following section.
- 7 **Grant funding to schools.**
Adds contract alternative, Tribal contract schools, and nonprofits contracted by any school eligible for funding to the list of entities eligible for certain funding through MHFA’s challenge program.
- 8 **Authorization.**
Allows use of housing infrastructure bond proceeds on adaptive reuse for the development of both supportive housing and very low-income housing.
- 9 **Community-based first-generation homebuyers down payment assistance.**
Amends the appropriation for the community-based first-generation homebuyers down payment assistance program in Laws 2023, removing the requirement for any funds recaptured after the three-year program period to be remitted to MHFA.
- 10 **Local housing trust fund grants.**
Amends the local housing trust fund grants program to require a grantee to use the funds within five years.
- 11 **Community-based first-generation homebuyers down payment assistance program.**
Modifies the community-based first-generation homebuyers down payment assistance program established in Laws 2023 by replacing a household income limitation with an income limitation applicable only to the person qualifying for the program. Increases maximum assistance caps beginning in fiscal year 2027. Expands reporting requirements.
- 12 **High-rise sprinkler system grant and loan program.**
Amends the high-rise sprinkler system grant program to allow loans and amends the definition of eligible building to include those seven stories or more and those serving households at or below 60 percent of the area median income.
- 13 **Local actions to support housing.**
Requires MHFA to award points in its scoring systems for its competitive development programs based on certain zoning and land use regulations of the local governments to contain the proposed project. Limits points to five percent of the total available points. Applies to scoring systems developed after enactment and expires December 31, 2029.

Section	Description – Article 3: Housing Policy
---------	-----------------------------------------

- | | |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 14 | Preservation framework for targeted stabilization of regulated affordable housing.
Requires the commissioner of MHFA to collaborate with members of the affordable housing industry to develop a policy framework to preserve and sustain affordable housing development organizations and their housing. Requires a legislative report on the framework by February 15, 2026. |
| 15 | Report on Minnesota Housing Finance Agency asset portfolio.
Requires a legislative report from MHFA in March of 2026 and March of 2027 regarding the financial stability of its asset management portfolio, including information on the ratio of its operating expenses to revenue and amounts of rent delinquencies and tenant damages. |
| 16 | Report on accessible housing.
Requires a legislative report from MHFA in February 2026 on the state’s Olmstead Plan regarding accessible housing. |

Article 4: Housing Miscellaneous Policy

This article modifies housing policy unrelated to MHFA, including landlord-tenant policy and state housing aids.

Section	Description – Article 4: Housing Miscellaneous Policy
---------	-------------------------------------------------------

- | | |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Definitions.
Allows housing and redevelopment authorities to establish local housing trust funds. |
| 2 | Use of proceeds.
Requires that income generated from a local affordable housing aid project be used on an eligible expenditure of the aid. |
| 3 | Use of proceeds.
Requires that income generated from a statewide affordable housing aid project be used on an eligible expenditure of the aid. |
| 4 | Requirements.
Amends the requirements related to furnishing heat to rental units to require a landlord to equip or furnish heat in places intended for habitability including the kitchen and bathroom. |

Section Description – Article 4: Housing Miscellaneous Policy

5 Treatment of information.

Provides that a landlord must keep a tenant's data private, including their address, even when the landlord has a previously signed release from the tenant, when the tenant was a victim of domestic or sexual violence and had to exit their lease early for that reason. This section is effective immediately.

6 Escrow of rent.

Requires a tenant to provide a written notice to a landlord in rent escrow cases when the landlord has violated a building code, a state or federal law, or the lease agreement.

7 Landlord must be informed.

Requires a tenant to notify a landlord in building repair actions 14 days prior to bringing an action when there is a violation of a building code, a state or federal law, or the lease agreement.

8 Discharge of restrictive covenants related to protected classes.

Allows the discharge of a restrictive covenant (removing a real property covenant restricting ownership by a protected class) to be recorded with the county recorder at no cost. This section is effective immediately.

9 Filing; recording.

Removes the reference to the fee requirement for the discharge of a restrictive covenant consistent with section 8.

10 Effective date.

This section clarifies the effective date of tenant's rights provisions related to declawed cats and attorneys appointed in evictions for tenants living in public housing and provides that these tenant's rights apply for leases renewed or extended on or after January 1, 2026. This includes estates at will at the commencement of the next rental period.

11 Effective date.

This section clarifies the effective date of tenant's rights provisions related to terminating a tenancy at will, the requirement for tenants to renew their lease early, and a tenant's ability to get court costs in certain actions and provides that these tenant's rights apply to leases extended on or after January 1, 2026. This includes estates at will at the commencement of the next rental period.

Section Description – Article 4: Housing Miscellaneous Policy

12 Effective date.

Amends the effective date of the Minnesota Housing Cooperatives Act, chapter 308C, passed in 2024. The new chapter on housing cooperatives was supposed to take effect on August 1, 2025, and is now delayed to be effective August 1, 2026.

13 Effective date.

Amends the effective date of various provisions related to the new chapter 308C on housing cooperatives so that reference to the new chapter will not become law until the chapter becomes law on August 1, 2026.

14 Applicable prevailing wage rate.

Allows the agency allocating low-income housing tax credits to adopt a policy or local ordinance for the applicable carpenter rate for residential construction for projects that would be subject to prevailing wage and that do not have any other state funding. This section expires on December 31, 2027.

15 Report and guidance on repositioning public housing and on general obligation bond funding for public housing authorities.

Requires a report from the commissioner of MMB to legislative committees with jurisdiction over housing finance and policy and capital investments on how to allow public housing authorities to allow US Housing and Urban Development (HUD) projects to remain eligible for state general obligation bonds, and review eligibility, barriers, and unresolved issues related to HUD programs access to state general obligation bonds. The report must be provided to the legislature by February 15, 2026.



Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn.gov/hrd | 651-296-6753 | Third Floor, Centennial Office Building | St. Paul, MN 55155