Act Summary

MN HOUSE RESEARCH

Chapter 100

2026 Regular Session

Subject 2026 Housing Finance Act

Bill H.F. 1141

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Overview

This is the 2026 housing finance act.

The act makes supplemental appropriations to the Minnesota Housing Finance Agency (MHFA), funded both with MHFA earnings from investments of state appropriations and with the early return and cancellation of payments made to a claims administrator to settle legal claims against the state and its counties regarding county disposition of tax-forfeited properties.

The act also authorizes MHFA to issue $100,000,000 in housing infrastructure bonds (HIBs).

The act modifies MHFA powers and obligations regarding the housing development fund and its administrative retentions of state appropriations. The act also provides that certain payments made by MHFA for "lived experience engagements," as defined, do not count as means for certain state means-tested programs, and the act modifies other aspects of MHFA operations.

Article 1: Housing Appropriations

This article makes appropriations to MHFA, returns money to the general fund that had been set aside to settle litigation against the state, and modifies the law governing a prior appropriation to MHFA.

Section	Description – Article 1: Housing Appropriations
1	**Supportive housing.** Extends the duration by which an MHFA appropriation for supportive housing would remain available to meet the financial needs of federal Continuum of Care grantees from December 31, 2026, to December 31, 2027. Returns the amount to the general purposes of the supportive housing program if unneeded for those purposes.

Section	Description – Article 1: Housing Appropriations
	Effective the day following final enactment.
2	**Minnesota Housing Finance Agency appropriations.** Appropriates $25,000,000 in fiscal year 2027 to MHFA from the agency's earnings from investment of state appropriations.
3	**Return of unused tax-forfeited settlement appropriation; cancellation; appropriation.**[1] Returns the amount of payments in the possession of a claims administrator handling settlement of claims against the state to the general fund and appropriates that amount to MHFA for the family homeless prevention and assistance program. **Subd. 1. Return of funds.** Requires the claims administrator settling legal claims against the state and its counties regarding county disposition of tax-forfeited properties to return state payments on June 29, 2026, one day prior to when current law requires the administrator to return the payments. **Subd. 2. Cancellation.** Requires Minnesota Management and Budget (MMB) to cancel the amount of payments returned to it under subdivision 1 to the general fund. **Subd. 3. Appropriation.** Appropriates the amount cancelled under subdivision 2 to MHFA for the purposes of the family homeless prevention and assistance program. Allows MHFA to award the amount appropriated to former and existing grantees and Tribes without issuing new requests for proposals. Allows the agency to redistribute funds among grantees to increase program efficiency. Effective the day following final enactment.

Article 2: Housing Infrastructure Bonds

This article authorizes MHFA to issue $100,000,000 in HIBs and appropriates the amount to pay HIBs debt service.

Section	Description – Article 2: Housing Infrastructure Bonds
1	**Additional authorization.** Authorizes MHFA to issue $100,000,000 in HIBs.

[1] This section was repealed by Laws 2026, chapter 128, article 8, section 17.

Section	Description – Article 2: Housing Infrastructure Bonds
	Effective the day following final enactment.
2	**Additional appropriation.** Appropriates to MMB the amount necessary for it to transfer HIBs debt service payments to MHFA for the HIBs authorized in section one, beginning in 2028 and ending in 2049. Effective the day following final enactment.

Article 3: Housing Policy

This article modifies the powers and obligations of MHFA. This article also excludes some MHFA payments as counting as means for certain means-tested state programs and modifies how the state allocates its private activity bonds for some housing purposes.

Section	Description – Article 3: Housing Policy
1	**Additional investment authority.** Expands the range of entities that qualifying governments can invest in to include companies that meet certain criteria, including having a mission to invest in local multifamily development.
1	**Housing and redevelopment authorities.** Provides the housing and redevelopment authorities of governments that are allowed to invest under the authority in this section the same investment authority that the qualifying governments have.
2	**Approval.** Expands the documents that qualifying governments can adopt to satisfy certain preconditions for investment to include an investment policy.
3	**Meetings by interactive technology.** Requires MHFA to livestream its board meetings online and to archive them online.
4	**Service charges.** Specifies that MHFA may not retain any portion of state appropriations, unless its aggregate earnings from investments of state appropriations are inadequate to cover administrative costs. Limits the amount that MHFA may retain from state appropriations to the amount by which its costs exceed aggregated investment earnings. Requires notice to chairs and ranking minority members of the legislative

Section	Description – Article 3: Housing Policy

committees with jurisdiction over housing before MHFA retains any portion of state appropriations. Sunsets in 2028.

Effective the day following final enactment.

5 **Which money in fund.**

Limits use of money in MHFA's housing development fund to housing purposes and prohibits transfers from the fund for other purposes.

6 **Separate accounts; transfers; limits.**

Requires MHFA to distribute its aggregated earnings from investments of state appropriations as provided below. Requires MHFA to provide notice in writing to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy prior to transferring amounts between accounts holding legislative appropriations.

Effective the day following final enactment.

7 **Housing development fund report.**

Modifies a requirement that MHFA report on its operating costs to require that it also report on:

- its cost of operating state programs;
- its full-time equivalent employees;
- the amount of earnings from investments of state appropriations as of January 1 in the year the report is to be submitted;
- the amount of investment income that the agency used for legislative programs in the prior calendar year;
- the amount, as of January 1 in the year the report is to be submitted, of the unencumbered balance in the housing development fund that came from appropriations made prior to the current fiscal year, requiring explanations why any amounts remain unspent; and
- the agency's projected biennial costs and information on how it made those projections.

8 **Expenditure of earnings from investments of state appropriations required.**

Requires MHFA to determine each biennium how much of the aggregated earnings from investments of state appropriations MHFA would have if it took away the amount that it will need to pay itself during the upcoming biennium for the costs of administering programs receiving state appropriations. Requires MHFA to use 25 percent of that amount on state-appropriated programs each biennium. Requires MHFA to use the money for comparable purposes as the original appropriation.

Section	Description – Article 3: Housing Policy

Requires MHFA to consult with Minnesota Management and Budget when projecting its costs.

Effective the day following final enactment.

9 **Certain appropriations made available until expended.**

Removes obsolete language. Makes conforming changes. Limits use of income from investing state appropriations on administrative costs to costs of only programs receiving state appropriations.

Effective the day following final enactment.

10 **Program money transfer.**

Requires MHFA to notify the chairs and ranking minority members of the legislative committees with jurisdiction over housing before MHFA transfers money between programs receiving state appropriations. Requires that the notice be in writing and submitted to the Legislative Reference Library.

Effective the day following final enactment.

11 **Eligible recipient.**

Modifies the local public housing program so that counties and cities (as defined in the law) may receive loans from the local public housing program.

12 **Lived-experience engagement exemption.**

Defines "lived-experience engagement" as MHFA engaging MHFA-selected persons either for reviewing proposals responsive to MHFA requests for proposals or for providing feedback on the impact of housing programs. Makes payments to persons engaged through "lived-experience engagement" not count as income, assets, or property for the purposes of listed means-tested state programs, including housing support, general support, and the Minnesota family investment program.

13 **Legislative fiscal staff access to accounting subsystem.**

Requires a legislative report from MHFA by February 15, 2027, on how to provide legislative fiscal staff with access to the agency's accounting subsystem.

14 **Housing development fund expenditures in the biennium beginning in fiscal year 2028.**

Has the amount of investment income expended by MHFA to pay debt service on housing infrastructure bonds in the upcoming biennium count against the amount of income from investing state appropriations that the agency must spend in the upcoming biennium.

Section	Description – Article 3: Housing Policy
15	**Repealer.** Repeals a provision allowing MHFA to use money in the housing development fund for any agency purpose that state law has given under Minnesota Statutes, chapter 462A. Effective the day following final enactment.

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