

**Subject** Public corporation creation authorized for Rental Assistance  
Demonstration program properties

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### Overview

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

The act is effective July 1, 2025.

### Summary

Section	Description
1	<b>Obligations of public corporations.</b> Technical change to clarify that the general law requiring the assets of dissolved public corporations to be state property does not apply to the new public corporations statute in section 5.
2	<b>Permanent rental housing.</b> Adds a reference to housing owned by a public corporation created under the authority in section 5 to the affordable, permanent, and publicly owned rental housing loan authority for the Minnesota Housing Finance Agency.
3	<b>City.</b> Adds a public corporation created under the authority in section 5 to the definition of “city” under the Municipal Housing chapter of the Minnesota Statutes.
4	<b>May be in LLP, LLC, or corporation; bound as if HRA.</b> Authorizes a housing and redevelopment authority to create a public corporation under section 5 for the purpose of purchasing, owning, and operating real property converted through the federal RAD program.

Section	Description
5	<p data-bbox="318 264 1292 296"><b>[469.0121] Public corporation; Rental Assistance Demonstration program.</b></p> <p data-bbox="318 310 1425 422">Describes the powers and procedures for public corporations created for the purpose of purchasing, owning, and operating real property converted through the federal RAD program.</p> <p data-bbox="367 457 1365 531"><b>Subd. 1. Definitions.</b> Defines the following terms for purposes of the section: “authority,” “board,” “corporation,” and “RAD.”</p> <p data-bbox="367 567 1390 716"><b>Subd. 2. Public corporation created.</b> Authorizes an authority to create a public corporation to purchase, own, and operate real property that has been converted through the RAD program to preserve and improve public housing properties.</p> <p data-bbox="367 751 1325 863"><b>Subd. 3. Corporation powers.</b> Enumerates the public corporation powers. Powers relate to succession, litigation, acceptance of gifts and money, contracting, purchasing, governance, and acquisition of property.</p> <p data-bbox="367 898 1406 1052">Also authorizes the acquisition of properties converted under the RAD program, subject to restrictions and conditions compatible with funding acquisitions and improvements to real property with state general obligation bond proceeds as determined by the commissioner of management and budget.</p> <p data-bbox="367 1087 1425 1314"><b>Subd. 4. Board of directors.</b> States that the board of directors of the public corporation is comprised of the commissioners of the authority that created the corporation. The director’s term coincides with their term as a commissioner. Board members are not compensated except for reasonable expenses incurred in connection with their duties. The board is also authorized to annually elect a chair and other officers.</p> <p data-bbox="367 1350 1369 1381"><b>Subd. 5. Bylaws.</b> Authorizes the board of directors to adopt bylaws and rules.</p> <p data-bbox="367 1417 1369 1528"><b>Subd. 6. Place of business.</b> Requires the corporation’s place of business to be located and maintained in the city in which the authority that created the corporation is located.</p> <p data-bbox="367 1564 1393 1638"><b>Subd. 7. Open meetings.</b> Provides that board meetings are subject to the Open Meeting Law and the Minnesota Government Data Practices Act.</p> <p data-bbox="367 1673 1365 1785"><b>Subd. 8. Compliance.</b> Requires the corporation to comply with all laws, rules, ordinances, and other regulations required to own and operate properties as project-based rental assistance properties.</p> <p data-bbox="367 1820 1422 1898"><b>Subd. 9. Dissolution.</b> Specifies that the assets of the corporation become property of the authority that created the corporation in the event of dissolution.</p>

Section	Description
6	<b>Effective date.</b> Provides that the act is effective July 1, 2025.



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