

50.5 **ARTICLE 3**  
50.6 **HOUSING APPROPRIATIONS**

50.7 Section 1. **APPROPRIATIONS.**

50.8 The sums shown in the columns marked "Appropriations" are added to the appropriations  
50.9 in Laws 2021, First Special Session chapter 8, or other law, to specified agencies. The  
50.10 appropriations are from the general fund, or another named fund, and are available for the  
50.11 fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article  
50.12 mean that the appropriations listed under them are available for the fiscal year ending June  
50.13 30, 2022, or June 30, 2023, respectively.

50.14		<b><u>APPROPRIATIONS</u></b>	
50.15		<b><u>Available for the Year</u></b>	
50.16		<b><u>Ending June 30</u></b>	
50.17		<b><u>2022</u></b>	<b><u>2023</u></b>

50.18 Sec. 2. **HOUSING FINANCE AGENCY**

50.19 Subdivision 1. **Total Appropriation** **\$ 229,617,000**

50.20 The amounts that may be spent for each  
50.21 purpose are specified in the following  
50.22 subdivisions.

50.23 Subd. 2. **Challenge Program** **20,000,000**

50.24 (a) This appropriation is for the economic  
50.25 development and housing challenge program  
50.26 under Minnesota Statutes, sections 462A.07,  
50.27 subdivision 14, and 462A.33.

50.28 (b) In fiscal years 2024 and 2025, \$17,117,000  
50.29 is added to the agency's base.

46.4 **ARTICLE 5**  
46.5 **HOUSING APPROPRIATIONS**

46.6 Section 1. **APPROPRIATIONS.**

46.7 The sums shown in the columns marked "Appropriations" are added to the appropriations  
46.8 in Laws 2021, First Special Session chapter 8, or other law, to specified agencies. The  
46.9 appropriations are from the general fund, or another named fund, and are available for the  
46.10 fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article  
46.11 mean that the appropriations listed under them are available for the fiscal year ending June  
46.12 30, 2022, or June 30, 2023, respectively.

46.13		<b><u>APPROPRIATIONS</u></b>	
46.14		<b><u>Available for the Year</u></b>	
46.15		<b><u>Ending June 30</u></b>	
46.16		<b><u>2022</u></b>	<b><u>2023</u></b>

46.17 Sec. 2. **HOUSING FINANCE AGENCY**

46.18 Subdivision 1. **Total Appropriation** **\$ 50,000,000**

46.19 (a) The amounts that may be spent for each  
46.20 purpose are specified in the following  
46.21 subdivisions.

46.22 (b) Unless otherwise specified, this  
46.23 appropriation is for transfer to the housing  
46.24 development fund for the programs specified  
46.25 in this section.

50.30	<b>Subd. 3. <u>Housing Trust Fund</u></b>	<b><u>10,000,000</u></b>
50.31	<u>This appropriation is for deposit in the housing</u>	
50.32	<u>trust fund account created under Minnesota</u>	
50.33	<u>Statutes, section 462A.201, and may be used</u>	
51.1	<u>for the purposes provided in that section. In</u>	
51.2	<u>fiscal years 2024 and 2025, \$10,000,000 is</u>	
51.3	<u>added to the agency's base.</u>	
51.4	<b>Subd. 4. <u>Homework Starts with Home</u></b>	<b><u>10,000,000</u></b>
51.5	<u>(a) This appropriation is for the homework</u>	
51.6	<u>starts with home program under Minnesota</u>	
51.7	<u>Statutes, sections 462A.201, subdivision 2,</u>	
51.8	<u>paragraph (a), clause (4), and 462A.204,</u>	
51.9	<u>subdivision 8, to provide assistance to</u>	
51.10	<u>homeless or highly mobile families with minor</u>	
51.11	<u>children or with adult children eligible for</u>	
51.12	<u>enrollment in an academic program through</u>	
51.13	<u>grade 12. Funding must prioritize families</u>	
51.14	<u>with younger children not yet in school who</u>	
51.15	<u>are identified as being at risk of homelessness</u>	
51.16	<u>or experiencing homelessness.</u>	
51.17	<u>(b) In fiscal years 2024 and 2025, \$10,000,000</u>	
51.18	<u>is added to the agency's base.</u>	
51.19	<b>Subd. 5. <u>Family Homeless Prevention</u></b>	<b><u>14,000,000</u></b>
51.20	<u>(a) This appropriation is for the family</u>	
51.21	<u>homeless prevention and assistance programs</u>	
51.22	<u>under Minnesota Statutes, section 462A.204.</u>	
51.23	<u>(b) In fiscal years 2024 and 2025, \$10,000,000</u>	
51.24	<u>is added to the agency's base.</u>	
51.25	<b>Subd. 6. <u>Community Stabilization</u></b>	<b><u>100,000,000</u></b>
51.26	<u>(a) This appropriation is for the community</u>	
51.27	<u>stabilization program under Minnesota</u>	
51.28	<u>Statutes, section 462A.41, to finance</u>	
51.29	<u>improvements for naturally occurring</u>	
51.30	<u>affordable housing.</u>	

51.31	<u>(b) In fiscal years 2024 and 2025, \$40,000,000</u>	
51.32	<u>is added to the agency's base.</u>	
52.1	<b>Subd. 7. <u>Flexible Financing for Capital Costs</u></b>	<u>5,000,000</u>
52.2	<u>This appropriation is to provide gap financing</u>	
52.3	<u>to rental housing developments financed by</u>	
52.4	<u>the agency. This is a onetime appropriation.</u>	
52.5	<b>Subd. 8. <u>Strengthening Supportive Housing</u></b>	
52.6	<b>Model</b>	<u>5,000,000</u>
52.7	<u>This appropriation is for the strengthening</u>	
52.8	<u>supportive housing model program under</u>	
52.9	<u>Minnesota Statutes, section 462A.42, to</u>	
52.10	<u>provide funding to strengthen supportive</u>	
52.11	<u>housing for individuals and families who are</u>	
52.12	<u>at risk of homelessness or have experienced</u>	
52.13	<u>homelessness. In fiscal years 2024 and 2025,</u>	
52.14	<u>\$5,000,000 is added to the agency's base.</u>	
52.15	<b>Subd. 9. <u>Lead-Safe Homes</u></b>	<u>2,000,000</u>
52.16	<u>This appropriation is for the lead-safe homes</u>	
52.17	<u>grant program under Minnesota Statutes,</u>	
52.18	<u>section 462A.2095. This is a onetime</u>	
52.19	<u>appropriation.</u>	
52.20	<b>Subd. 10. <u>Stable Housing Mediation</u></b>	<u>425,000</u>
52.21	<u>This appropriation is for the housing mediation</u>	
52.22	<u>grant program for grants to mediation facilities</u>	
52.23	<u>certified by the state under Minnesota Statutes,</u>	
52.24	<u>section 494.015. This is a onetime</u>	
52.25	<u>appropriation.</u>	
52.26	<b>Subd. 11. <u>Homeownership Education,</u></b>	
52.27	<b><u>Counseling, and Training Program</u></b>	<u>1,000,000</u>
52.28	<u>This appropriation is for the homeownership</u>	
52.29	<u>education, counseling, and training program</u>	
52.30	<u>under Minnesota Statutes, section 462A.209.</u>	
52.31	<u>This is a onetime appropriation.</u>	

53.1	<b>Subd. 12. <u>First-Generation Homebuyers Down</u></b>	
53.2	<b><u>Payment Assistance Fund</u></b>	<b><u>50,000,000</u></b>
53.3	<u>This appropriation is for a grant to Midwest</u>	
53.4	<u>Minnesota Community Development</u>	
53.5	<u>Corporation (MMCDC) for a first-generation</u>	
53.6	<u>homebuyers down payment assistance fund.</u>	
53.7	<u>This is a onetime appropriation and is</u>	
53.8	<u>available until June 30, 2025.</u>	
53.9	<b>Subd. 13. <u>Local Housing Trust Fund Grants</u></b>	<b><u>7,000,000</u></b>
53.10	<u>This appropriation is for the local housing trust</u>	
53.11	<u>fund grant program. This is a onetime</u>	
53.12	<u>appropriation.</u>	
53.13	<b>Subd. 14. <u>Manufactured Home Park Cooperative</u></b>	
53.14	<b><u>Purchase Program</u></b>	<b><u>5,192,000</u></b>
53.15	<u>This appropriation is for the manufactured</u>	
53.16	<u>home park cooperative purchase program. This</u>	
53.17	<u>is a onetime appropriation.</u>	

47.28 Sec. 3. **HOUSING AFFORDABILITY FUND; FISCAL YEAR 2023 ALLOCATION.**

47.29 (a) \$10,000,000 of the allocations from the Housing Finance Agency's housing  
47.30 affordability fund, or Pool 3, in fiscal year 2023 shall be for a revolving loan fund under  
47.31 Minnesota Statutes, section 462A.05, subdivision 35, to provide loans with a two percent  
47.32 interest rate for residents of manufactured home parks to purchase the manufactured home  
47.33 park in which they reside for the purpose of conversion of the manufactured home park to  
47.34 cooperative ownership. Repayments of principal and interest from loans issued under this  
48.1 section must be used for the purposes of this section. The commissioner must make a  
48.2 determination regarding the issuance of a loan under this section and disburse the funds  
48.3 within 90 days of receiving a completed application. No money from the allocation under  
48.4 this paragraph may be used to administer this program. The commissioner must not supplant  
48.5 other homeownership programs out of Pool 3 to capitalize this revolving loan fund.

48.6 (b) \$5,000,000 of the allocations from the Housing Finance Agency's housing affordability  
48.7 fund, or Pool 3, in fiscal year 2023 shall be for grants to nonprofit organizations for the  
48.8 installation of sprinkler systems in eligible residential buildings. "Eligible residential  
48.9 buildings" means an existing building owned by a nonprofit organization that has at least  
48.10 one story used for human occupancy which is 75 feet or more above the lowest level of fire  
48.11 department vehicle access, and at least two-thirds of its units are rented to an individual or  
48.12 family with an annual income of up to 50 percent of the area median income as determined  
48.13 by the United States Department of Housing and Urban Development, adjusted for family  
48.14 size, that is paying no more than 30 percent of annual income on rent. The agency shall  
48.15 develop forms and procedures for soliciting and reviewing applications for grants under  
48.16 this paragraph. The maximum grant per eligible building shall be \$250,000, and each grant  
48.17 must have a nonstate match of at least 25 percent of the grant award. An in-kind contribution

48.18 may be used to meet all or a portion of the match requirement. This allocation expires on  
48.19 June 30, 2025.

48.20 (c) Each year on January 15, the commissioner of the Housing Finance Agency shall  
48.21 report to the legislature the allocation of housing affordability funds under paragraphs (a)  
48.22 and (b) separately, including the amount issued in loans, the amount of loans repaid, the  
48.23 remaining balance of the revolving loan fund, the number of projects funded or financed,  
48.24 the number of residents included in each project, and the location of each project.

48.25 (d) Nothing in this section shall impair the obligation of the agency to use funds in Pool  
48.26 3 to satisfy the agency's obligations to holders of bonds secured by the general obligation  
48.27 pledge of the agency to suggested use of agency resources.

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

46.26 **Subd. 2. Workforce Homeownership Program** **10,000,000**

46.27 This appropriation is for the workforce  
46.28 homeownership program under Minnesota  
46.29 Statutes, section 462A.38. This is a onetime  
46.30 appropriation.

47.1 **Subd. 3. Homeownership Investment Grants** **35,000,000**

47.2 This appropriation is for homeownership  
47.3 investment grants under section 4. This is a  
47.4 onetime appropriation.

47.5 **Subd. 4. Targeted Loan Pool** **5,000,000**

47.6 This appropriation is for a grant to Build  
47.7 Wealth Minnesota to establish the 9,000  
47.8 Equities Fund, a targeted loan pool, to provide  
47.9 affordable first mortgages or equivalent  
47.10 financing opportunities to households  
47.11 struggling to access mortgages in underserved  
47.12 communities of color. The goal for this  
47.13 appropriation for Build Wealth Minnesota and  
47.14 the 9,000 Equities Fund is to create at least  
47.15 4,500 new homeownership opportunities and  
47.16 to close the homeownership disparity gap by  
47.17 eight percent in the Twin Cities metropolitan  
47.18 area in five years. By February 15, 2023, and  
47.19 for the next eight years, Build Wealth  
47.20 Minnesota shall report to the Minnesota

47.21 Housing Finance Agency and the legislature  
47.22 on activities and expenditures of the 9,000  
47.23 Equities Fund and its homeownership  
47.24 outcomes. Up to ten percent of the  
47.25 appropriation may be used by Build Wealth  
47.26 Minnesota to administer the target loan pool.  
47.27 This is a onetime appropriation.

48.29 Sec. 4. **HOMEOWNERSHIP INVESTMENT GRANTS PROGRAM.**

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

48.32 (1) "commissioner" means the commissioner of the Housing Finance Agency; and

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

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

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

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

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

49.11 Subd. 3. **Eligible services.** (a) Eligible organizations may apply for housing investment  
49.12 grants for affordable owner-occupied housing projects for the following:

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

49.14 (2) financing programs, including revolving loans, for affordable owner-occupied new  
49.15 home construction;

49.16 (3) acquisition, rehabilitation, and resale of affordable owner-occupied homes or homes  
49.17 to be converted to owner-occupied homes;

49.18 (4) financing programs, including revolving loans, for affordable owner-occupied  
49.19 manufactured housing;

49.20 (5) services to increase access to stable, affordable, owner-occupied housing in  
49.21 low-income communities, Indigenous American Indian communities, and communities of  
49.22 color; and

49.23 (6) residential counseling or housing navigation assistance for homeownership.

49.24 (b) No more than five percent of the total amount awarded in this section may be for  
49.25 grants under paragraph (a), clause (3), and no more than five percent of the total amount  
49.26 awarded under this section may be for grants under paragraph (a), clause (6).

49.27 Subd. 4. **Commissioner duties.** (a) The commissioner shall consult with eligible  
49.28 organizations and develop forms, applications, and reporting requirements for use by eligible  
49.29 organizations. All organizations applying for a grant must include as part of their application  
49.30 a plan to create new affordable home ownership and home preservation opportunities for  
49.31 targeted areas. The commissioner shall develop a grant award scoring system that ensures  
50.1 a distribution of awards throughout the state based on population and eligible households  
50.2 and communities.

50.3 (b) The commissioner shall complete the requirements under paragraph (a) within 90  
50.4 days of enactment of this section.

50.5 (c) By January 15, 2023, the commissioner must submit a report to the chairs and ranking  
50.6 minority members of the legislative committees with jurisdiction over housing finance and  
50.7 policy detailing the use of funds under this section.

53.18 Sec. 3. **DEPARTMENT OF HUMAN RIGHTS** § **383,000**

53.19 (a) \$383,000 in fiscal year 2023 is to the  
53.20 commissioner of human rights for increased  
53.21 capacity and associated costs to investigate  
53.22 sources of income discrimination cases in  
53.23 housing.

53.24 (b) In fiscal years 2024 and 2025, \$383,000  
53.25 is added to the department's base.

**ARTICLE 4**

**HOUSING FINANCE GRANT PROGRAMS AND POLICY**

53.28 Section 1. Minnesota Statutes 2020, section 462A.201, subdivision 2, is amended to read:

53.29 Subd. 2. **Low-income housing.** (a) The agency may use money from the housing trust  
53.30 fund account to provide loans or grants for:

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

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

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

50.8

**ARTICLE 6**

50.9

**HOUSING POLICY**

54.7 (4) programs to secure stable housing for families with minor children eligible for  
54.8 enrollment in a prekindergarten through grade 12 academic program or with adult children  
54.9 eligible for enrollment in an academic program through grade 12.

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

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

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

54.23 (c) Rental assistance under this section must be provided by governmental units which  
54.24 administer housing assistance supplements or by for-profit or nonprofit organizations  
54.25 experienced in housing management. Rental assistance shall be limited to households whose  
54.26 income at the time of initial receipt of rental assistance does not exceed 60 percent of median  
54.27 income, as determined by the United States Department of Housing and Urban Development  
54.28 for the metropolitan area. Priority among comparable applications for tenant-based rental  
54.29 assistance will be given to proposals that will serve households whose income at the time  
54.30 of initial application for rental assistance does not exceed 30 percent of median income, as  
54.31 determined by the United States Department of Housing and Urban Development for the  
54.32 metropolitan area. Rental assistance must be terminated when it is determined that 30 percent  
54.33 of a household's monthly income for four consecutive months equals or exceeds the market  
54.34 rent for the unit in which the household resides plus utilities for which the tenant is  
55.1 responsible. Rental assistance may only be used for rental housing units that meet the housing  
55.2 maintenance code of the local unit of government in which the unit is located, if such a code  
55.3 has been adopted, or the housing quality standards adopted by the United States Department  
55.4 of Housing and Urban Development, if no local housing maintenance code has been adopted.

55.5 (d) In making the loans or grants, the agency shall determine the terms and conditions  
55.6 of repayment and the appropriate security, if any, should repayment be required. To promote  
55.7 the geographic distribution of grants and loans, the agency may designate a portion of the  
55.8 grant or loan awards to be set aside for projects located in specified congressional districts  
55.9 or other geographical regions specified by the agency. The agency may adopt rules for  
55.10 awarding grants and loans under this subdivision.

- 55.11 Sec. 2. Minnesota Statutes 2020, section 462A.204, subdivision 8, is amended to read:
- 55.12 Subd. 8. **School Stability for learning and development.** (a) The agency in consultation  
55.13 with the Interagency Council on Homelessness may establish a ~~school~~ school stability for learning  
55.14 and development project under the family homeless prevention and assistance program.  
55.15 The purpose of the project is to secure stable housing for families with ~~school-age~~ minor  
55.16 children who have moved frequently, for families with adult children eligible for enrollment  
55.17 in an academic program through grade 12 who have moved frequently, and for  
55.18 unaccompanied youth. For purposes of this subdivision, "unaccompanied youth" are minors  
55.19 who are leaving foster care or juvenile correctional facilities, or minors who meet the  
55.20 definition of a child in need of services or protection under section 260C.007, subdivision  
55.21 6, but for whom no court finding has been made pursuant to that statute.
- 55.22 (b) The agency shall make grants to family homeless prevention and assistance projects  
55.23 in communities with a school or schools that have a significant degree of student mobility  
55.24 or in communities with a significant degree of homelessness among families with minor  
55.25 children.
- 55.26 (c) Each project must be designed to reduce school absenteeism; stabilize children in  
55.27 one home setting or, at a minimum, in one school setting; and reduce shelter usage. Each  
55.28 project must include plans for the following:
- 55.29 (1) targeting of families with ~~minor children who are eligible for a prekindergarten~~  
55.30 ~~through grade 12 academic program and~~ or with adult children eligible for enrollment in  
55.31 an academic program through grade 12 if those families are living in overcrowded conditions  
55.32 in their current housing; are paying more than 50 percent of their income for rent; or ~~who~~  
55.33 lack a fixed, regular, and adequate nighttime residence;
- 56.1 (2) targeting of unaccompanied youth in need of an alternative residential setting;
- 56.2 (3) connecting families with the social services necessary to maintain the families'  
56.3 stability in their home, including but not limited to housing navigation, legal representation,  
56.4 and family outreach; and
- 56.5 (4) one or more of the following:
- 56.6 (i) provision of rental assistance for a specified period of time, which may exceed 24  
56.7 months; or
- 56.8 (ii) provision of support and case management services to improve housing stability,  
56.9 including but not limited to housing navigation and family outreach.
- 56.10 (d) In selecting projects for funding under this subdivision, preference shall be given to  
56.11 organizations granted funding under section 462A.201, subdivision 2, paragraph (a), clause  
56.12 (4).
- 56.13 (e) No grantee under this subdivision is required to have an advisory committee as  
56.14 described in subdivision 6.

56.15 Sec. 3. **[462A.2095] LEAD-SAFE HOMES GRANT PROGRAM.**

56.16 Subdivision 1. **Establishment.** The Housing Finance Agency shall establish a lead-safe  
56.17 homes grant program to provide grants to increase lead testing and make residential rental  
56.18 units lead safe. The initial pilot program shall provide one grant to a project serving an area  
56.19 in a metropolitan county, as defined in section 473.121, subdivision 4, and one grant to a  
56.20 project serving an area outside a metropolitan county with a priority for targeting grant  
56.21 resources to landlords and tenants where there are high concentrations of lead poisoning in  
56.22 children based on information provided by the commissioner of health.

56.23 Subd. 2. **Eligibility.** (a) Eligible grantees must be a nonprofit or political subdivision  
56.24 capable of providing funding and services to a defined geographic area. The grant programs  
56.25 receiving funding under this section must provide lead risk assessments completed by a  
56.26 lead inspector or a lead risk assessor licensed by the commissioner of health pursuant to  
56.27 section 144.9505 for properties built before 1978 to determine the presence of lead hazards  
56.28 and to provide interim controls to reduce lead health hazards. The grant program must  
56.29 provide funding for testing and lead hazard reduction to:

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

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

57.3 (3) a tenant with an income that does not exceed 60 percent of area median income.

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

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

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

57.9 Sec. 4. Minnesota Statutes 2020, section 462A.37, subdivision 2, is amended to read:

57.10 Subd. 2. **Authorization.** (a) The agency may issue up to \$30,000,000 in aggregate  
57.11 principal amount of housing infrastructure bonds in one or more series to which the payment  
57.12 made under this section may be pledged. The housing infrastructure bonds authorized in  
57.13 this subdivision may be issued to fund loans, or grants for the purposes of clause (4), on  
57.14 terms and conditions the agency deems appropriate, made for one or more of the following  
57.15 purposes:

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

57.18 (2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned  
57.19 housing to be used for affordable rental housing and the costs of new construction of rental

- 57.20 housing on abandoned or foreclosed property where the existing structures will be demolished  
57.21 or removed;
- 57.22 (3) to finance that portion of the costs of acquisition of property that is attributable to  
57.23 the land to be leased by community land trusts to low- and moderate-income home buyers;
- 57.24 (4) to finance the acquisition, improvement, and infrastructure of manufactured home  
57.25 parks under section 462A.2035, subdivision 1b;
- 57.26 (5) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction  
57.27 of senior housing, with up to 20 percent of the units serving low-income individuals of any  
57.28 age;
- 57.29 (6) to finance the costs of acquisition and rehabilitation of federally assisted rental  
57.30 housing and for the refinancing of costs of the construction, acquisition, and rehabilitation  
57.31 of federally assisted rental housing, including providing funds to refund, in whole or in part,  
58.1 outstanding bonds previously issued by the agency or another government unit to finance  
58.2 or refinance such costs; ~~and~~
- 58.3 (7) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction  
58.4 of single-family housing; and
- 58.5 (8) to finance the costs of construction, acquisition, and rehabilitation of permanent  
58.6 housing that is affordable to households with incomes at or below 50 percent of the area  
58.7 median income for the applicable county or metropolitan area as published by the Department  
58.8 of Housing and Urban Development, as adjusted for household size.
- 58.9 (b) Among comparable proposals for permanent supportive housing, preference shall  
58.10 be given to permanent supportive housing for veterans and other individuals or families  
58.11 who:
- 58.12 (1) either have been without a permanent residence for at least 12 months or at least four  
58.13 times in the last three years; or
- 58.14 (2) are at significant risk of lacking a permanent residence for 12 months or at least four  
58.15 times in the last three years.
- 58.16 (c) Among comparable proposals for senior housing, the agency must give priority to  
58.17 requests for projects that:
- 58.18 (1) demonstrate a commitment to maintaining the housing financed as affordable to  
58.19 seniors;
- 58.20 (2) leverage other sources of funding to finance the project, including the use of  
58.21 low-income housing tax credits;
- 58.22 (3) provide access to services to residents and demonstrate the ability to increase physical  
58.23 supports and support services as residents age and experience increasing levels of disability;

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

58.28 (5) include households with incomes that do not exceed 30 percent of the median  
58.29 household income for the metropolitan area.

58.30 (d) To the extent practicable, the agency shall balance the loans made between projects  
58.31 in the metropolitan area and projects outside the metropolitan area. Of the loans made to  
58.32 projects outside the metropolitan area, the agency shall, to the extent practicable, balance  
59.1 the loans made between projects in counties or cities with a population of 20,000 or less,  
59.2 as established by the most recent decennial census, and projects in counties or cities with  
59.3 populations in excess of 20,000.

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

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

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

59.13 (2) the greater of at least one unit or at least five percent of units that are  
59.14 sensory-accessible units that include:

59.15 (i) soundproofing between shared walls for first and second floor units;

59.16 (ii) no florescent lighting in units and common areas;

59.17 (iii) low-fume paint;

59.18 (iv) low-chemical carpet; and

59.19 (v) low-chemical carpet glue in units and common areas.

59.20 Nothing in this paragraph relieves projects being funded by these loans from meeting other  
59.21 applicable accessibility requirements.

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

59.23 Sec. 5. Minnesota Statutes 2020, section 462A.37, is amended by adding a subdivision to  
59.24 read:

59.25 Subd. 2i. **Additional authorization.** In addition to the amount authorized in subdivisions  
59.26 2 to 2h, the agency may issue up to \$400,000,000 in housing infrastructure bonds in one or  
59.27 more series to which the payments under this section may be pledged.

59.28 **EFFECTIVE DATE.** This section is effective the day following final enactment. If the  
59.29 authorization in this section is enacted more than once in the 2022 legislative session, the  
59.30 authorization must be given effect only once.

60.1 Sec. 6. **[462A.41] COMMUNITY STABILIZATION PROGRAM.**

60.2 Subdivision 1. **Establishment.** The agency shall establish a community stabilization  
60.3 program for the purpose of providing grants or loans for the preservation of naturally  
60.4 occurring affordable housing through acquisition or rehabilitation.

60.5 Subd. 2. **Definitions.** For the purposes of this section, "naturally occurring affordable  
60.6 housing" means:

60.7 (1) multiunit rental housing that:

60.8 (i) is at least 20 years old; and

60.9 (ii) has rents in a majority of units that are affordable to households at or below 60  
60.10 percent of the greater of state or area median income as determined by the United States  
60.11 Department of Housing and Urban Development; or

60.12 (2) owner-occupied housing located in communities where market pressures or significant  
60.13 deferred rehabilitation needs, as defined by the agency, are creating opportunities for  
60.14 displacement or the loss of owner-occupied housing affordable to households at or below  
60.15 115 percent of the greater of state or area median income as determined by the United States  
60.16 Department of Housing and Urban Development.

60.17 Subd. 3. **Eligible recipients.** (a) Grants or loans may be made to a local unit of  
60.18 government; a federally recognized American Indian tribe located in Minnesota or its  
60.19 Tribally Designated Housing Entity; a private developer; limited equity cooperatives;  
60.20 cooperatives created under chapter 308A or 308B; community land trusts created for the  
60.21 purposes outlined in section 462A.31, subdivision 1; or a nonprofit organization.

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

60.25 Subd. 4. **Eligible uses.** The program shall provide grants or loans for the purpose of  
60.26 acquisition, rehabilitation, interest rate reduction, or gap financing of housing to support

60.27 the preservation of naturally occurring affordable housing. Priority in funding shall be given  
60.28 to proposals that serve lower incomes and maintain longer periods of affordability.

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

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

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

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

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

61.13 Sec. 7. **[462A.42] STRENGTHENING SUPPORTIVE HOUSING MODEL.**

61.14 Subdivision 1. **Establishment.** The agency shall establish a strengthening supportive  
61.15 housing model program for the purpose of providing funding to strengthen supportive  
61.16 housing for individuals and families who are at risk of homelessness or have experienced  
61.17 homelessness.

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

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

61.25 Subd. 4. **Eligible uses.** (a) Funds shall be used to cover costs needed for supportive  
61.26 housing to operate effectively that are not covered by other federal or state resources. Costs  
61.27 may include but are not limited to building operating expenses such as front desk, tenant  
61.28 service coordination, revenue shortfall, and security costs.

61.29 (b) Funds shall be used to create partnerships with the health care sector and other sectors  
61.30 to demonstrate sustainable ways to provide services for supportive housing residents, improve  
61.31 access to health care, and reduce the use of expensive emergency and institutional care.

61.32 This may be done in partnership with other state agencies, including the Department of  
61.33 Health and the Department of Human Services.

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

62.4 Sec. 8. Minnesota Statutes 2020, section 500.20, subdivision 2a, is amended to read:

62.5 Subd. 2a. **Restriction of duration of condition.** Except for any right to reenter or to  
62.6 repossess as provided in subdivision 3, all private covenants, conditions, or restrictions  
62.7 created by which the title or use of real property is affected, cease to be valid and operative  
62.8 30 years after the date of the deed, or other instrument, or the date of the probate of the will,  
62.9 creating them, and may be disregarded.

62.10 This subdivision does not apply to covenants, conditions, or restrictions:

62.11 (1) that were created before August 1, 1959, under which a person who owns or has an  
62.12 interest in real property against which the covenants, conditions, or restrictions have been  
62.13 filed claims a benefit of the covenant, condition, or restriction if the person records in the  
62.14 office of the county recorder or files in the office of the registrar of titles in the county in  
62.15 which the real estate affected is located, on or before March 30, 1989, a notice sworn to by  
62.16 the claimant or the claimant's agent or attorney: setting forth the name of the claimant;  
62.17 describing the real estate affected; describing the deed, instrument, or will creating the  
62.18 covenant, condition, or restriction; and stating that the covenant, condition, or restriction is  
62.19 not nominal and may not be disregarded under subdivision 1;

62.20 (2) that are created by the declaration, bylaws, floor plans, or condominium plat of a  
62.21 condominium created before August 1, 1980, under chapter 515, or created on or after  
62.22 August 1, 1980, under chapter 515A or 515B, or by any amendments of the declaration,  
62.23 bylaws, floor plans, or condominium plat;

62.24 (3) that are created by the articles of incorporation, bylaws, or proprietary leases of a  
62.25 cooperative association formed under chapter 308A;

62.26 (4) that are created by a declaration or other instrument that authorizes and empowers  
62.27 a corporation of which the qualification for being a stockholder or member is ownership of  
62.28 certain parcels of real estate, to hold title to common real estate for the benefit of the parcels;

62.29 (5) that are created by a deed, declaration, reservation, or other instrument by which one  
62.30 or more portions of a building, set of connecting or adjacent buildings, or complex or project  
62.31 of related buildings and structures share support, structural components, ingress and egress,  
62.32 or utility access with another portion or portions;

63.1 (6) that were created after July 31, 1959, under which a person who owns or has an  
63.2 interest in real estate against which covenants, conditions, or restrictions have been filed  
63.3 claims a benefit of the covenants, conditions, or restrictions if the person records in the  
63.4 office of the county recorder or files in the office of the registrar of titles in the county in

63.5 which the real estate affected is located during the period commencing on the 28th  
63.6 anniversary of the date of the deed or instrument, or the date of the probate of the will,  
63.7 creating them and ending on the 30th anniversary, a notice as described in clause (1); or

63.8 (7) that are created by a declaration or bylaws of a common interest community created  
63.9 under or governed by chapter 515B, or by any amendments thereto; or

63.10 (8) that are created by a declaration or other instrument required by a government entity  
63.11 related to affordable housing.

63.12 A notice filed in accordance with clause (1) or (6) delays application of this subdivision  
63.13 to the covenants, conditions, or restrictions for a period ending on the later of seven years  
63.14 after the date of filing of the notice, or until final judgment is entered in an action to determine  
63.15 the validity of the covenants, conditions, or restrictions, provided in the case of an action  
63.16 the summons and complaint must be served and a notice of lis pendens must be recorded  
63.17 in the office of the county recorder or filed in the office of the registrar of titles in each  
63.18 county in which the real estate affected is located within seven years after the date of  
63.19 recording or filing of the notice under clause (1) or (6).

63.20 County recorders and registrars of titles shall accept for recording or filing a notice  
63.21 conforming with this subdivision and charge a fee corresponding with the fee charged for  
63.22 filing a notice of lis pendens of similar length. The notice may be discharged in the same  
63.23 manner as a notice of lis pendens and when discharged, together with the information  
63.24 included with it, ceases to constitute either actual or constructive notice.

63.25 **Sec. 9. MINNESOTA STABLE HOUSING MEDIATION GRANT PROGRAM.**

63.26 The commissioner of the Housing Finance Agency shall establish a housing mediation  
63.27 grant program to increase access to voluntary housing mediation services for renters and  
63.28 homeowners. The grant program shall provide funding to mediation facilities certified by  
63.29 the state under Minnesota Statutes, section 494.015, that can increase access to housing  
63.30 mediation throughout the state, increase the availability of culturally specific dispute  
63.31 resolution programs, reduce the need for court actions, and bring stability in housing. The  
63.32 grant funding must be used to:

64.1 (1) provide mediation services to benefit renters, property owners, households, utility  
64.2 providers, and homeowners statewide and increase awareness of access to mediation services  
64.3 and expand statewide mediation services;

64.4 (2) provide eviction prevention services including access to mediation services that  
64.5 prevent eviction court costs and reduce negative consequences to families, schools,  
64.6 employers, neighborhoods, and communities;

64.7 (3) partner with culturally specific dispute resolution programs to provide training and  
64.8 assist in providing mediation services virtually and in person;

- 64.9 (4) increase mediation services for seniors and tenants with disabilities and illnesses  
64.10 who face housing instability;
- 64.11 (5) increase the diversity of the housing mediator roster;
- 64.12 (6) integrate existing and future housing mediation services with legal assistance and  
64.13 court services programs; and
- 64.14 (7) develop and administer evaluation tools in order to design, modify, and replicate  
64.15 effective program outcomes.
- 64.16 Sec. 10. **FIRST-GENERATION HOMEBUYERS DOWN PAYMENT ASSISTANCE**  
64.17 **FUND.**
- 64.18 Subdivision 1. **Establishment.** A first-generation homebuyers down payment assistance  
64.19 fund is established as a pilot project under the administration of the Midwest Minnesota  
64.20 Community Development Corporation (MMCDC), a community development financial  
64.21 institution (CDFI) as defined under the Riegle Community Development and Regulatory  
64.22 Improvement Act of 1994, to provide targeted assistance to eligible first-generation  
64.23 homebuyers.
- 64.24 Subd. 2. **Eligible homebuyer.** For purposes of this section, "eligible first-generation  
64.25 homebuyer" means an individual:
- 64.26 (1) whose income is at or below 100 percent of the area median income at the time of  
64.27 purchase;
- 64.28 (2) who is a first-time homebuyer as defined under Code of Federal Regulations, title  
64.29 24, section 92.2;
- 64.30 (3) who is preapproved for a first mortgage loan; and
- 65.1 (4) whose parent or prior legal guardian does not, or did not at the time of their death,  
65.2 own a home.
- 65.3 An eligible homebuyer must complete an approved homebuyer education course prior to  
65.4 signing a purchase agreement and, following the purchase of the home, must occupy it as  
65.5 the homebuyer's primary residence. The home must be purchased within the maximum loan  
65.6 amount established by the federal Housing Finance Agency, and the eligible homebuyer  
65.7 must contribute a minimum of \$1,000 to down payment or closing costs.
- 65.8 Subd. 3. **Use of funds.** Assistance under this section is limited to ten percent of the  
65.9 purchase price of a home, not to exceed \$30,000 per eligible first-generation homebuyer.  
65.10 The assistance must be provided in the form of a loan that is forgivable at a rate of 20 percent  
65.11 per year on the day after the anniversary date of the note. The prorated balance due is  
65.12 repayable if the property converts to nonowner occupancy, is sold, is subjected to an ineligible  
65.13 refinance, is subjected to an unauthorized transfer of title, or is subjected to a completed  
65.14 foreclosure action within the five-year loan term. Recapture can be waived in the event of

65.15 financial or personal hardship. The loan may be reserved and used for closing costs, down  
65.16 payment, or principal reduction. The loan must be used in conjunction with a conforming  
65.17 first mortgage loan that is fully amortizing and meets the standards of a qualified mortgage  
65.18 or meets the minimum standards for exemption under Code of Federal Regulations, title  
65.19 12, section 1026.43. The loan may be used in conjunction with funds from other programs  
65.20 for which the eligible homebuyer may qualify and the loan may be placed in any priority  
65.21 position.

65.22 Subd. 4. **Administration.** The first-generation homebuyers down payment assistance  
65.23 fund is available statewide and shall be administered by MMCDC, the designated central  
65.24 CDFI. MMCDC may originate and service funds and authorize other CDFIs, Tribal entities,  
65.25 and nonprofit organizations administering down payment assistance to reserve, originate,  
65.26 fund, and service funds for eligible first-generation homebuyers. Administrative costs must  
65.27 not exceed \$3,000 per loan. Any funds made available due to early resale of a home must  
65.28 be returned to MMCDC for redistribution to eligible first-generation homebuyers.

65.29 Subd. 5. **Legislative auditor.** The first-generation homebuyers down payment assistance  
65.30 fund is subject to audit by the legislative auditor. MMCDC and participating CDFIs must  
65.31 cooperate with the audit.

65.32 Subd. 6. **Creditor immunity for reliance on borrower self-attestations.** No creditor  
65.33 shall be subject to liability, including monetary penalties or requirements to indemnify a  
65.34 federal or state agency or repurchase a loan that has been sold or securitized, for the provision  
66.1 of down payment assistance under this section to a borrower who does not meet the eligibility  
66.2 requirements if the creditor does so in good faith reliance on borrower attestations of  
66.3 eligibility required by this section or regulation.

66.4 Subd. 7. **Report to legislature.** By January 15 each year, the fund administrator,  
66.5 MMCDC, must report to the chairs and ranking minority members of the legislative  
66.6 committees with jurisdiction over housing with the following information:

66.7 (1) the number and amount of loans closed;

66.8 (2) the median loan amount;

66.9 (3) the number and amount of loans issued by race or ethnic categories;

66.10 (4) the median home purchase price;

66.11 (5) the type of mortgage;

66.12 (6) the total amount returned to the fund; and

66.13 (7) the number and amount of loans issued by county.

66.14 Subd. 8. **Sunset.** This section sunsets June 30, 2025.

66.15 **EFFECTIVE DATE.** This section is effective July 1, 2022.

66.16 Sec. 11. **MANUFACTURED HOME PARK COOPERATIVE PURCHASE**  
66.17 **PROGRAM.**

66.18 (a) The Housing Finance Agency shall establish a manufactured home park cooperative  
66.19 purchase program for grants to nonprofit organizations to assist manufactured home park  
66.20 residents in organizing and purchasing manufactured home parks, and for grants to provide  
66.21 down payment assistance to residents to purchase manufactured home parks.

66.22 (b) The agency may develop criteria for grant requests under this section. Within 90  
66.23 days of final enactment, the commissioner shall develop the forms, applications, and reporting  
66.24 requirements for use by eligible organizations. In developing these materials, the  
66.25 commissioner shall consult with manufactured housing cooperatives, resident-owned  
66.26 manufactured home communities, and nonprofit organizations working with manufactured  
66.27 housing cooperatives and resident-owned communities.

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

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

67.4 (e) For purposes of this section, "manufactured home," "manufactured home park," "park  
67.5 owner," "representative acting on behalf of residents," "resident," and "resident association"  
67.6 have the meanings given in Minnesota Statutes, section 327C.01.

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

67.8 Sec. 12. **LOCAL HOUSING TRUST FUND GRANTS.**

67.9 (a) As provided in this section, the Housing Finance Agency shall award grants to local  
67.10 housing trust funds established under Minnesota Statutes, section 462C.16, to incentivize  
67.11 local funding.

67.12 (b) A grantee is eligible to receive a grant amount equal to 100 percent of the public  
67.13 revenue committed to the local housing trust fund from any source other than the state or  
67.14 federal government, up to \$150,000, and in addition, an amount equal to 50 percent of the  
67.15 public revenue committed to the local housing trust fund from any source other than the  
67.16 state or federal government that is more than \$150,000 but not more than \$300,000.

67.17 (c) \$100,000 of the appropriation in paragraph (b) is for technical assistance grants to  
67.18 local and regional housing trust funds. A housing trust fund may apply for a technical  
67.19 assistance grant at the time and in the manner and form required by the agency. The agency  
67.20 shall make grants on a first-come, first-served basis. A technical assistance grant must not  
67.21 exceed \$5,000.

67.22 (d) A grantee must use grant funds within eight years of receipt for purposes (1)  
67.23 authorized under Minnesota Statutes, section 462C.16, subdivision 3, and (2) benefiting  
67.24 households with incomes at or below 115 percent of the state median income. A grantee  
67.25 must return any grant funds not used for these purposes within eight years of receipt to the  
67.26 commissioner of the Housing Finance Agency for deposit into the housing development  
67.27 fund.

67.28 **EFFECTIVE DATE.** This section is effective July 1, 2022.

50.10 Section 1. **[12.47] LIMITATION OF POWERS; EVICTION PROCEEDINGS.**

50.11 Notwithstanding any law to the contrary, an order issued under this chapter prohibiting  
50.12 or delaying eviction proceedings under chapter 504B or 327C is valid for a period not to  
50.13 exceed 30 days. The governor must not extend the order beyond 30 days unless the extension  
50.14 is approved by a majority vote of each house of the legislature. The governor shall not allow  
50.15 the order to expire and issue a new order delaying or prohibiting eviction proceedings under  
50.16 chapter 504B or 327C in an effort to avoid obtaining legislative approval for an extension  
50.17 of the order as provided in this section. An order issued to avoid obtaining legislative  
50.18 approval as required under this section is null and void.

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

50.20 Sec. 2. **[462.3575] LIMITING REGULATIONS ON RESIDENTIAL**  
50.21 **DEVELOPMENT.**

50.22 Subdivision 1. **Application.** This section applies to official controls adopted under  
50.23 sections 462.357, 462.358, and 462.3595.

50.24 Subd. 2. **Planned unit development.** (a) A municipality shall not require a planned unit  
50.25 development agreement in lieu of a proposed residential development if the proposed  
50.26 residential development complies with the existing city zoning ordinances, subdivision  
50.27 regulation, or qualifies as a conditional use.

50.28 (b) A planned unit development agreement must be made available to the public by  
50.29 posting the agreement on the website of the municipality at least seven days before the  
50.30 governing body's review of the agreement. If the municipality does not have a website, a  
50.31 copy of the planned unit development agreement must be available for review at the city  
51.1 hall building of the municipality. If the agreement is approved by the governing body, the  
51.2 agreement cannot be modified unless all parties to the agreement concur.

51.3 Subd. 3. **Limitation on aesthetic mandates.** A municipality shall not condition approval  
51.4 of a building permit, subdivision development, or planned unit development on the use of  
51.5 specific materials, design, or other aesthetic conditions that are not required by the State  
51.6 Building Code under chapter 326B. This subdivision shall not apply within a historic district  
51.7 as determined under section 138.72 that was in existence as of January 1, 2022.

51.8 Subd. 4. **Exception.** This section shall not apply to a proposed residential development  
51.9 that is to be developed by the municipality itself or to multifamily rental, commercial, or  
51.10 industrial properties.

52.19 Sec. 5. Minnesota Statutes 2020, section 462A.05, is amended by adding a subdivision to  
52.20 read:

52.21 Subd. 14f. **Reporting; rehabilitation loans.** By January 15 of each year, the agency  
52.22 must report to the legislative committees with jurisdiction over housing the following with  
52.23 respect to the rehabilitation loan programs referenced in subdivisions 14 and 14a:

52.24 (1) a list of programs, the sources of funding for those programs, and the amounts  
52.25 allocated from each source;

52.26 (2) the total number of loans and total amount of outstanding rehabilitation loans per  
52.27 program;

52.28 (3) the total number of loans issued, total dollar amount in loans, the mean and median  
52.29 loan amount, and the number of loans at the maximum loan amount for the prior fiscal year  
52.30 per program;

52.31 (4) the total number of loans forgiven, the total dollar amount forgiven, and the mean  
52.32 and median loan amount forgiven in the prior fiscal year per program;

53.1 (5) the total amount of loans issued by county over the prior fiscal year per program;  
53.2 and

53.3 (6) a history of the maximum loan amount over time and computation of what the  
53.4 maximum loan amount would be if adjusted for inflation.

55.21 Sec. 11. Minnesota Statutes 2020, section 462A.2035, is amended by adding a subdivision  
55.22 to read:

55.23 Subd. 5. **Report.** By January 15 of each year, the agency must report to the legislative  
55.24 committees with jurisdiction over housing the following with respect to grants issued under  
55.25 subdivision 1b:

55.26 (1) grants requested and grants funded during the prior fiscal year, organized by  
55.27 ownership type of the manufactured home park, such as private, cooperative, and municipal  
55.28 ownership, and by county; and

55.29 (2) the average amounts of grants awarded.

56.24 Sec. 14. Minnesota Statutes 2020, section 462A.24, is amended to read:

56.25 **462A.24 CONSTRUCTION; GRANTS AND LOANS; PRIORITIES.**

56.26 (a) This chapter is necessary for the welfare of the state of Minnesota and its inhabitants;  
56.27 therefore, it shall be liberally construed to effect its purpose.

56.28 (b) To the extent practicable, the agency shall award grant and loan amounts with a  
56.29 reasonable balance between nonmetropolitan and metropolitan areas of the state.

56.30 (c) Beginning with applications made in response to requests for proposals issued after  
56.31 July 1, 2020, after final decisions are made on applications for programs of the agency, the  
57.1 results of any quantitative scoring system used to rank applications shall be posted on the  
57.2 agency website.

57.3 (d) The agency shall award points in the agency's decision-making criteria for all  
57.4 programs of the agency based on how quickly a project can be constructed.

57.5 Sec. 15. Minnesota Statutes 2020, section 462A.33, is amended by adding a subdivision  
57.6 to read:

57.7 Subd. 9. **Report.** By January 15 of each year, the agency must report to the legislative  
57.8 committees with jurisdiction over housing the following with respect to activities of the  
57.9 program created by this section during the prior fiscal year:

57.10 (1) the number of units of new construction and number of rehabilitated units funded  
57.11 by county; and

57.12 (2) the number of owner-occupied units and number of rental units funded by county.

63.8 Sec. 26. Minnesota Statutes 2020, section 462A.39, is amended by adding a subdivision  
63.9 to read:

63.10 Subd. 5a. **No change in project scope.** (a) When a contingency is provided in a grant  
63.11 award under this section, changes to the project made by the developer to meet the  
63.12 contingency shall not be considered a change in project scope and the grant must be funded,  
63.13 provided that:

63.14 (1) the number of affordable units is not reduced;

63.15 (2) an increase in the number of affordable units is allowed if required to cover the  
63.16 increased financial costs of meeting the agency contingency; and

63.17 (3) additional state funds are not solicited for the project.

63.18 (b) Additional local matching funds may be solicited for the project under this  
63.19 subdivision, including but not limited to funds from local units of government.

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

63.21 Sec. 27. Minnesota Statutes 2020, section 462A.39, subdivision 6, is amended to read:

63.22 Subd. 6. **Report. Beginning** By January 15, 2018 of each year, the commissioner must  
63.23 annually submit a report to the chairs and ranking minority members of the senate and house  
63.24 of representatives committees having jurisdiction over taxes and workforce development,  
63.25 and housing specifying the projects that received grants or deferred loans under this section  
63.26 and the specific purposes for which the grant funds were used. The report must include a

63.27 breakdown of the amount issued in loans and the amount issued in grants for the prior fiscal  
63.28 year, together with the number of new units funded and the number of rehabilitated units  
63.29 funded in the prior fiscal year.

64.1 Sec. 28. **[462A.41] PROGRAM FOR MANUFACTURED HOME MORTGAGE**  
64.2 **FINANCING AND DOWN PAYMENT ASSISTANCE FOR CERTAIN**  
64.3 **MANUFACTURED HOMES.**

64.4 (a) By August 1, 2023, the agency, in conjunction with Fannie Mae's HomeReady  
64.5 program or other federal mortgage programs that may authorize it, must develop and  
64.6 implement a program that offers mortgage financing and down payment assistance for  
64.7 purchasers of eligible manufactured homes.

64.8 (b) For purposes of this section "eligible manufactured homes" means a manufactured  
64.9 home titled as real property in this state and affixed to real property owned by a  
64.10 resident-owned community.

64.11 (c) The agency may include manufactured homes in private parks as an eligible  
64.12 manufactured home if allowed under federal law. The commissioner must report to the  
64.13 chair and ranking minority members of the legislative committees with jurisdiction over  
64.14 housing by August 1, 2023, on steps required to set up a similar program for manufactured  
64.15 homes in private parks if they do not qualify under federal law.

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

64.17 Sec. 29. Minnesota Statutes 2020, section 471.9996, subdivision 1, is amended to read:

64.18 Subdivision 1. **In-general Prohibition.** (a) No statutory or home rule charter city, county,  
64.19 or town may adopt or renew by ordinance or otherwise any law to control rents on private  
64.20 residential property except as provided in subdivision 2. This section does not impair the  
64.21 right of any statutory or home rule charter city, county, or town:

64.22 (1) to manage or control property in which it has a financial interest through a housing  
64.23 authority or similar agency;

64.24 (2) to contract with a property owner;

64.25 (3) to act as required or authorized by laws or regulations of the United States government  
64.26 or this state; or

64.27 (4) to mediate between property owners and tenants for the purpose of negotiating rents.

64.28 (b) Nothing in this section shall be deemed to limit or restrict the classification of  
64.29 low-income rental property as class 4d under section 273.13, subdivision 25.

64.30 **EFFECTIVE DATE.** This section is effective retroactively from November 1, 2021.

65.1 Sec. 30. Minnesota Statutes 2020, section 474A.061, subdivision 2a, is amended to read:

65.2 Subd. 2a. **Housing pool allocation.** (a) Commencing on the second Tuesday in January  
65.3 and continuing on each Monday through the last Monday in June, the commissioner shall  
65.4 allocate available bonding authority from the housing pool to applications received on or  
65.5 before the Monday of the preceding week for residential rental projects that meet the  
65.6 eligibility criteria under section 474A.047. Allocations of available bonding authority from  
65.7 the housing pool for eligible residential rental projects shall be awarded in the following  
65.8 order of priority:

65.9 (1) preservation projects;

65.10 (2) 30 percent AMI residential rental projects;

65.11 (3) 50 percent AMI residential rental projects;

65.12 (4) 100 percent LIHTC projects;

65.13 (5) 20 percent LIHTC projects; and

65.14 (6) other residential rental projects for which the amount of bonds requested in their  
65.15 respective applications do not exceed the aggregate bond limitation.

65.16 If there are two or more applications for residential rental projects at the same priority level  
65.17 and there is insufficient bonding authority to provide allocations for all the projects in any  
65.18 one allocation period, available bonding authority shall be randomly awarded by ~~lot~~ giving  
65.19 preference for projects with a lower cost per square foot but only for projects that can receive  
65.20 the full amount of their respective requested allocations. If a residential rental project does  
65.21 not receive any of its requested allocation pursuant to this paragraph and the project applies  
65.22 for an allocation of bonds again in the same calendar year or to the next successive housing  
65.23 pool, the project shall be fully funded up to its original application request for bonding  
65.24 authority before any new project, applying in the same allocation period, that has an equal  
65.25 priority shall receive bonding authority. An issuer that receives an allocation under this  
65.26 paragraph must issue obligations equal to all or a portion of the allocation received on or  
65.27 before 180 days of the allocation. If an issuer that receives an allocation under this paragraph  
65.28 does not issue obligations equal to all or a portion of the allocation received within the time  
65.29 period provided in this paragraph or returns the allocation to the commissioner, the amount  
65.30 of the allocation is canceled and returned for reallocation through the housing pool or to  
65.31 the unified pool after July 1.

66.1 (b) After January 1, and through January 15, The Minnesota Housing Finance Agency  
66.2 may accept applications from cities for single-family housing programs which meet program  
66.3 requirements as follows:

66.4 (1) the housing program must meet a locally identified housing need and be economically  
66.5 viable;

66.6 (2) the adjusted income of home buyers may not exceed 80 percent of the greater of  
66.7 statewide or area median income as published by the Department of Housing and Urban  
66.8 Development, adjusted for household size;

66.9 (3) house price limits may not exceed the federal price limits established for mortgage  
66.10 revenue bond programs. Data on the home purchase price amount, mortgage amount, income,  
66.11 household size, and race of the households served in the previous year's single-family  
66.12 housing program, if any, must be included in each application; and

66.13 (4) for applicants who choose to have the agency issue bonds on their behalf, an  
66.14 application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal  
66.15 to one percent of the requested allocation must be submitted to the Minnesota Housing  
66.16 Finance Agency before the agency forwards the list specifying the amounts allocated to the  
66.17 commissioner under paragraph (d). The agency shall submit the city's application fee and  
66.18 application deposit to the commissioner when requesting an allocation from the housing  
66.19 pool.

66.20 Applications by a consortium shall include the name of each member of the consortium  
66.21 and the amount of allocation requested by each member.

66.22 (c) Any amounts remaining in the housing pool after June 15 are available for  
66.23 single-family housing programs for cities that applied in January and received an allocation  
66.24 under this section in the same calendar year. For a city that chooses to issue bonds on its  
66.25 own behalf or pursuant to a joint powers agreement, the agency must allot available bonding  
66.26 authority based on the formula in paragraphs (d) and (f). Allocations will be made loan by  
66.27 loan, on a first-come, first-served basis among cities on whose behalf the Minnesota Housing  
66.28 Finance Agency issues bonds.

66.29 Any city that received an allocation pursuant to paragraph (f) in the same calendar year  
66.30 that wishes to issue bonds on its own behalf or pursuant to a joint powers agreement for an  
66.31 amount becoming available for single-family housing programs after June 15 shall notify  
66.32 the Minnesota Housing Finance Agency by June 15. The Minnesota Housing Finance  
66.33 Agency shall notify each city making a request of the amount of its allocation within three  
66.34 business days after June 15. The city must comply with paragraph (f).

67.1 For purposes of paragraphs (a) to (h), "city" means a county or a consortium of local  
67.2 government units that agree through a joint powers agreement to apply together for  
67.3 single-family housing programs, and has the meaning given it in section 462C.02, subdivision  
67.4 6. "Agency" means the Minnesota Housing Finance Agency.

67.5 (d) The total amount of allocation for mortgage bonds for one city is limited to the lesser  
67.6 of: (i) the amount requested, or (ii) the product of the total amount available for mortgage  
67.7 bonds from the housing pool, multiplied by the ratio of each applicant's population as  
67.8 determined by the most recent estimate of the city's population released by the state  
67.9 demographer's office to the total of all the applicants' population, except that each applicant  
67.10 shall be allocated a minimum of \$100,000 regardless of the amount requested or the amount

67.11 determined under the formula in clause (ii). If a city applying for an allocation is located  
67.12 within a county that has also applied for an allocation, the city's population will be deducted  
67.13 from the county's population in calculating the amount of allocations under this paragraph.

67.14 Upon determining the amount of each applicant's allocation, the agency shall forward  
67.15 to the commissioner a list specifying the amounts allotted to each application with all  
67.16 application fees and deposits from applicants who choose to have the agency issue bonds  
67.17 on their behalf.

67.18 Total allocations from the housing pool for single-family housing programs may not  
67.19 exceed 27 percent of the adjusted allocation to the housing pool until after June 15 in 2020  
67.20 and 2021, after which the allocations may not exceed 31 percent of the adjusted allocation  
67.21 to the housing pool until after June 15.

67.22 (e) The agency may issue bonds on behalf of participating cities. The agency shall request  
67.23 an allocation from the commissioner for all applicants who choose to have the agency issue  
67.24 bonds on their behalf and the commissioner shall allocate the requested amount to the  
67.25 agency. The agency may request an allocation at any time after the second Tuesday in  
67.26 January and through the last Monday in June. After awarding an allocation and receiving  
67.27 a notice of issuance for the mortgage bonds issued on behalf of the participating cities, the  
67.28 commissioner shall transfer the application deposits to the Minnesota Housing Finance  
67.29 Agency to be returned to the participating cities. The Minnesota Housing Finance Agency  
67.30 shall return any application deposit to a city that paid an application deposit under paragraph  
67.31 (b), clause (4), but was not part of the list forwarded to the commissioner under paragraph  
67.32 (d).

67.33 (f) A city may choose to issue bonds on its own behalf or through a joint powers  
67.34 agreement and may request an allocation from the commissioner by forwarding an application  
68.1 with an application fee pursuant to section 474A.03, subdivision 4, and a one percent  
68.2 application deposit to the commissioner no later than the Monday of the week preceding  
68.3 an allocation. If the total amount requested by all applicants exceeds the amount available  
68.4 in the pool, the city may not receive a greater allocation than the amount it would have  
68.5 received under the list forwarded by the Minnesota Housing Finance Agency to the  
68.6 commissioner. No city may request or receive an allocation from the commissioner until  
68.7 the list under paragraph (d) has been forwarded to the commissioner. A city must request  
68.8 an allocation from the commissioner no later than the last Monday in June. No city may  
68.9 receive an allocation from the housing pool for mortgage bonds which has not first applied  
68.10 to the Minnesota Housing Finance Agency. The commissioner shall allocate the requested  
68.11 amount to the city or cities subject to the limitations under this paragraph.

68.12 If a city issues mortgage bonds from an allocation received under this paragraph, the  
68.13 issuer must provide for the recycling of funds into new loans. If the issuer is not able to  
68.14 provide for recycling, the issuer must notify the commissioner in writing of the reason that  
68.15 recycling was not possible and the reason the issuer elected not to have the Minnesota  
68.16 Housing Finance Agency issue the bonds. "Recycling" means the use of money generated

68.17 from the repayment and prepayment of loans for further eligible loans or for the redemption  
68.18 of bonds and the issuance of current refunding bonds.

68.19 (g) No entitlement city or county or city in an entitlement county may apply for or be  
68.20 allocated authority to issue mortgage bonds or use mortgage credit certificates from the  
68.21 housing pool. No city in an entitlement county may apply for or be allocated authority to  
68.22 issue residential rental bonds from the housing pool or the unified pool.

68.23 (h) A city that does not use at least 50 percent of its allotment by the date applications  
68.24 are due for the first allocation that is made from the housing pool for single-family housing  
68.25 programs in the immediately succeeding calendar year may not apply to the housing pool  
68.26 for a single-family mortgage bond or mortgage credit certificate program allocation that  
68.27 exceeds the amount of its allotment for the preceding year that was used by the city in the  
68.28 immediately preceding year or receive an allotment from the housing pool in the succeeding  
68.29 calendar year that exceeds the amount of its allotment for the preceding year that was used  
68.30 in the preceding year. The minimum allotment is \$100,000 for an allocation made prior to  
68.31 June 15, regardless of the amount used in the preceding calendar year, except that a city  
68.32 whose allocation in the preceding year was the minimum amount of \$100,000 and who did  
68.33 not use at least 50 percent of its allocation from the preceding year is ineligible for an  
68.34 allocation in the immediate succeeding calendar year. Each local government unit in a  
68.35 consortium must meet the requirements of this paragraph.

69.1 **EFFECTIVE DATE.** This section is effective January 1, 2023.

69.2 Sec. 31. Minnesota Statutes 2020, section 474A.091, subdivision 3, is amended to read:

69.3 Subd. 3. **Allocation procedure.** (a) The commissioner shall allocate available bonding  
69.4 authority under this section on the Monday of every other week beginning with the first  
69.5 Monday in July through and on the last Monday in November. Applications for allocations  
69.6 must be received by the department by 4:30 p.m. on the Monday preceding the Monday on  
69.7 which allocations are to be made. If a Monday falls on a holiday, the allocation will be made  
69.8 or the applications must be received by the next business day after the holiday.

69.9 (b) Prior to October 1, only the following applications shall be awarded allocations from  
69.10 the unified pool. Allocations shall be awarded in the following order of priority:

69.11 (1) applications for residential rental project bonds;

69.12 (2) applications for small issue bonds for manufacturing projects; and

69.13 (3) applications for small issue bonds for agricultural development bond loan projects.

69.14 (c) On the first Monday in October through the last Monday in November, allocations  
69.15 shall be awarded from the unified pool in the following order of priority:

69.16 (1) applications for student loan bonds issued by or on behalf of the Minnesota Office  
69.17 of Higher Education;

- 69.18 (2) applications for mortgage bonds;
- 69.19 (3) applications for public facility projects funded by public facility bonds;
- 69.20 (4) applications for small issue bonds for manufacturing projects;
- 69.21 (5) applications for small issue bonds for agricultural development bond loan projects;
- 69.22 (6) applications for residential rental project bonds;
- 69.23 (7) applications for enterprise zone facility bonds;
- 69.24 (8) applications for governmental bonds; and
- 69.25 (9) applications for redevelopment bonds.
- 69.26 (d) If there are two or more applications for manufacturing projects from the unified  
69.27 pool and there is insufficient bonding authority to provide allocations for all manufacturing  
69.28 projects in any one allocation period, the available bonding authority shall be awarded based  
69.29 on the number of points awarded a project under section 474A.045 with those projects  
69.30 receiving the greatest number of points receiving allocation first. If two or more applications  
70.1 for manufacturing projects receive an equal amount of points, available bonding authority  
70.2 shall be awarded by lot unless otherwise agreed to by the respective issuers.
- 70.3 (e) If there are two or more applications for enterprise zone facility projects from the  
70.4 unified pool and there is insufficient bonding authority to provide allocations for all enterprise  
70.5 zone facility projects in any one allocation period, the available bonding authority shall be  
70.6 awarded based on the number of points awarded a project under section 474A.045 with  
70.7 those projects receiving the greatest number of points receiving allocation first. If two or  
70.8 more applications for enterprise zone facility projects receive an equal amount of points,  
70.9 available bonding authority shall be awarded by lot unless otherwise agreed to by the  
70.10 respective issuers.
- 70.11 (f) If there are two or more applications for residential rental projects from the unified  
70.12 pool and there is insufficient bonding authority to provide allocations for all residential  
70.13 rental projects in any one allocation period, the available bonding authority shall be awarded  
70.14 in the following order of priority: (1) preservation projects; (2) 30 percent AMI residential  
70.15 rental projects; (3) 50 percent AMI residential rental projects for which the amount of bonds  
70.16 requested in their respective applications do not exceed the aggregate bond limitations; (4)  
70.17 100 percent LIHTC projects; (5) 20 percent LIHTC projects; and (6) other residential rental  
70.18 projects. If there are two or more applications for residential rental projects at the same  
70.19 priority level and there is insufficient bonding authority to provide allocations for all the  
70.20 projects in any one allocation period, available bonding authority shall be ~~randomly~~ awarded  
70.21 by ~~lot~~ giving preference for projects with a lower cost per square foot but only for projects  
70.22 that can receive the full amount of their respective requested allocations. If a residential  
70.23 rental project does not receive any of its requested allocation pursuant to this paragraph and  
70.24 the project applies in the next successive housing pool or the next successive unified pool  
70.25 for an allocation of bonds, the project shall be fully funded up to its original application

70.26 request for bonding authority before any new project, applying in the same allocation period,  
70.27 that has an equal priority shall receive bonding authority.

70.28 (g) From the first Monday in July through the last Monday in November, \$20,000,000  
70.29 of bonding authority or an amount equal to the total annual amount of bonding authority  
70.30 allocated to the small issue pool under section 474A.03, subdivision 1, less the amount  
70.31 allocated to issuers from the small issue pool for that year, whichever is less, is reserved  
70.32 within the unified pool for small issue bonds to the extent the amounts are available within  
70.33 the unified pool.

70.34 (h) The total amount of allocations for mortgage bonds from the housing pool and the  
70.35 unified pool may not exceed:

71.1 (1) \$10,000,000 for any one city; or  
71.2 (2) \$20,000,000 for any number of cities in any one county.

71.3 (i) The total amount of allocations for student loan bonds from the unified pool may not  
71.4 exceed \$25,000,000 per year.

71.5 (j) If there is insufficient bonding authority to fund all projects within any qualified bond  
71.6 category other than enterprise zone facility projects, manufacturing projects, and residential  
71.7 rental projects, allocations shall be awarded by lot unless otherwise agreed to by the  
71.8 respective issuers.

71.9 (k) If an application is rejected, the commissioner must notify the applicant and return  
71.10 the application deposit to the applicant within 30 days unless the applicant requests in writing  
71.11 that the application be resubmitted.

71.12 (l) The granting of an allocation of bonding authority under this section must be evidenced  
71.13 by issuance of a certificate of allocation.

71.14 **EFFECTIVE DATE.** This section is effective January 1, 2023.

71.15 Sec. 32. Laws 2021, First Special Session chapter 8, article 6, section 1, subdivision 7, is  
71.16 amended to read:

71.17 Subd. 7. **Report.** (a) No later than February 1, 2022, the task force shall submit an initial  
71.18 report to the chairs and ranking minority members of the house of representatives and senate  
71.19 committees and divisions with jurisdiction over housing and preventing homelessness on  
71.20 its findings and recommendations.

71.21 (b) No later than ~~August 31, 2022~~ December 15, 2022, the task force shall submit a final  
71.22 report to the chairs and ranking minority members of the house of representatives and senate  
71.23 committees and divisions with jurisdiction over housing and preventing homelessness on  
71.24 its findings and recommendations.

71.25 Sec. 33. **PROHIBITION OF GRANT FUNDS FOR HIRING A LOBBYIST.**

71.26 No grant funds awarded by the Housing Finance Agency may be used to hire a lobbyist  
71.27 as defined in Minnesota Statutes, section 10A.01, subdivision 21.

71.28 Sec. 34. **REPORT ON HOMEOWNERSHIP OPPORTUNITIES.**

71.29 (a) The Housing Finance Agency must complete a report regarding the impact on the  
71.30 housing market and homeownership opportunities of corporate entities, including but not  
72.1 limited to pension funds, investment funds, an employee welfare benefit fund, a mutual  
72.2 fund, life insurance companies, a common trust of a bank or other trustee established for  
72.3 the investment and reinvestment of money contributed to it, a real estate investment trust,  
72.4 or an investment company as defined in United States Code, title 15, section 80a-3,  
72.5 purchasing single-family homes and converting them to rental properties. The report must  
72.6 review the impact corporate entities are having on the availability and the purchase price  
72.7 of single-family homes and the ability of prospective home buyers to purchase  
72.8 owner-occupied homes throughout the United States. The report must also include but is  
72.9 not limited to an examination of the following:

72.10 (1) the current housing market, including an analysis of supply and demand, in Minnesota,  
72.11 in the Twin Cities metropolitan area, and within the cities of Minneapolis and St. Paul;

72.12 (2) the impact, both nationally and within Minnesota, on homeownership opportunities,  
72.13 including opportunities for Black, Indigenous, and people of color in cities or regions where  
72.14 corporate entities have purchased 20 or more single-family homes and converted them to  
72.15 single-family rentals as compared to similar communities where corporate entities are not  
72.16 buying single-family homes and converting them to rental properties;

72.17 (3) the impact of corporate ownership on the maintenance of the residential properties  
72.18 and the impact on nearby property values;

72.19 (4) whether the purchase of single-family homes by corporate entities has led to increases  
72.20 in regulatory burdens and costs for renters and the local governments where the corporate  
72.21 entities are purchasing homes; and

72.22 (5) if other states or local governments across the country have proposed any conditions  
72.23 or solutions to mitigate the impact of corporate entities buying single-family homes.

72.24 (b) The agency must consult with stakeholders, including renters, realtors, local landlords,  
72.25 financiers and lending institutions, home investors, nonprofits supporting renters, and local  
72.26 units of government during the preparation of this report. The agency must also consult  
72.27 relevant academic literature and may consult with academic institutions and the Federal  
72.28 Reserve during the preparation of this report.

72.29 (c) The report must be submitted to the chairs and ranking minority members of the  
72.30 legislative committees with jurisdiction over housing by August 1, 2023.

- 72.31     Sec. 35. **REPORT ON RENT CONTROL; PROHIBITION ON USE OF FUNDS.**
- 72.32     (a) The Housing Finance Agency must complete a report regarding the impact of rent
- 72.33 control on housing markets. The report must explore the impact of rent control throughout
- 73.1 the United States, and may explore international housing markets. The report must also
- 73.2 include but is not limited to an examination of the following:
- 73.3     (1) the current housing market, including an analysis of supply and demand, in Minnesota,
- 73.4 in the Twin Cities metropolitan area, and within the cities of Minneapolis and St. Paul;
- 73.5     (2) the impact, both nationally and within Minnesota, on the construction of new housing
- 73.6 units within jurisdictions that have enacted rent control policies, as well as on nearby
- 73.7 jurisdictions without rent control policies;
- 73.8     (3) the impact of rent control on the maintenance of residential properties;
- 73.9     (4) whether enactment of rent control policies has led to increases in other regulatory
- 73.10 burdens related to housing in jurisdictions that have imposed rent control; and
- 73.11     (5) how rent control policies enacted within Minnesota compare to policies in jurisdictions
- 73.12 across the United States, including how various jurisdictions define "rent" for the purposes
- 73.13 of their policies, whether such policies exempt new construction, whether such policies
- 73.14 allow for tenancy decontrol, and how "fair return on investment" policies operate in other
- 73.15 jurisdictions with rent control policies, including an examination of how such policies are
- 73.16 administered and the criteria used to determine what constitutes a fair return on investment.
- 73.17     (b) The agency must consult with stakeholders, including renters, landlords, developers,
- 73.18 tradespeople, financiers and lending institutions, and local governments during the preparation
- 73.19 of the report. The agency must also consult relevant academic literature and may consult
- 73.20 with academic institutions during the preparation of the report.
- 73.21     (c) The report must be submitted to the chairs and ranking minority members of the
- 73.22 legislative committees with jurisdiction over housing by August 1, 2023.
- 73.23     (d) Until the report required by this section is delivered, the Housing Finance Agency
- 73.24 must not use any funds from any source on multifamily housing projects in cities that have
- 73.25 adopted a rent control ordinance.
- 73.26     **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 73.27     Sec. 36. **REPEALER.**
- 73.28     Minnesota Statutes 2020, section 471.9996, subdivision 2, is repealed.
- 73.29     **EFFECTIVE DATE.** This section is effective retroactively from November 1, 2021.

68.1

**ARTICLE 5**

68.2

**HOUSING FINANCE TECHNICAL CHANGES**

68.3 Section 1. Minnesota Statutes 2020, section 462A.03, subdivision 13, is amended to read:

68.4 Subd. 13. **Eligible mortgagor.** "Eligible mortgagor" means a nonprofit or cooperative  
68.5 housing corporation; the Department of Administration for the purpose of developing  
68.6 community-based programs as defined in section 252.50; a limited profit entity or a builder  
68.7 as defined by the agency in its rules, which sponsors or constructs residential housing as  
68.8 defined in subdivision 7; or a natural person of low or moderate income, except that the  
68.9 return to a limited dividend entity shall not exceed 15 percent of the capital contribution of  
68.10 the investors or such lesser percentage as the agency shall establish in its rules, provided  
68.11 that residual receipts funds of a limited dividend entity may be used for agency-approved,  
68.12 housing-related investments owned by the limited dividend entity without regard to the  
68.13 limitation on returns. Owners of existing residential housing occupied by renters shall be  
68.14 eligible for rehabilitation loans, only if, as a condition to the issuance of the loan, the owner  
68.15 agrees to conditions established by the agency in its rules relating to rental or other matters  
68.16 that will ~~insure~~ ensure that the housing will be occupied by persons and families of low or  
68.17 moderate income. The agency shall require by rules that the owner give preference to those  
68.18 persons of low or moderate income who occupied the residential housing at the time of  
68.19 application for the loan.

51.11 Sec. 3. Minnesota Statutes 2020, section 462A.03, subdivision 13, is amended to read:

51.12 Subd. 13. **Eligible mortgagor.** "Eligible mortgagor" means a nonprofit or cooperative  
51.13 housing corporation; the Department of Administration for the purpose of developing  
51.14 community-based programs as defined in section 252.50; a limited profit entity or a builder  
51.15 as defined by the agency in its rules, which sponsors or constructs residential housing as  
51.16 defined in subdivision 7; or a natural person of low or moderate income, except that the  
51.17 return to a limited dividend entity shall not exceed 15 percent of the capital contribution of  
51.18 the investors or such lesser percentage as the agency shall establish in its rules, provided  
51.19 that residual receipts funds of a limited dividend entity may be used for agency-approved,  
51.20 housing-related investments owned by the limited dividend entity without regard to the  
51.21 limitation on returns. Owners of existing residential housing occupied by renters shall be  
51.22 eligible for rehabilitation loans, only if, as a condition to the issuance of the loan, the owner  
51.23 agrees to conditions established by the agency in its rules relating to rental or other matters  
51.24 that will ~~insure~~ ensure that the housing will be occupied by persons and families of low or  
51.25 moderate income. The agency shall require by rules that the owner give preference to those  
51.26 persons of low or moderate income who occupied the residential housing at the time of  
51.27 application for the loan.

51.28 Sec. 4. Minnesota Statutes 2021 Supplement, section 462A.05, subdivision 14a, is amended  
51.29 to read:

51.30 Subd. 14a. **Rehabilitation loans; existing owner-occupied residential housing.** It may  
51.31 make loans to persons and families of low and moderate income to rehabilitate or to assist  
51.32 in rehabilitating existing residential housing owned and occupied by those persons or  
51.33 families. Rehabilitation may include replacement of manufactured homes. No loan shall be  
52.1 made unless the agency determines that the loan will be used primarily for rehabilitation  
52.2 work necessary for health or safety, essential accessibility improvements, or to improve the  
52.3 energy efficiency of the dwelling. No loan for rehabilitation of owner-occupied residential  
52.4 housing shall be denied solely because the loan will not be used for placing the residential  
52.5 housing in full compliance with all state, county or municipal building, housing maintenance,  
52.6 fire, health or similar codes and standards applicable to housing. The amount of any loan  
52.7 shall not exceed the lesser of (a) a maximum loan amount determined under rules adopted  
52.8 by the agency not to exceed ~~\$37,500~~ \$40,000, or (b) the actual cost of the work performed,  
52.9 or (c) that portion of the cost of rehabilitation which the agency determines cannot otherwise  
52.10 be paid by the person or family without the expenditure of an unreasonable portion of the  
52.11 income of the person or family. Loans made in whole or in part with federal funds may  
52.12 exceed the maximum loan amount to the extent necessary to comply with federal lead  
52.13 abatement requirements prescribed by the funding source. In making loans, the agency shall  
52.14 determine the circumstances under which and the terms and conditions under which all or  
52.15 any portion of the loan will be repaid and shall determine the appropriate security for the

68.20 Sec. 2. Minnesota Statutes 2021 Supplement, section 462A.05, subdivision 14, is amended  
68.21 to read:

68.22 Subd. 14. **Rehabilitation loans.** It may agree to purchase, make, or otherwise participate  
68.23 in the making, and may enter into commitments for the purchase, making, or participation  
68.24 in the making, of eligible loans for rehabilitation, with terms and conditions as the agency  
68.25 deems advisable, to persons and families of low and moderate income, and to owners of  
68.26 existing residential housing for occupancy by such persons and families, for the rehabilitation  
68.27 of existing residential housing owned by them. Rehabilitation may include the addition or  
68.28 rehabilitation of a detached accessory dwelling unit. The loans may be insured or uninsured  
68.29 and may be made with security, or may be unsecured, as the agency deems advisable. The  
68.30 loans may be in addition to or in combination with long-term eligible mortgage loans under  
68.31 subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness  
68.32 secured by the property, if refinancing is determined by the agency to be necessary to permit  
68.33 the owner to meet the owner's housing cost without expending an unreasonable portion of  
68.34 the owner's income thereon. No loan for rehabilitation shall be made unless the agency  
69.1 determines that the loan will be used primarily to make the housing more desirable to live  
69.2 in, to increase the market value of the housing, for compliance with state, county or municipal  
69.3 building, housing maintenance, fire, health or similar codes and standards applicable to  
69.4 housing, or to accomplish energy conservation related improvements. In unincorporated  
69.5 areas and municipalities not having codes and standards, the agency may, solely for the  
69.6 purpose of administering the provisions of this chapter, establish codes and standards. No  
69.7 loan under this subdivision for the rehabilitation of owner-occupied housing shall be denied  
69.8 solely because the loan will not be used for placing the owner-occupied residential housing  
69.9 in full compliance with all state, county, or municipal building, housing maintenance, fire,  
69.10 health, or similar codes and standards applicable to housing. Rehabilitation loans shall be  
69.11 made only when the agency determines that financing is not otherwise available, in whole  
69.12 or in part, from private lenders upon equivalent terms and conditions. Accessibility  
69.13 rehabilitation loans authorized under this subdivision may be made to eligible persons and  
69.14 families without limitations relating to the maximum incomes of the borrowers if:

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

69.18 (2) home care is appropriate; and

69.19 (3) the improvement will enable the borrower or a member of the borrower's family to  
69.20 reside in the housing.

52.16 repayment of the loan. Loans pursuant to this subdivision may be made with or without  
52.17 interest or periodic payments.

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

69.21 The agency may waive any requirement that the housing units in a residential housing  
69.22 development be rented to persons of low and moderate income if the development consists  
69.23 of four or less dwelling units, one of which is occupied by the owner.

69.24 Sec. 3. Minnesota Statutes 2020, section 462A.05, is amended by adding a subdivision to  
69.25 read:

69.26 Subd. 42. **Indian Tribes.** Notwithstanding any other provision in this chapter, at its  
69.27 discretion the agency may make any federally recognized Indian Tribe in Minnesota, or  
69.28 their associated Tribally Designated Housing Entity (TDHE) as defined by United States  
69.29 Code, title 25, section 4103(22), eligible for funding authorized under this chapter.

70.1 Sec. 4. Minnesota Statutes 2020, section 462A.05, is amended by adding a subdivision to  
70.2 read:

70.3 Subd. 43. **Housing disparities.** The agency must prioritize its use of appropriations for  
70.4 any program under this chapter to serve households most affected by housing disparities.

70.5 Sec. 5. Minnesota Statutes 2020, section 462A.07, subdivision 9, is amended to read:

70.6 Subd. 9. **Priority where State Building Code is adopted.** It may establish such rules  
70.7 as may be necessary to ~~insure~~ ensure that priority for assistance by the agency will be given  
70.8 to projects located in municipal jurisdictions or counties, which have adopted the uniform  
70.9 State Building Code.

70.10 Sec. 6. Minnesota Statutes 2020, section 462A.07, subdivision 10, is amended to read:

70.11 Subd. 10. **Human rights.** It may establish and enforce such rules as may be necessary  
70.12 to ~~insure~~ ensure compliance with chapter 363A, and to ~~insure~~ ensure that occupancy of  
70.13 housing assisted under this chapter shall be open to all persons, and that contractors and  
70.14 subcontractors engaged in the construction of such housing shall provide an equal opportunity  
70.15 for employment to all persons, without discrimination as to race, color, creed, religion,  
70.16 national origin, sex, marital status, age, and status with regard to public assistance or  
70.17 disability.

70.18 Sec. 7. Minnesota Statutes 2020, section 462A.07, subdivision 14, is amended to read:

70.19 Subd. 14. **American Indians.** (a) It may engage in housing programs for low- and  
70.20 moderate-income American Indians developed and administered separately or in combination  
70.21 by the Minnesota Chippewa tribe, the Red Lake band of Chippewa Indians, and the Sioux  
70.22 communities as determined by such tribe, band, or communities. In furtherance of the policy  
70.23 of economic integration stated in section 462A.02, subdivision 6, it may engage in housing  
70.24 programs for American Indians who intend to reside on reservations and who are not persons  
70.25 of low and moderate income, provided that the aggregate dollar amount of the loans for  
70.26 persons who are not of low- or moderate-income closed in each lender's fiscal year shall

53.5 Sec. 6. Minnesota Statutes 2020, section 462A.05, is amended by adding a subdivision to  
53.6 read:

53.7 Subd. 42. **Indian Tribes.** Notwithstanding any other provision in this chapter, at its  
53.8 discretion the agency may make any federally recognized Indian Tribe in Minnesota, or  
53.9 their associated Tribally Designated Housing Entity (TDHE) as defined by United States  
53.10 Code, title 25, section 4103(22), eligible for funding authorized under this chapter.

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

53.12 Sec. 7. Minnesota Statutes 2020, section 462A.05, is amended by adding a subdivision to  
53.13 read:

53.14 Subd. 43. **Housing disparities.** The agency must prioritize its use of appropriations for  
53.15 any homeownership program under this chapter to narrow the racial disparity gap in  
53.16 homeownership.

53.17 Sec. 8. Minnesota Statutes 2020, section 462A.07, subdivision 9, is amended to read:

53.18 Subd. 9. **Priority where State Building Code is adopted.** It may establish such rules  
53.19 as may be necessary to ~~insure~~ ensure that priority for assistance by the agency will be given  
53.20 to projects located in municipal jurisdictions or counties, which have adopted the uniform  
53.21 State Building Code.

53.22 Sec. 9. Minnesota Statutes 2020, section 462A.07, subdivision 10, is amended to read:

53.23 Subd. 10. **Human rights.** It may establish and enforce such rules as may be necessary  
53.24 to ~~insure~~ ensure compliance with chapter 363A, and to ~~insure~~ ensure that occupancy of  
53.25 housing assisted under this chapter shall be open to all persons, and that contractors and  
53.26 subcontractors engaged in the construction of such housing shall provide an equal opportunity  
53.27 for employment to all persons, without discrimination as to race, color, creed, religion,  
53.28 national origin, sex, marital status, age, and status with regard to public assistance or  
53.29 disability.

54.1 Sec. 10. Minnesota Statutes 2020, section 462A.07, subdivision 14, is amended to read:

54.2 Subd. 14. **American Indians.** (a) It may engage in housing programs for low- and  
54.3 moderate-income American Indians developed and administered separately or in combination  
54.4 by the Minnesota Chippewa tribe, the Red Lake band of Chippewa Indians, and the Sioux  
54.5 communities as determined by such tribe, band, or communities. In furtherance of the policy  
54.6 of economic integration stated in section 462A.02, subdivision 6, it may engage in housing  
54.7 programs for American Indians who intend to reside on reservations and who are not persons  
54.8 of low and moderate income, provided that the aggregate dollar amount of the loans for  
54.9 persons who are not of low- or moderate-income closed in each lender's fiscal year shall

70.27 not exceed an amount equal to 25 percent of the total dollar amount of all loans closed by  
70.28 that lender during the same fiscal year. In developing such housing programs, the tribe,  
70.29 band, or communities shall take into account the housing needs of all American Indians  
70.30 residing both on and off reservations within the state. A plan for each such program, which  
70.31 specifically describes the program content, utilization of funds, administration, operation,  
70.32 implementation and other matter, as determined by the agency, must be submitted to the  
71.1 agency for its review and approval prior to the making of eligible loans pursuant to section  
71.2 462A.21. All such programs must conform to rules promulgated by the agency concerning  
71.3 program administration, including but not limited to rules concerning costs of administration;  
71.4 the quality of housing; interest rates, fees, and charges in connection with making eligible  
71.5 loans; and other matters determined by the agency to be necessary in order to effectuate the  
71.6 purposes of this subdivision and section 462A.21, subdivisions 4b and 4c. All such programs  
71.7 must provide for a reasonable balance in the distribution of funds appropriated for the  
71.8 purpose of this section between American Indians residing on and off reservations within  
71.9 the state. Nothing in this section shall preclude such tribe, band, or communities from  
71.10 requesting and receiving cooperation, advice, and assistance from the agency as regards  
71.11 program development, operation, delivery, financing, or administration. As a condition to  
71.12 the making of such eligible loans, the Minnesota Chippewa tribe, the Red Lake band of  
71.13 Chippewa Indians, and the Sioux communities shall:

71.14 (1) enter into a loan agreement and other contractual arrangements with the agency for  
71.15 the purpose of transferring the allocated portion of loan funds and to ~~insure~~ ensure compliance  
71.16 with the provisions of this section and this chapter; and

71.17 (2) agree that all of their official books and records related to such housing programs  
71.18 shall be subjected to audit by the legislative auditor in the manner prescribed for agencies  
71.19 of state government.

71.20 The agency shall submit a biennial report concerning the various housing programs for  
71.21 American Indians, and related receipts and expenditures as provided in section 462A.22,  
71.22 subdivision 9, and such tribe, band, or communities to the extent that they administer such  
71.23 programs, shall be responsible for any costs and expenses related to such administration  
71.24 provided, however, they shall be eligible for payment for costs, expenses, and services  
71.25 pursuant to subdivision 12 and section 462A.21. The agency may provide or cause to be  
71.26 provided essential general technical services as set forth in subdivision 2, and general  
71.27 consultative project assistance services, including, but not limited to, management training,  
71.28 and home ownership counseling as set forth in subdivision 3. Members of boards,  
71.29 committees, or other governing bodies of the tribe, band, and communities administering  
71.30 the programs authorized by this subdivision must be compensated for those services as  
71.31 provided in section 15.0575.

71.32 (b) The agency may engage in demonstration projects to encourage the participation of  
71.33 financial institutions or other leveraging sources in providing housing opportunities for  
71.34 American Indians. The agency shall consult with the Minnesota Chippewa tribe, the Red  
71.35 Lake band of Chippewa Indians, and the Sioux communities in developing the demonstration

54.10 not exceed an amount equal to 25 percent of the total dollar amount of all loans closed by  
54.11 that lender during the same fiscal year. In developing such housing programs, the tribe,  
54.12 band, or communities shall take into account the housing needs of all American Indians  
54.13 residing both on and off reservations within the state. A plan for each such program, which  
54.14 specifically describes the program content, utilization of funds, administration, operation,  
54.15 implementation and other matter, as determined by the agency, must be submitted to the  
54.16 agency for its review and approval prior to the making of eligible loans pursuant to section  
54.17 462A.21. All such programs must conform to rules promulgated by the agency concerning  
54.18 program administration, including but not limited to rules concerning costs of administration;  
54.19 the quality of housing; interest rates, fees, and charges in connection with making eligible  
54.20 loans; and other matters determined by the agency to be necessary in order to effectuate the  
54.21 purposes of this subdivision and section 462A.21, subdivisions 4b and 4c. All such programs  
54.22 must provide for a reasonable balance in the distribution of funds appropriated for the  
54.23 purpose of this section between American Indians residing on and off reservations within  
54.24 the state. Nothing in this section shall preclude such tribe, band, or communities from  
54.25 requesting and receiving cooperation, advice, and assistance from the agency as regards  
54.26 program development, operation, delivery, financing, or administration. As a condition to  
54.27 the making of such eligible loans, the Minnesota Chippewa tribe, the Red Lake band of  
54.28 Chippewa Indians, and the Sioux communities shall:

54.29 (1) enter into a loan agreement and other contractual arrangements with the agency for  
54.30 the purpose of transferring the allocated portion of loan funds and to ~~insure~~ ensure compliance  
54.31 with the provisions of this section and this chapter; and

54.32 (2) agree that all of their official books and records related to such housing programs  
54.33 shall be subjected to audit by the legislative auditor in the manner prescribed for agencies  
54.34 of state government.

55.1 The agency shall submit a biennial report concerning the various housing programs for  
55.2 American Indians, and related receipts and expenditures as provided in section 462A.22,  
55.3 subdivision 9, and such tribe, band, or communities to the extent that they administer such  
55.4 programs, shall be responsible for any costs and expenses related to such administration  
55.5 provided, however, they shall be eligible for payment for costs, expenses, and services  
55.6 pursuant to subdivision 12 and section 462A.21. The agency may provide or cause to be  
55.7 provided essential general technical services as set forth in subdivision 2, and general  
55.8 consultative project assistance services, including, but not limited to, management training,  
55.9 and home ownership counseling as set forth in subdivision 3. Members of boards,  
55.10 committees, or other governing bodies of the tribe, band, and communities administering  
55.11 the programs authorized by this subdivision must be compensated for those services as  
55.12 provided in section 15.0575.

55.13 (b) The agency may engage in demonstration projects to encourage the participation of  
55.14 financial institutions or other leveraging sources in providing housing opportunities for  
55.15 American Indians. The agency shall consult with the Minnesota Chippewa tribe, the Red  
55.16 Lake band of Chippewa Indians, and the Sioux communities in developing the demonstration

72.1 projects. The income limits specified in paragraph (a) do not apply to the demonstration  
72.2 projects.

72.3 (c) The agency may make home improvement loans under this subdivision without  
72.4 regard to household income.

72.5 Sec. 8. Minnesota Statutes 2020, section 462A.204, subdivision 3, is amended to read:

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

72.11 Sec. 9. Minnesota Statutes 2020, section 462A.21, subdivision 4a, is amended to read:

72.12 Subd. 4a. **Correction of housing defects.** It may make rehabilitation grants and  
72.13 expenditures for correction of residential housing defects as provided in section 462A.05,  
72.14 subdivisions 15 and 16. In order to ~~insure~~ ensure the preservation of the maximum number  
72.15 of housing units with the money appropriated by the legislature, grants shall be recovered  
72.16 by the agency to the extent provided in this section to be used for future grants. Grants made  
72.17 under the terms of this subdivision shall contain a requirement that the grant be recovered  
72.18 by the agency in accordance with the following schedule:

72.19 (1) if the property is sold, transferred, or otherwise conveyed within the first three years  
72.20 after the date of a grant, the recipient shall repay the full amount of the grant;

72.21 (2) if the property is sold, transferred, or otherwise conveyed within the fourth year after  
72.22 the date of a grant, the recipient shall repay 75 percent of the amount of the grant;

72.23 (3) if the property is sold, transferred, or otherwise conveyed within the fifth year after  
72.24 the date of a grant, the recipient shall repay 50 percent of the amount of the grant;

72.25 (4) if the property is sold, transferred, or otherwise conveyed within the sixth year after  
72.26 the date of a grant, the recipient shall repay 25 percent of the amount of the grant;

72.27 (5) if the property is sold, transferred, or otherwise conveyed within the seventh year  
72.28 after the date of the grant, or thereafter, there is no repayment requirement; provided that  
72.29 no repayment is required to the extent that the grants are made to improve the accessibility  
72.30 of residential housing to a disabled occupant.

73.1 Sec. 10. Minnesota Statutes 2020, section 462A.22, subdivision 1, is amended to read:

73.2 Subdivision 1. **Debt ceiling.** The aggregate principal amount of general obligation bonds  
73.3 and notes which are outstanding at any time, excluding the principal amount of any bonds  
73.4 and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of  
73.5 \$5,000,000,000.

55.17 projects. The income limits specified in paragraph (a) do not apply to the demonstration  
55.18 projects.

55.19 (c) The agency may make home improvement loans under this subdivision without  
55.20 regard to household income.

55.30 Sec. 12. Minnesota Statutes 2020, section 462A.204, subdivision 3, is amended to read:

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

56.4 Sec. 13. Minnesota Statutes 2020, section 462A.21, subdivision 4a, is amended to read:

56.5 Subd. 4a. **Correction of housing defects.** It may make rehabilitation grants and  
56.6 expenditures for correction of residential housing defects as provided in section 462A.05,  
56.7 subdivisions 15 and 16. In order to ~~insure~~ ensure the preservation of the maximum number  
56.8 of housing units with the money appropriated by the legislature, grants shall be recovered  
56.9 by the agency to the extent provided in this section to be used for future grants. Grants made  
56.10 under the terms of this subdivision shall contain a requirement that the grant be recovered  
56.11 by the agency in accordance with the following schedule:

56.12 (1) if the property is sold, transferred, or otherwise conveyed within the first three years  
56.13 after the date of a grant, the recipient shall repay the full amount of the grant;

56.14 (2) if the property is sold, transferred, or otherwise conveyed within the fourth year after  
56.15 the date of a grant, the recipient shall repay 75 percent of the amount of the grant;

56.16 (3) if the property is sold, transferred, or otherwise conveyed within the fifth year after  
56.17 the date of a grant, the recipient shall repay 50 percent of the amount of the grant;

56.18 (4) if the property is sold, transferred, or otherwise conveyed within the sixth year after  
56.19 the date of a grant, the recipient shall repay 25 percent of the amount of the grant;

56.20 (5) if the property is sold, transferred, or otherwise conveyed within the seventh year  
56.21 after the date of the grant, or thereafter, there is no repayment requirement; provided that  
56.22 no repayment is required to the extent that the grants are made to improve the accessibility  
56.23 of residential housing to a disabled occupant.

73.6 Sec. 11. Minnesota Statutes 2020, section 462A.36, is amended by adding a subdivision  
73.7 to read:

73.8 Subd. 2a. Refunding bonds. (a) The agency may issue nonprofit housing bonds in one  
73.9 or more series to refund bonds authorized in subdivision 2. The amount of refunding nonprofit  
73.10 housing bonds that may be issued from time to time will not be subject to the dollar limitation  
73.11 contained in subdivision 2 nor will those bonds be included in computing the amount of  
73.12 bonds that may be issued within that dollar limitation.

73.13 (b) In the refunding of nonprofit housing bonds, each bond must be called for redemption  
73.14 prior to its maturity in accordance with its terms no later than the earliest date on which it  
73.15 may be redeemed. No refunding bonds may be issued unless as of the date of the refunding  
73.16 bonds the present value of the dollar amount of the debt service on the refunding bonds,  
73.17 computed to their stated maturity dates, is lower than the present value of the dollar amount  
73.18 of debt service on all nonprofit housing bonds refunded computed to their stated maturity  
73.19 dates. For purposes of this subdivision, "present value of the dollar amount of debt service"  
73.20 means the dollar amount of debt service to be paid, discounted to the nominal date of the  
73.21 refunding bonds at a rate equal to the yield on the refunding bonds.

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

73.27 Sec. 12. Minnesota Statutes 2020, section 462A.36, subdivision 4, is amended to read:

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

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

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

74.8 Sec. 13. Minnesota Statutes 2020, section 462A.37, subdivision 1, is amended to read:

74.9 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have  
74.10 the meanings given.

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

57.13 Sec. 16. Minnesota Statutes 2020, section 462A.36, is amended by adding a subdivision  
57.14 to read:

57.15 Subd. 2a. Refunding bonds. (a) The agency may issue nonprofit housing bonds in one  
57.16 or more series to refund bonds authorized in subdivision 2. The amount of refunding nonprofit  
57.17 housing bonds that may be issued from time to time will not be subject to the dollar limitation  
57.18 contained in subdivision 2 nor will those bonds be included in computing the amount of  
57.19 bonds that may be issued within that dollar limitation.

57.20 (b) In the refunding of nonprofit housing bonds, each bond must be called for redemption  
57.21 prior to its maturity in accordance with its terms no later than the earliest date on which it  
57.22 may be redeemed. No refunding bonds may be issued unless as of the date of the refunding  
57.23 bonds the present value of the dollar amount of the debt service on the refunding bonds,  
57.24 computed to their stated maturity dates, is lower than the present value of the dollar amount  
57.25 of debt service on all nonprofit housing bonds refunded computed to their stated maturity  
57.26 dates. For purposes of this subdivision, "present value of the dollar amount of debt service"  
57.27 means the dollar amount of debt service to be paid, discounted to the nominal date of the  
57.28 refunding bonds at a rate equal to the yield on the refunding bonds.

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

58.3 Sec. 17. Minnesota Statutes 2020, section 462A.36, subdivision 4, is amended to read:

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

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

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

- 74.12 (c) "Community land trust" means an entity that meets the requirements of section  
74.13 462A.31, subdivisions 1 and 2.
- 74.14 (d) "Debt service" means the amount payable in any fiscal year of principal, premium,  
74.15 if any, and interest on housing infrastructure bonds and the fees, charges, and expenses  
74.16 related to the bonds.
- 74.17 (e) "Foreclosed property" means residential property where foreclosure proceedings  
74.18 have been initiated or have been completed and title transferred or where title is transferred  
74.19 in lieu of foreclosure.
- 74.20 (f) "Housing infrastructure bonds" means bonds issued by the agency under this chapter  
74.21 that:
- 74.22 (1) are qualified 501(c)(3) bonds, within the meaning of section 145(a) of the Internal  
74.23 Revenue Code;
- 74.24 (2) finance qualified residential rental projects within the meaning of section 142(d) of  
74.25 the Internal Revenue Code; or
- 74.26 ~~(3) finance the construction or rehabilitation of single-family houses that qualify for~~  
74.27 ~~mortgage financing within the meaning of section 143 of the Internal Revenue Code; or~~
- 74.28 ~~(4)~~ (3) are tax-exempt bonds that are not private activity bonds, within the meaning of  
74.29 section 141(a) of the Internal Revenue Code, for the purpose of financing or refinancing  
74.30 affordable housing authorized under this chapter.
- 74.31 (g) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.
- 75.1 (h) "Senior" means a person 55 years of age or older ~~with an annual income not greater~~  
75.2 ~~than 50 percent of:~~
- 75.3 ~~(1) the metropolitan area median income for persons in the metropolitan area; or~~
- 75.4 ~~(2) the statewide median income for persons outside the metropolitan area.~~
- 75.5 (i) "Senior household" means a household with one or more senior members and with  
75.6 an annual combined income not greater than 50 percent of:
- 75.7 (1) the metropolitan area median income for persons in the metropolitan area; or
- 75.8 (2) the statewide median income for persons outside the metropolitan area.
- 75.9 ~~(j)~~ (j) "Senior housing" means housing intended and operated for occupancy by ~~at least~~  
75.10 ~~one senior per unit~~ senior households with at least 80 percent of the units occupied by ~~at~~  
75.11 ~~least one senior per unit~~ senior households, and for which there is publication of, and  
75.12 adherence to, policies and procedures that demonstrate an intent by the owner or manager  
75.13 to provide housing for seniors. Senior housing may be developed in conjunction with and  
75.14 as a distinct portion of mixed-income senior housing developments that use a variety of  
75.15 public or private financing sources.

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

75.19 Sec. 14. Minnesota Statutes 2020, section 462A.37, subdivision 2, is amended to read:

75.20 Subd. 2. **Authorization.** (a) The agency may issue up to \$30,000,000 in aggregate  
75.21 principal amount of housing infrastructure bonds in one or more series to which the payment  
75.22 made under this section may be pledged. The housing infrastructure bonds authorized in  
75.23 this subdivision may be issued to fund loans, or grants for the purposes of clause (4), on  
75.24 terms and conditions the agency deems appropriate, made for one or more of the following  
75.25 purposes:

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

75.28 (2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned  
75.29 housing to be used for affordable rental housing and the costs of new construction of rental  
75.30 housing on abandoned or foreclosed property where the existing structures will be demolished  
75.31 or removed;

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

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

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

76.7 (6) to finance the costs of acquisition ~~and~~ rehabilitation, and replacement of federally  
76.8 assisted rental housing and for the refinancing of costs of the construction, acquisition, and  
76.9 rehabilitation of federally assisted rental housing, including providing funds to refund, in  
76.10 whole or in part, outstanding bonds previously issued by the agency or another government  
76.11 unit to finance or refinance such costs; and

76.12 (7) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction  
76.13 of single-family housing.

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

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

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

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

76.23 (1) demonstrate a commitment to maintaining the housing financed as affordable to  
76.24 seniors senior households;

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

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

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

77.3 (5) (4) include households with incomes that do not exceed 30 percent of the median  
77.4 household income for the metropolitan area.

77.5 To the extent practicable, the agency shall balance the loans made between projects in the  
77.6 metropolitan area and projects outside the metropolitan area. Of the loans made to projects  
77.7 outside the metropolitan area, the agency shall, to the extent practicable, balance the loans  
77.8 made between projects in counties or cities with a population of 20,000 or less, as established  
77.9 by the most recent decennial census, and projects in counties or cities with populations in  
77.10 excess of 20,000.

77.11 Sec. 15. Minnesota Statutes 2020, section 462A.37, is amended by adding a subdivision  
77.12 to read:

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

77.19 (b) In the refunding of housing infrastructure bonds, each bond must be called for  
77.20 redemption prior to its maturity in accordance with its terms no later than the earliest date  
77.21 on which it may be redeemed. No refunding bonds may be issued unless as of the date of  
77.22 the refunding bonds the present value of the dollar amount of the debt service on the  
77.23 refunding bonds, computed to their stated maturity dates, is lower than the present value of  
77.24 the dollar amount of debt service on all housing infrastructure bonds refunded computed to  
77.25 their stated maturity dates. For purposes of this subdivision, "present value of the dollar

58.16 Sec. 18. Minnesota Statutes 2020, section 462A.37, is amended by adding a subdivision  
58.17 to read:

58.18 Subd. 2i. **Refunding bonds.** (a) The agency may issue housing infrastructure bonds in  
58.19 one or more series to refund bonds authorized in this section. The amount of refunding  
58.20 housing infrastructure bonds that may be issued from time to time will not be subject to the  
58.21 dollar limitation contained in any of the authorizations in this section nor will those bonds  
58.22 be included in computing the amount of bonds that may be issued within those dollar  
58.23 limitations.

58.24 (b) In the refunding of housing infrastructure bonds, each bond must be called for  
58.25 redemption prior to its maturity in accordance with its terms no later than the earliest date  
58.26 on which it may be redeemed. No refunding bonds may be issued unless as of the date of  
58.27 the refunding bonds the present value of the dollar amount of the debt service on the  
58.28 refunding bonds, computed to their stated maturity dates, is lower than the present value of  
58.29 the dollar amount of debt service on all housing infrastructure bonds refunded computed to  
58.30 their stated maturity dates. For purposes of this subdivision, "present value of the dollar

77.26 amount of debt service" means the dollar amount of debt service to be paid, discounted to  
77.27 the nominal date of the refunding bonds at a rate equal to the yield on the refunding bonds.

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

78.1 Sec. 16. Minnesota Statutes 2020, section 462A.37, subdivision 4, is amended to read:

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

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

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

78.14 Sec. 17. Minnesota Statutes 2021 Supplement, section 462A.37, subdivision 5, is amended  
78.15 to read:

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

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

78.26 (c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure  
78.27 bonds issued under subdivision 2b, or housing infrastructure bonds issued to refund those  
78.28 bonds, remain outstanding, the commissioner of management and budget must transfer to  
78.29 the housing infrastructure bond account established under section 462A.21, subdivision 33,  
78.30 the amount certified under paragraph (a), not to exceed \$800,000 annually. The amounts

58.31 amount of debt service" means the dollar amount of debt service to be paid, discounted to  
58.32 the nominal date of the refunding bonds at a rate equal to the yield on the refunding bonds.

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

59.6 Sec. 19. Minnesota Statutes 2020, section 462A.37, subdivision 4, is amended to read:

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

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

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

59.19 Sec. 20. Minnesota Statutes 2021 Supplement, section 462A.37, subdivision 5, is amended  
59.20 to read:

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

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

59.31 (c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure  
59.32 bonds issued under subdivision 2b, or housing infrastructure bonds issued to refund those  
60.1 bonds, remain outstanding, the commissioner of management and budget must transfer to  
60.2 the housing infrastructure bond account established under section 462A.21, subdivision 33,  
60.3 the amount certified under paragraph (a), not to exceed \$800,000 annually. The amounts

78.31 necessary to make the transfers are appropriated from the general fund to the commissioner  
78.32 of management and budget.

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

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

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

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

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

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

60.4 necessary to make the transfers are appropriated from the general fund to the commissioner  
60.5 of management and budget.

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

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

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

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

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

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

80.4 (j) The agency may pledge to the payment of the housing infrastructure bonds the  
80.5 payments to be made by the state under this section.

80.6 Sec. 18. Minnesota Statutes 2020, section 462A.38, subdivision 1, is amended to read:

80.7 Subdivision 1. **Establishment.** A workforce and affordable homeownership development  
80.8 program is established to award homeownership development grants to cities, counties,  
80.9 Tribal governments, nonprofit organizations, cooperatives created under chapter 308A or  
80.10 308B, and community land trusts created for the purposes outlined in section 462A.31,  
80.11 subdivision 1, for development of workforce and affordable homeownership projects. The  
80.12 purpose of the program is to increase the supply of workforce and affordable, owner-occupied  
80.13 multifamily or single-family housing throughout Minnesota.

80.14 Sec. 19. Minnesota Statutes 2020, section 462A.39, subdivision 2, is amended to read:

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

80.17 (b) "Eligible project area" means a home rule charter or statutory city located outside  
80.18 of ~~the a~~ metropolitan area county as defined in section 473.121, subdivision 2 4, with a  
80.19 population exceeding 500; a community that has a combined population of 1,500 residents  
80.20 located within 15 miles of a home rule charter or statutory city located outside ~~the a~~  
80.21 metropolitan area county as defined in section 473.121, subdivision 2 4; federally recognized  
80.22 Tribal reservations; or an area served by a joint county-city economic development authority.

80.23 (c) "Joint county-city economic development authority" means an economic development  
80.24 authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between  
80.25 a city and county and excluding those established by the county only.

80.26 (d) "Market rate residential rental properties" means properties that are rented at market  
80.27 value, including new modular homes, new manufactured homes, and new manufactured  
80.28 homes on leased land or in a manufactured home park, and may include rental developments  
80.29 that have a portion of income-restricted units.

80.30 (e) "Qualified expenditure" means expenditures for market rate residential rental  
80.31 properties including acquisition of property; construction of improvements; and provisions  
81.1 of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing  
81.2 costs.

61.9 (j) The agency may pledge to the payment of the housing infrastructure bonds the  
61.10 payments to be made by the state under this section.

61.11 Sec. 21. Minnesota Statutes 2020, section 462A.38, subdivision 1, is amended to read:

61.12 Subdivision 1. **Establishment.** A workforce and affordable homeownership development  
61.13 program is established to award homeownership development grants to cities, counties,  
61.14 Tribal governments, nonprofit organizations, cooperatives created under chapter 308A or  
61.15 308B, and community land trusts created for the purposes outlined in section 462A.31,  
61.16 subdivision 1, for development of workforce and affordable homeownership projects. The  
61.17 purpose of the program is to increase the supply of workforce and affordable, owner-occupied  
61.18 multifamily or single-family housing throughout Minnesota.

61.19 Sec. 22. Minnesota Statutes 2020, section 462A.39, subdivision 1, is amended to read:

61.20 Subdivision 1. **Establishment.** The commissioner of Minnesota housing finance shall  
61.21 establish a workforce housing development program to award grants or deferred loans to  
61.22 eligible project areas to be used for qualified expenditures. Grants or deferred loans  
61.23 authorized under this section may be made without limitations relating to the maximum  
61.24 incomes of the renters or homeowners.

61.25 Sec. 23. Minnesota Statutes 2020, section 462A.39, subdivision 2, is amended to read:

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

61.28 (b) "Eligible project area" means a home rule charter or statutory city located outside  
61.29 of ~~the~~ metropolitan area as defined in section 473.121, subdivision 2, with a population  
61.30 exceeding 500; a community that has a combined population of 1,500 residents located  
61.31 within 15 miles of a home rule charter or statutory city located outside ~~the~~ metropolitan  
62.1 area as defined in section 473.121, subdivision 2; federally recognized Tribal Reservations;  
62.2 or an area served by a joint county-city economic development authority.

62.3 (c) "Joint county-city economic development authority" means an economic development  
62.4 authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between  
62.5 a city and county and excluding those established by the county only.

62.6 (d) "Market rate residential rental properties" means properties that are rented at market  
62.7 value, including new modular homes, new manufactured homes, and new manufactured  
62.8 homes on leased land or in a manufactured home park, and may include rental developments  
62.9 that have a portion of income-restricted units.

62.10 (e) "Qualified expenditure" means expenditures for owner-occupied housing or market  
62.11 rate residential rental properties including acquisition of property; construction of  
62.12 improvements; and provisions of loans or subsidies, grants, interest rate subsidies, public  
62.13 infrastructure, and related financing costs.

81.3 Sec. 20. Minnesota Statutes 2020, section 462A.39, subdivision 5, is amended to read:

81.4 Subd. 5. **Allocation.** The amount of a grant or deferred loans may not exceed 25 percent  
81.5 of the rental housing development project cost. The commissioner shall not award a grant  
81.6 or deferred loans to ~~a city~~ an eligible project area without certification by the ~~city~~ eligible  
81.7 project area that the amount of the grant or deferred loans shall be matched by a local unit  
81.8 of government, business, ~~or~~ nonprofit organization, or federally recognized Tribe, with \$1  
81.9 for every \$2 provided in grant or deferred loans funds.

81.10 Sec. 21. Laws 2021, First Special Session chapter 8, article 1, section 3, subdivision 11,  
81.11 is amended to read:

81.12 Subd. 11. **Affordable Rental Investment Fund** 4,218,000 4,218,000

81.13 (a) This appropriation is for the affordable  
81.14 rental investment fund program under  
81.15 Minnesota Statutes, section 462A.21,  
81.16 subdivision 8b, to finance the acquisition,  
81.17 rehabilitation, replacement, and debt  
81.18 restructuring of federally assisted rental  
81.19 property and for making equity take-out loans

62.14 Sec. 24. Minnesota Statutes 2020, section 462A.39, subdivision 4, is amended to read:

62.15 Subd. 4. **Program requirements.** (a) The commissioner must not award a grant or  
62.16 deferred loans to an eligible project area under this section until the following determinations  
62.17 are made:

62.18 (1) the average vacancy rate for rental housing located in the eligible project area, and  
62.19 in any other city located within 15 miles or less of the boundaries of the area, has been five  
62.20 percent or less for at least the prior two-year period;

62.21 (2) one or more businesses located in the eligible project area, or within 25 miles of the  
62.22 area, that employs a minimum of 20 full-time equivalent employees in aggregate have  
62.23 provided a written statement to the eligible project area indicating that the lack of available  
62.24 rental housing has impeded their ability to recruit and hire employees; and

62.25 (3) the eligible project area has certified that the grants or deferred loans will be used  
62.26 for qualified expenditures for the development of rental housing to serve employees of  
62.27 businesses located in the eligible project area or surrounding area.

62.28 (b) Preference for grants or deferred loans awarded under this section shall be given to  
62.29 eligible project areas with less than 30,000 people.

62.30 (c) Among comparable proposals, preference must be given to projects with a higher  
62.31 proportion of units that are not income-restricted.

63.1 Sec. 25. Minnesota Statutes 2020, section 462A.39, subdivision 5, is amended to read:

63.2 Subd. 5. **Allocation.** The amount of a grant or deferred loans may not exceed 25 percent  
63.3 of the rental housing development project cost. The commissioner shall not award a grant  
63.4 or deferred loans to ~~a city~~ an eligible project area without certification by the ~~city~~ eligible  
63.5 project area that the amount of the grant or deferred loans shall be matched by a local unit  
63.6 of government, business, ~~or~~ nonprofit organization, or federally recognized Tribe, with \$1  
63.7 for every \$2 provided in grant or deferred loans funds.

81.20 under Minnesota Statutes, section 462A.05,  
81.21 subdivision 39.

81.22 (b) The owner of federally assisted rental  
81.23 property must agree to participate in the  
81.24 applicable federally assisted housing program  
81.25 and to extend any existing low-income  
81.26 affordability restrictions on the housing for  
81.27 the maximum term permitted.

81.28 (c) The appropriation also may be used to  
81.29 finance the acquisition, rehabilitation, and debt  
81.30 restructuring of existing supportive housing  
81.31 properties and naturally occurring affordable  
81.32 housing as determined by the commissioner.  
81.33 For purposes of this paragraph, "supportive  
82.1 housing" means affordable rental housing with  
82.2 links to services necessary for individuals,  
82.3 youth, and families with children to maintain  
82.4 housing stability.

82.5 **ARTICLE 6**

82.6 **LANDLORD TENANT LAW**

82.7 Section 1. Minnesota Statutes 2020, section 363A.09, subdivision 1, is amended to read:

82.8 Subdivision 1. **Real property interest; action by owner, lessee, and others.** It is an  
82.9 unfair discriminatory practice for an owner, lessee, sublessee, assignee, or managing agent  
82.10 of, or other person having the right to sell, rent or lease any real property, or any agent of  
82.11 any of these:

82.12 (1) to refuse to sell, rent, or lease or otherwise deny to or withhold from any person or  
82.13 group of persons any real property because of race, color, creed, religion, national origin,  
82.14 sex, marital status, status with regard to public assistance, participation in or requirements  
82.15 of a public assistance program, disability, sexual orientation, or familial status; or

82.16 (2) to discriminate against any person or group of persons because of race, color, creed,  
82.17 religion, national origin, sex, marital status, status with regard to public assistance,  
82.18 participation in or requirements of a public assistance program, disability, sexual orientation,  
82.19 or familial status in the terms, conditions or privileges of the sale, rental or lease of any real  
82.20 property or in the furnishing of facilities or services in connection therewith, except that  
82.21 nothing in this clause shall be construed to prohibit the adoption of reasonable rules intended  
82.22 to protect the safety of minors in their use of the real property or any facilities or services  
82.23 furnished in connection therewith; or

82.24 (3) in any transaction involving real property, to print, circulate or post or cause to be  
82.25 printed, circulated, or posted any advertisement or sign, or use any form of application for  
82.26 the purchase, rental or lease of real property, or make any record or inquiry in connection  
82.27 with the prospective purchase, rental, or lease of real property which expresses, directly or  
82.28 indirectly, any limitation, specification, or discrimination as to race, color, creed, religion,  
82.29 national origin, sex, marital status, status with regard to public assistance, participation in  
82.30 or requirements of a public assistance program, disability, sexual orientation, or familial  
82.31 status, or any intent to make any such limitation, specification, or discrimination except that  
82.32 nothing in this clause shall be construed to prohibit the advertisement of a dwelling unit as  
82.33 available to adults-only if the person placing the advertisement reasonably believes that the  
83.1 provisions of this section prohibiting discrimination because of familial status do not apply  
83.2 to the dwelling unit.

83.3 Sec. 2. Minnesota Statutes 2020, section 363A.09, subdivision 2, is amended to read:

83.4 Subd. 2. **Real property interest; action by brokers, agents, and others.** It is an unfair  
83.5 discriminatory practice for a real estate broker, real estate salesperson, or employee, or agent  
83.6 thereof:

83.7 (1) to refuse to sell, rent, or lease or to offer for sale, rental, or lease any real property  
83.8 to any person or group of persons or to negotiate for the sale, rental, or lease of any real  
83.9 property to any person or group of persons because of race, color, creed, religion, national  
83.10 origin, sex, marital status, status with regard to public assistance, participation in or  
83.11 requirements of a public assistance program, disability, sexual orientation, or familial status  
83.12 or represent that real property is not available for inspection, sale, rental, or lease when in  
83.13 fact it is so available, or otherwise deny or withhold any real property or any facilities of  
83.14 real property to or from any person or group of persons because of race, color, creed, religion,  
83.15 national origin, sex, marital status, status with regard to public assistance, participation in  
83.16 or requirements of a public assistance program, disability, sexual orientation, or familial  
83.17 status; or

83.18 (2) to discriminate against any person because of race, color, creed, religion, national  
83.19 origin, sex, marital status, status with regard to public assistance, participation in or  
83.20 requirements of a public assistance program, disability, sexual orientation, or familial status  
83.21 in the terms, conditions or privileges of the sale, rental or lease of real property or in the  
83.22 furnishing of facilities or services in connection therewith; or

83.23 (3) to print, circulate, or post or cause to be printed, circulated, or posted any  
83.24 advertisement or sign, or use any form of application for the purchase, rental, or lease of  
83.25 any real property or make any record or inquiry in connection with the prospective purchase,  
83.26 rental or lease of any real property, which expresses directly or indirectly, any limitation,  
83.27 specification or discrimination as to race, color, creed, religion, national origin, sex, marital  
83.28 status, status with regard to public assistance, participation in or requirements of a public  
83.29 assistance program, disability, sexual orientation, or familial status or any intent to make  
83.30 any such limitation, specification, or discrimination except that nothing in this clause shall  
83.31 be construed to prohibit the advertisement of a dwelling unit as available to adults-only if

83.32 the person placing the advertisement reasonably believes that the provisions of this section  
83.33 prohibiting discrimination because of familial status do not apply to the dwelling unit.

84.1 Sec. 3. Minnesota Statutes 2020, section 363A.09, is amended by adding a subdivision to  
84.2 read:

84.3 Subd. 2a. **Definition; public assistance program.** For purposes of this section, "public  
84.4 assistance program" means federal, state, or local assistance, including but not limited to  
84.5 rental assistance, rent supplements, and housing choice vouchers.

84.6 Sec. 4. Minnesota Statutes 2020, section 484.014, subdivision 2, is amended to read:

84.7 Subd. 2. **Discretionary expungement.** The court may order expungement of an eviction  
84.8 case court file only upon motion of a defendant and decision by the court, if the court finds  
84.9 that the plaintiff's case is sufficiently without basis in fact or law, which may include lack  
84.10 of jurisdiction over the case, that if the court makes the following findings: (1) the eviction  
84.11 case court file is no longer a reasonable predictor of future tenant behavior; and (2) the  
84.12 expungement is clearly in the interests of justice and those interests are not outweighed by  
84.13 the public's interest in knowing about the record.

84.14 Sec. 5. Minnesota Statutes 2020, section 484.014, subdivision 3, is amended to read:

84.15 Subd. 3. **Mandatory expungement.** The court shall order expungement of an eviction  
84.16 case:

84.17 (1) commenced solely on the grounds provided in section 504B.285, subdivision 1,  
84.18 clause (1), if the court finds that the defendant occupied real property that was subject to  
84.19 contract for deed cancellation or mortgage foreclosure and:

84.20 ~~(1)~~ (i) the time for contract cancellation or foreclosure redemption has expired and the  
84.21 defendant vacated the property prior to commencement of the eviction action; or

84.22 ~~(2)~~ (ii) the defendant was a tenant during the contract cancellation or foreclosure  
84.23 redemption period and did not receive a notice under section 504B.285, subdivision 1a, 1b,  
84.24 or 1c, to vacate on a date prior to commencement of the eviction case;

84.25 (2) if the defendant prevailed on the merits;

84.26 (3) if the court dismissed the plaintiff's complaint for any reason;

84.27 (4) if the parties to the action have agreed to an expungement;

84.28 (5) if the court finds an eviction was ordered at least three years before the date the  
84.29 expungement was filed; or

84.30 (6) upon motion of a defendant, if the case is settled and the defendant fulfills the terms  
84.31 of the settlement.

85.1 Sec. 6. **[504B.120] PROHIBITED FEES.**

85.2 Subdivision 1. **Prohibited fees.** Except for actual services rendered for an optional  
85.3 service offered by the landlord, a landlord shall not charge a tenant any nonrefundable fee  
85.4 in relation to a residential tenancy.

85.5 Subd. 2. **Penalties.** A landlord who violates this section is liable to the residential tenant  
85.6 for each unenforceable fee for three times the amount of each fee imposed that was not for  
85.7 an actual optional service or \$500, whichever is greater, and the court may award the tenant  
85.8 reasonable attorney fees.

85.9 **EFFECTIVE DATE.** This section applies to leases signed before, on, or after August  
85.10 1, 2022.

85.11 Sec. 7. Minnesota Statutes 2020, section 504B.135, is amended to read:

85.12 **504B.135 TERMINATING TENANCY AT WILL.**

85.13 ~~(a)~~ A tenancy at will may be terminated by either party by giving notice in writing. The  
85.14 time of the notice must be at least as long as the interval between the time rent is due or  
85.15 three months, whichever is less.

85.16 ~~(b) If a tenant neglects or refuses to pay rent due on a tenancy at will, the landlord may~~  
85.17 ~~terminate the tenancy by giving the tenant 14 days notice to quit in writing.~~

85.18 Sec. 8. Minnesota Statutes 2020, section 504B.161, subdivision 1, is amended to read:

85.19 Subdivision 1. **Requirements.** (a) In every lease or license of residential premises, the  
85.20 landlord or licensor covenants:

85.21 (1) that the premises and all common areas are fit for the use intended by the parties;

85.22 (2) to keep the premises in reasonable repair during the term of the lease or license,  
85.23 except when the disrepair has been caused by the willful, malicious, or irresponsible conduct  
85.24 of the tenant or licensee or a person under the direction or control of the tenant or licensee;

85.25 (3) to make the premises reasonably energy efficient by installing weatherstripping,  
85.26 caulking, storm windows, and storm doors when any such measure will result in energy  
85.27 procurement cost savings, based on current and projected average residential energy costs  
85.28 in Minnesota, that will exceed the cost of implementing that measure, including interest,  
85.29 amortized over the ten-year period following the incurring of the cost; ~~and~~

85.30 (4) to maintain the premises in compliance with the applicable health and safety laws  
85.31 of the state, and of the local units of government where the premises are located during the  
86.1 term of the lease or license, except when violation of the health and safety laws has been  
86.2 caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a  
86.3 person under the direction or control of the tenant or licensee.; and

86.4 (5) to supply or furnish heat at a minimum temperature of at least 68 degrees Fahrenheit,  
86.5 measured at a distance of 36 inches above floor level, and not closer than 36 inches from  
86.6 any wall, from October 1 through April 30.

86.7 (b) The parties to a lease or license of residential premises may not waive or modify the  
86.8 covenants imposed by this section.

86.9 Sec. 9. Minnesota Statutes 2020, section 504B.211, subdivision 2, is amended to read:

86.10 Subd. 2. **Entry by landlord.** Except as provided in subdivision 4, a landlord may enter  
86.11 the premises rented by a residential tenant without the residential tenant's permission only  
86.12 for a reasonable business purpose and after making a good faith effort to give the residential  
86.13 tenant reasonable notice under the circumstances of not less than 24 hours in advance of  
86.14 the intent to enter. The notice must specify a time of entry that does not exceed four hours  
86.15 and the landlord may only enter between the hours of 8:00 a.m. and 8:00 p.m. A tenant may  
86.16 withdraw the tenant's permission at any time. A residential tenant may not waive and the  
86.17 landlord may not require the residential tenant to waive the residential tenant's right to prior  
86.18 notice of entry under this section as a condition of entering into or maintaining the lease.

86.19 Sec. 10. Minnesota Statutes 2020, section 504B.211, subdivision 6, is amended to read:

86.20 Subd. 6. **Penalty.** If a landlord ~~substantially violates subdivision 2~~ this section, the  
86.21 residential tenant is entitled to a penalty which may include a rent reduction up to full  
86.22 rescission of the lease, recovery of any damage deposit less any amount retained under  
86.23 section 504B.178, and ~~up to a \$100 civil penalty for each violation. If a landlord violates~~  
86.24 ~~subdivision 5, the residential tenant is entitled to up to a \$100 civil penalty for each violation~~  
86.25 damages not less than an amount equal to one month's rent and reasonable attorney fees. A  
86.26 residential tenant shall may follow the procedures in sections 504B.381, 504B.385, and  
86.27 504B.395 to 504B.471 to enforce the provisions of this section. A violation of this section  
86.28 by the landlord is a violation of section 504B.161.

86.29 **EFFECTIVE DATE.** This section applies to matters commenced on or after August  
86.30 1, 2022.

87.1 Sec. 11. **[504B.266] TERMINATION OF LEASE UPON INFIRMITY OF TENANT.**

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

87.4 (b) "Authorized representative" means a person acting as an attorney-in-fact under a  
87.5 power of attorney under section 523.24 or a court-appointed conservator or guardian under  
87.6 chapter 524.

87.7 (c) "Disability" means any condition or characteristic that is a physical, sensory, or  
87.8 mental impairment that materially limits one or more major life activity.

87.9 (d) "Medical care facility" means:

- 87.10 (1) a nursing home, as defined in section 144A.01, subdivision 5;
- 87.11 (2) hospice care, as defined in section 144A.75, subdivision 8;
- 87.12 (3) a residential hospice facility, as defined in section 144A.75, subdivision 13;
- 87.13 (4) a boarding care home, as licensed under chapter 144 and regulated by the Department  
87.14 of Health under Minnesota Rules, chapter 4655;
- 87.15 (5) a supervised living facility, as licensed under chapter 144;
- 87.16 (6) a facility providing assisted living, as defined in section 144G.08, subdivision 7;
- 87.17 (7) an accessible unit, as defined in section 363A.40, subdivision 1, paragraph (b);
- 87.18 (8) a state facility, as defined in section 246.50, subdivision 3;
- 87.19 (9) a facility providing a foster care for adults program, as defined in section 245A.02,  
87.20 subdivision 6c; or
- 87.21 (10) a facility providing intensive residential treatment services, as defined in section  
87.22 245I.23.
- 87.23 (c) "Medical professional" means:
- 87.24 (1) a physician who is currently licensed to practice medicine under section 147.02,  
87.25 subdivision 1;
- 87.26 (2) an advanced practice registered nurse, as defined in section 148.171, subdivision 3;  
87.27 or
- 87.28 (3) a mental health professional, as defined in section 245I.04, subdivision 2.
- 87.29 Subd. 2. **Termination of lease upon infirmity of tenant.** (a) A tenant or the authorized  
87.30 representative of the tenant may terminate the lease before the expiration of the lease in the  
88.1 manner provided in subdivision 3 if the tenant has, or if there is more than one tenant, all  
88.2 the tenants have, been found by a medical professional to need to move into a medical care  
88.3 facility and:
- 88.4 (1) require assistance with instrumental activities of daily living or personal activities  
88.5 of daily living due to medical reasons or a disability;
- 88.6 (2) meet one of the nursing facility level of care criteria under section 144.0724,  
88.7 subdivision 11; or
- 88.8 (3) have a disability or functional impairment in three or more of the areas listed in  
88.9 section 245.462, subdivision 11a, so that self-sufficiency is markedly reduced because of  
88.10 a mental illness.
- 88.11 (b) If a tenant requires an accessible unit as defined in section 363A.40, subdivision 1,  
88.12 and the landlord can provide an accessible unit in the same complex where the tenant

88.13 currently resides that is available within two months of the request, then the provisions of  
88.14 this section do not apply and the tenant may not terminate the lease.

88.15 Subd. 3. **Notice.** If the conditions in subdivision 2 have been met, the tenant or the  
88.16 tenant's authorized representative may terminate the lease by providing at least two months'  
88.17 written notice to be effective on the last day of a calendar month. The notice must be either  
88.18 hand delivered or mailed by postage prepaid, first class United States mail. The notice must  
88.19 include: (1) a copy of the medical professional's written documentation of the infirmity;  
88.20 and (2) documentation showing that the tenant has been accepted as a resident or has a  
88.21 pending application at a location where the medical professional has indicated that the tenant  
88.22 needs to move. The termination of a lease under this section shall not relieve the eligible  
88.23 tenant from liability either for the payment of rent or other sums owed prior to or during  
88.24 the notice period, or for the payment of amounts necessary to restore the premises to the  
88.25 condition at the beginning of the tenancy, ordinary wear and tear excepted.

88.26 Subd. 4. **Waiver prohibited.** Any waiver of the rights of termination provided by this  
88.27 section, including lease provisions or other agreements that require a longer notice period  
88.28 than those provided for in this section, shall be void and unenforceable.

88.29 Subd. 5. **Other laws.** Nothing in this section affects the rights or remedies available in  
88.30 this chapter or other law, including but not limited to chapter 363A.

88.31 **EFFECTIVE DATE.** This section is effective January 1, 2023, and applies to leases  
88.32 entered into or renewed on or after January 1, 2023. For purposes of this section, estates at  
88.33 will shall be deemed to be renewed at the beginning of each rental period.

89.1 Sec. 12. Minnesota Statutes 2020, section 504B.291, is amended to read:

89.2 **504B.291 EVICTION ACTION FOR NONPAYMENT; REDEMPTION; OTHER**  
89.3 **RIGHTS.**

89.4 Subdivision 1. **Action to recover.** (a) Subject to subdivision 1a, a landlord may bring  
89.5 an eviction action for nonpayment of rent irrespective of whether the lease contains a right  
89.6 of reentry clause. Such an eviction action is equivalent to a demand for the rent. There is a  
89.7 rebuttable presumption that the rent has been paid if the tenant produces a copy or copies  
89.8 of one or more money orders or produces one or more original receipt stubs evidencing the  
89.9 purchase of a money order, if the documents: (i) total the amount of the rent; (ii) include a  
89.10 date or dates approximately corresponding with the date rent was due; and (iii) in the case  
89.11 of copies of money orders, are made payable to the landlord. This presumption is rebutted  
89.12 if the landlord produces a business record that shows that the tenant has not paid the rent.  
89.13 The landlord is not precluded from introducing other evidence that rebuts this presumption.  
89.14 In such an action, unless the landlord has also sought to evict the tenant by alleging a material  
89.15 violation of the lease under section 504B.285, subdivision 5, the tenant may, at any time  
89.16 before possession has been delivered, redeem the tenancy and be restored to possession by  
89.17 paying to the landlord or bringing to court the amount of the rent that is in arrears, with

89.18 interest, costs of the action, and an attorney's fee not to exceed \$5, and by performing any  
89.19 other covenants of the lease.

89.20 (b) If the tenant has paid to the landlord or brought into court the amount of rent in  
89.21 arrears but is unable to pay the interest, costs of the action, and attorney's fees required by  
89.22 paragraph (a), the court may permit the tenant to pay these amounts into court and be restored  
89.23 to possession within the same period of time, if any, for which the court stays the issuance  
89.24 of the order to vacate under section 504B.345.

89.25 (c) Prior to or after commencement of an action to recover possession for nonpayment  
89.26 of rent, the parties may agree only in writing that partial payment of rent in arrears which  
89.27 is accepted by the landlord prior to issuance of the order granting restitution of the premises  
89.28 pursuant to section 504B.345 may be applied to the balance due and does not waive the  
89.29 landlord's action to recover possession of the premises for nonpayment of rent.

89.30 (d) Rental payments under this subdivision must first be applied to rent claimed as due  
89.31 in the complaint from prior rental periods before applying any payment toward rent claimed  
89.32 in the complaint for the current rental period, unless the court finds that under the  
89.33 circumstances the claim for rent from prior rental periods has been waived.

90.1 Subd. 1a. **Eviction prohibited pending rental assistance application determination.** A  
90.2 landlord may not bring an eviction action for the nonpayment of rent against a tenant, or  
90.3 proceed with an eviction action for nonpayment of rent if one has already been filed, if the  
90.4 tenant demonstrates the tenant has a pending application for rental assistance with a federal  
90.5 agency, state agency, local unit of government, or nonprofit corporation incorporated under  
90.6 chapter 317A. A landlord may bring an eviction action or proceed on a previously filed  
90.7 eviction action if the tenant has been denied rental assistance, or within 45 days of notice  
90.8 by the tenant of a pending application for rental assistance, whichever comes first. A landlord  
90.9 who is notified that rental assistance for the tenant has been approved shall not file or proceed  
90.10 with an eviction action for 15 business days pending distribution of the funds awarded. For  
90.11 purposes of this section, "rental assistance" means funds distributed to provide direct  
90.12 assistance for the payment of rent:

90.13 (1) under chapters 256D, 256I, and 256J;

90.14 (2) under sections 116L.17, 245.99, 256.484, 256K.45, 462A.204, 462C.16, and 477A.30;

90.15 (3) distributed by or through a county or municipal government;

90.16 (4) provided by a federal agency to be administered and distributed by the state or local  
90.17 government; or

90.18 (5) distributed by a nonprofit that has been funded by the federal, state, or local  
90.19 government when the funding was provided for the purpose of providing rental assistance.

90.20 Subd. 2. **Lease greater than 20 years.** (a) If the lease under which an action is brought  
90.21 under subdivision 1 is for a term of more than 20 years, the action may not begin until the  
90.22 landlord serves a written notice on the tenant and on all creditors with legal or equitable

90.23 recorded liens on the property. The notice must state: (1) the lease will be canceled unless  
90.24 the amounts, agreements, and legal obligations in default are paid or performed within 30  
90.25 days, or a longer specified period; and (2) if the amounts, agreements, and legal obligations  
90.26 are not paid or performed within that period, then the landlord may evict the tenant at the  
90.27 expiration of the period.

90.28 (b) If the lease provides that the landlord must give more than the 30 days' notice provided  
90.29 in paragraph (a), then notice must be the same as that provided in the lease.

90.30 (c) The tenant may be restored to possession of the property under the terms of the  
90.31 original lease if, before the expiration of six months after the landlord obtains possession  
90.32 due to the tenant's abandonment or surrender of the property or the landlord prevails in the  
90.33 action, the tenant or a creditor holding a legal or equitable lien on the property: (1) pays to  
91.1 the landlord or brings into court the amount of rent then in arrears, with interest and the  
91.2 costs of the action; and (2) performs the other agreements or legal obligations that are in  
91.3 default.

91.4 Subd. 3. **Recording of eviction or ejectment actions.** Upon recovery of possession by  
91.5 the landlord in the action, a certified copy of the judgment shall, upon presentation, be  
91.6 recorded in the office of the county recorder of the county where the land is situated if  
91.7 unregistered land or in the office of the registrar of titles of the county if registered land and  
91.8 upon recovery of possession by the landlord by abandonment or surrender by the tenant an  
91.9 affidavit by the landlord or the landlord's attorney setting forth the fact shall be recorded in  
91.10 a like manner and the recorded certified copy of the judgment or the recorded affidavit shall  
91.11 be prima facie evidence of the facts stated therein in reference to the recovery of possession  
91.12 by the landlord.

91.13 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
91.14 applies to evictions filed on or after that date and evictions pending but not yet adjudicated  
91.15 on the date of final enactment.

91.16 Sec. 13. Minnesota Statutes 2020, section 504B.321, is amended to read:

91.17 **504B.321 COMPLAINT AND SUMMONS.**

91.18 Subdivision 1. **Procedure.** (a) To bring an eviction action, the person complaining shall  
91.19 file a complaint with the court, stating the full name and date of birth of the person against  
91.20 whom the complaint is made, unless it is not known, describing the premises of which  
91.21 possession is claimed, stating the facts which authorize the recovery of possession, and  
91.22 asking for recovery thereof.

91.23 (b) The lack of the full name and date of birth of the person against whom the complaint  
91.24 is made does not deprive the court of jurisdiction or make the complaint invalid.

91.25 (c) The court shall issue a summons, commanding the person against whom the complaint  
91.26 is made to appear before the court on a day and at a place stated in the summons.

91.27 (d) The appearance shall be not less than seven nor more than 14 days from the day of  
91.28 issuing the summons, except as provided by subdivision 2.

91.29 (e) A copy of the complaint shall be attached to the summons, which shall state that the  
91.30 copy is attached and that the original has been filed.

91.31 (f) If applicable, the person filing a complaint must attach a copy of the written notice  
91.32 described in subdivision 1a. The court shall dismiss an action without prejudice for failure  
92.1 to provide a notice as described in subdivision 1a and grant an expungement of the eviction  
92.2 case court file.

92.3 Subd. 1a. **Written notice.** (a) Before bringing an eviction action alleging nonpayment  
92.4 of rent, a landlord must provide written notice to the residential tenant specifying the basis  
92.5 for a future eviction action.

92.6 (b) For an allegation of nonpayment of rent or other unpaid financial obligations in  
92.7 violation of the lease, the landlord must include the following in a written notice:

92.8 (1) the total amount due;

92.9 (2) a specific accounting of the amount of the total due that is comprised of unpaid rents,  
92.10 late fees, or other charges under the lease; and

92.11 (3) the name and address of the person authorized to receive rent and fees on behalf of  
92.12 the landlord.

92.13 (c) A notice provided under this section must:

92.14 (1) provide a disclaimer that a low-income tenant may be eligible for financial assistance  
92.15 from the county;

92.16 (2) provide a description on how to access legal and financial assistance through the  
92.17 "Law Help" website at [www.lawhelpmn.org](http://www.lawhelpmn.org) and "Minnesota 211" through its website  
92.18 [www.211unitedway.org](http://www.211unitedway.org) or by calling 211; and

92.19 (3) state that the landlord may bring an eviction action following expiration of the 14-day  
92.20 notice period if the tenant fails to pay the total amount due or fails to vacate.

92.21 (d) The landlord or an agent of the landlord must deliver the notice personally or by first  
92.22 class mail to the residential tenant at the address of the leased premises.

92.23 (e) If the tenant fails to correct the rent delinquency within 14 days of the delivery or  
92.24 mailing of the notice or fails to vacate, the landlord may bring an eviction action under  
92.25 subdivision 1 based on the nonpayment of rent.

92.26 (f) Receipt of a notice under this section is an emergency situation under section 256D.06,  
92.27 subdivision 2, and Minnesota Rules, chapter 9500. For purposes of chapter 256J and  
92.28 Minnesota Rules, chapter 9500, a county agency verifies an emergency situation by receiving

92.29 and reviewing a notice under this section. If a residential tenant applies for financial  
92.30 assistance from the county, the landlord must cooperate with the application process by:

92.31 (1) supplying all information and documentation requested by the tenant or the county;  
92.32 and

93.1 (2) accepting or placing into escrow partial rent payments where necessary to establish  
93.2 a tenant's eligibility for assistance.

93.3 Subd. 2. **Expedited procedure.** (a) In an eviction action brought under section 504B.171  
93.4 or on the basis that the residential tenant is causing a nuisance or other illegal behavior that  
93.5 seriously endangers the safety of other residents, their property, or the landlord's property,  
93.6 the person filing the complaint shall file an affidavit stating specific facts and instances in  
93.7 support of why an expedited hearing is required.

93.8 (b) The complaint and affidavit shall be reviewed by a referee or judge and scheduled  
93.9 for an expedited hearing only if sufficient supporting facts are stated and they meet the  
93.10 requirements of this paragraph.

93.11 (c) The appearance in an expedited hearing shall be not less than five days nor more  
93.12 than seven days from the date the summons is issued. The summons, in an expedited hearing,  
93.13 shall be served upon the residential tenant within 24 hours of issuance unless the court  
93.14 orders otherwise for good cause shown.

93.15 (d) If the court determines that the person seeking an expedited hearing did so without  
93.16 sufficient basis under the requirements of this subdivision, the court shall impose a civil  
93.17 penalty of up to \$500 for abuse of the expedited hearing process.

93.18 Subd. 3. **Nonpublic record.** An eviction action is not accessible to the public until the  
93.19 court enters a final judgment.

93.20 Sec. 14. Minnesota Statutes 2020, section 504B.375, subdivision 1, is amended to read:

93.21 Subdivision 1. **Unlawful exclusion or removal.** (a) This section applies to actual or  
93.22 constructive removal or exclusion of a residential tenant which may include the termination  
93.23 of utilities or the removal of doors, windows, or locks. A residential tenant to whom this  
93.24 section applies may recover possession of the premises as described in paragraphs (b) to  
93.25 (e).

93.26 (b) The residential tenant shall present a verified petition to the district court of the  
93.27 judicial district of the county in which the premises are located that:

93.28 (1) describes the premises and the landlord;

93.29 (2) specifically states the facts and grounds that demonstrate that the exclusion or removal  
93.30 was unlawful, including a statement that no writ of recovery of the premises and order to  
93.31 vacate has been issued under section 504B.345 in favor of the landlord and against the  
93.32 residential tenant and executed in accordance with section 504B.365; and

94.1 (3) asks for possession.

94.2 (c) If it clearly appears from the specific grounds and facts stated in the verified petition  
94.3 or by separate affidavit of the residential tenant or the residential tenant's attorney or agent  
94.4 that the exclusion or removal was unlawful, the court shall immediately order that the  
94.5 residential tenant have possession of the premises.

94.6 (d) The residential tenant shall furnish security, if any, that the court finds is appropriate  
94.7 under the circumstances for payment of all costs and damages the landlord may sustain if  
94.8 the order is subsequently found to have been obtained wrongfully. In determining the  
94.9 appropriateness of security, the court shall consider the residential tenant's ability to afford  
94.10 monetary security.

94.11 (e) The court shall direct the order to the sheriff of the county in which the premises are  
94.12 located and the sheriff shall execute the order immediately by making a demand for  
94.13 possession on the landlord, if found, or the landlord's agent or other person in charge of the  
94.14 premises. If the landlord fails to comply with the demand, the officer shall take whatever  
94.15 assistance may be necessary and immediately place the residential tenant in possession of  
94.16 the premises. If the landlord, the landlord's agent, or other person in control of the premises  
94.17 cannot be found and if there is no person in charge, the officer shall immediately enter into  
94.18 and place the residential tenant in possession of the premises. The officer shall also serve  
94.19 the order and verified petition or affidavit immediately upon the landlord or agent, in the  
94.20 same manner as a summons is required to be served in a civil action in district court.

94.21 (f) The court administrator may charge a filing fee in the amount set for complaints and  
94.22 counterclaims in conciliation court, subject to the filing of an inability to pay affidavit.

94.23 Sec. 15. Minnesota Statutes 2020, section 504B.381, subdivision 1, is amended to read:

94.24 Subdivision 1. **Petition.** A person authorized to bring an action under section 504B.395,  
94.25 subdivision 1, may petition the court for relief ~~in cases of emergency involving the loss of~~  
94.26 ~~running water, hot water, heat, electricity, sanitary facilities, or other essential services or~~  
94.27 ~~facilities that the landlord is responsible for providing.:~~

94.28 (1) when a unit of government has issued a condemnation order or a notice of intent to  
94.29 condemn; or

94.30 (2) in cases of emergency involving the following services and facilities when the landlord  
94.31 is responsible for providing them:

94.32 (i) a serious infestation;

95.1 (ii) the loss of running water;

95.2 (iii) the loss of hot water;

95.3 (iv) the loss of heat;

95.4 (v) the loss of electricity;

95.5 (vi) the loss of sanitary facilities;

95.6 (vii) a nonfunctioning refrigerator;

95.7 (viii) if included in the lease, a nonfunctioning air conditioner;

95.8 (iv) if included in the lease, no functioning elevator;

95.9 (x) any conditions, services, or facilities that pose a serious and negative impact on  
95.10 health or safety; or

95.11 (xi) other essential services or facilities.

95.12 Sec. 16. Minnesota Statutes 2020, section 504B.381, subdivision 5, is amended to read:

95.13 Subd. 5. **Relief; service of petition and order.** Provided proof that the petitioner has  
95.14 given the notice required in subdivision 4 to the landlord, if the court finds based on the  
95.15 petitioner's emergency ex parte motion for relief, affidavit, and other evidence presented  
95.16 that the landlord violated subdivision 1, then the court shall order that the landlord  
95.17 immediately begin to remedy the violation and may order relief as provided in section  
95.18 504B.425. The court and petitioner shall serve the petition and order on the landlord  
95.19 personally or by mail as soon as practicable. The court shall include notice of a hearing and,  
95.20 at the hearing, shall consider evidence of alleged violations, defenses, compliance with the  
95.21 order, and any additional relief available under section 504B.425. The court and petitioner  
95.22 shall serve the notice of hearing on the ex parte petition and emergency order personally or  
95.23 by mail as soon as practicable.

95.24 Sec. 17. Minnesota Statutes 2020, section 504B.381, is amended by adding a subdivision  
95.25 to read:

95.26 Subd. 8. **Filing fee.** The court administrator may charge a filing fee in the amount set  
95.27 for complaints and counterclaims in conciliation court, subject to the filing of an inability  
95.28 to pay affidavit.