

137.10

ARTICLE 13

137.11

HOUSING POLICY

137.12 Section 1. Minnesota Statutes 2022, section 15.082, is amended to read:

137.13 **15.082 OBLIGATIONS OF PUBLIC CORPORATIONS.**

137.14 Notwithstanding any other law, the state is not liable for obligations of a public
137.15 corporation created by statute. Upon dissolution of the public corporation, its wholly owned
137.16 assets become state property. Partially owned assets become state property to the extent
137.17 that state money was used to acquire them.

137.18 This section does not apply to a public corporation governed by chapter 119 or section
137.19 469.0121.

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

203.1

ARTICLE 12

203.2

HOUSING POLICY

203.3 Section 1. **[325E.68] PROPERTY MANAGEMENT.**

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

203.5 (b) "Person" means an individual, firm, partnership, limited liability company,
203.6 corporation, or association.

203.7 (c) "Property manager" or "property management company" means a person who engages
203.8 in the business of managing real property that is owned by another person.

203.9 (d) "Owner" means a person who has any legal or equitable interest in the real property.
203.10 An owner of a common interest community, as defined in chapter 515B, means the unit
203.11 owners' association organized under section 515B.3-101.

203.12 Subd. 2. **Interest of property management company in certain firms.** No property
203.13 manager or property management company having an interest directly or indirectly in a
203.14 construction firm, salvage firm, or appraisal firm may hire the directly or indirectly owned
203.15 construction firm, salvage firm, or appraisal firm to perform work on a managed property
203.16 unless the interest has been disclosed in writing to the owner or owners at least three days
203.17 prior to the execution of a contract for the work. "Firm" includes a corporation, partnership,
203.18 association, or individual firm.

203.19 Subd. 3. **Prohibited practices.** No property manager or property management company
203.20 shall request or accept money, rebates, or anything of value from a construction firm, salvage
203.21 firm, or appraisal firm as:

203.22 (1) an inducement to refer business or clients to the firm;

203.23 (2) a condition for awarding a contract to the firm;

- 203.24 (3) part of a fee specified in a contract; or
- 203.25 (4) fee splitting for services rendered, unless the other person is also a licensed contractor.
- 203.26 Subd. 4. **Automatic renewal.** A contract between a person and a property manager or
 203.27 property management company having a term exceeding one year must not contain an
 203.28 automatic renewal provision that requires the association to give notice of nonrenewal more
 203.29 than 30 days prior to the contract's anniversary date. Any contract with a property manager
 203.30 or property management company that is automatically renewed shall be terminable by the
 203.31 person for any reason upon 60 days' notice.
- 204.1 Subd. 5. **Certain compensation prohibited.** A property manager or property management
 204.2 company must not be compensated in whole or in part based on the amount of fines collected
 204.3 by the property manager or property management company on behalf of the person and
 204.4 shall not collect from the person or owner any fee in connection with its collection of a fine
 204.5 imposed by the association.
- 204.6 Subd. 6. **Remedies.** If a property manager or property management company violates
 204.7 this section, an owner may bring an action against the property manager or property
 204.8 management company in a court of competent jurisdiction for damages sustained by the
 204.9 owner as a consequence of the property manager's or property management company's
 204.10 violation, together with the actual costs of the action, including reasonable attorney fees.
 204.11 The remedies in this section are in addition to any other remedies permitted by law.
- 204.12 Sec. 2. **[462.3576] LIMITATION ON AESTHETIC MANDATES FOR CITIES.**
- 204.13 A home rule charter or statutory city must not condition approval of a residential building
 204.14 permit, subdivision development, or planned unit development on the use of one or more
 204.15 of the following:
- 204.16 (1) specific materials for aesthetic reasons for property used for a residential purpose as
 204.17 defined by the State Building Code;
- 204.18 (2) residential building or accessory structure to a residential building minimum square
 204.19 footage or floor area ratios;
- 204.20 (3) architectural design elements including, but not limited to, decks, balconies, porches,
 204.21 gables, roof pitch, and elevation design standards;
- 204.22 (4) garage square footage; or
- 204.23 (5) common space, pools, or any common property necessitating a homeowner's
 204.24 association.
- 204.25 **EFFECTIVE DATE.** This section is effective July 1, 2024.

137.21 Sec. 2. Minnesota Statutes 2022, section 462A.02, subdivision 10, is amended to read:

137.22 Subd. 10. **Energy conservation decarbonization and climate resilience.** It is further
 137.23 declared that supplies of conventional energy resources are rapidly depleting in quantity
 137.24 and rising in price and that the burden of these occurrences falls heavily upon the citizens
 137.25 of Minnesota generally and persons of low and moderate income in particular. These
 137.26 conditions are adverse to the health, welfare, and safety of all of the citizens of this state.
 137.27 It is further declared that it is a public purpose to ensure the availability of financing to be
 137.28 used by all citizens of the state, while giving preference to low and moderate income people,
 137.29 to assist in the installation in their dwellings of reasonably priced energy conserving systems
 137.30 including the use of alternative energy resources and equipment so that by the improvement
 137.31 of the energy efficiency of, clean energy, greenhouse gas emissions reduction, climate
 138.1 resiliency, and other qualified projects for all housing, the adequacy of the total energy
 138.2 supply may be preserved for the benefit of all citizens.

138.3 Sec. 3. Minnesota Statutes 2022, section 462A.03, is amended by adding a subdivision to
 138.4 read:

138.5 Subd. 2a. **Distressed building.** "Distressed building" means an existing rental housing
 138.6 building:

138.7 (1) in which the units are restricted to households at or below 60 percent of the area
 138.8 median income; and

138.9 (2) that:

138.10 (i) is in foreclosure proceedings;

138.11 (ii) has two or more years of negative net operating income;

138.12 (iii) has two or more years with a debt service coverage ratio less than one; or

138.13 (iv) has necessary costs of repair, replacement, or maintenance that exceed the project
 138.14 reserves available for those purposes.

138.15 Sec. 4. Minnesota Statutes 2022, section 462A.03, is amended by adding a subdivision to
 138.16 read:

138.17 Subd. 6a. **Recapitalization.** "Recapitalization" means financing for the physical and
 138.18 financial needs of a distressed building, including restructuring and forgiveness of amortizing
 138.19 and deferred debt, principal and interest paydown, interest rate write-down, deferral of debt
 138.20 payments, mortgage payment forbearance, deferred maintenance, security services, property
 138.21 insurance, reasonably necessary capital improvements, funding of reserves for supportive
 138.22 services, and property operations. Recapitalization may include reimbursement to a nonprofit
 138.23 sponsor or owner for expenditures that would have otherwise qualified for recapitalization.

204.26 Sec. 3. Minnesota Statutes 2022, section 462A.02, subdivision 10, is amended to read:

204.27 Subd. 10. **Energy conservation decarbonization and climate resilience.** It is further
 204.28 declared that supplies of conventional energy resources are rapidly depleting in quantity
 204.29 and rising in price and that the burden of these occurrences falls heavily upon the citizens
 204.30 of Minnesota generally and persons of low and moderate income in particular. These
 204.31 conditions are adverse to the health, welfare, and safety of all of the citizens of this state.
 205.1 It is further declared that it is a public purpose to ensure the availability of financing to be
 205.2 used by all citizens of the state, while giving preference to low and moderate income people,
 205.3 to assist in the installation in their dwellings of reasonably priced energy conserving systems
 205.4 including the use of alternative energy resources and equipment so that by the improvement
 205.5 of the energy efficiency of, clean energy, greenhouse gas emissions reduction, climate
 205.6 resiliency, and other qualified projects for all housing, the adequacy of the total energy
 205.7 supply may be preserved for the benefit of all citizens.

138.24 Sec. 5. Minnesota Statutes 2022, section 462A.05, subdivision 3b, is amended to read:

138.25 Subd. 3b. **Refinancing mortgages.** The agency may make loans for recapitalization or
138.26 to refinance the existing indebtedness, of owners of rental property, secured by federally
138.27 assisted housing for the purpose of obtaining agreement of the owner to participate in the
138.28 federally assisted rental housing program and to extend any existing low-income affordability
138.29 restrictions on the housing for the maximum term permitted. For purposes of this subdivision,
138.30 "federally assisted rental housing" includes housing that is:

139.1 (1) subject to a project-based housing or rental assistance payment contract funded by
139.2 the federal government;

139.3 (2) financed by the Rural Housing Service of the United States Department of Agriculture
139.4 under section 515 of the Housing Act of 1949, as amended; or

139.5 (3) financed under section 236; section 221(d)(3) below market interest rate program;
139.6 section 202; or section 811 of the Housing and Urban Development Act of 1968, as amended.

139.7 Sec. 6. Minnesota Statutes 2023 Supplement, section 462A.05, subdivision 14, is amended
139.8 to read:

139.9 Subd. 14. **Rehabilitation loans.** It may agree to purchase, make, or otherwise participate
139.10 in the making, and may enter into commitments for the purchase, making, or participation
139.11 in the making, of eligible loans for rehabilitation, with terms and conditions as the agency
139.12 deems advisable, to persons and families of low and moderate income, and to owners of
139.13 existing residential housing for occupancy by such persons and families, for the rehabilitation
139.14 of existing residential housing owned by them. Rehabilitation may include the addition or
139.15 rehabilitation of a detached accessory dwelling unit. The loans may be insured or uninsured
139.16 and may be made with security, or may be unsecured, as the agency deems advisable. The
139.17 loans may be in addition to or in combination with long-term eligible mortgage loans under
139.18 subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness
139.19 secured by the property, if refinancing is determined by the agency to be necessary to permit
139.20 the owner to meet the owner's housing cost without expending an unreasonable portion of
139.21 the owner's income thereon. No loan for rehabilitation shall be made unless the agency
139.22 determines that the loan will be used primarily to make the housing more desirable to live
139.23 in, to increase the market value of the housing, for compliance with state, county or municipal
139.24 building, housing maintenance, fire, health or similar codes and standards applicable to
139.25 housing, or to accomplish energy conservation-related improvements, decarbonization,
139.26 climate resiliency, and other qualified projects. In unincorporated areas and municipalities
139.27 not having codes and standards, the agency may, solely for the purpose of administering
139.28 the provisions of this chapter, establish codes and standards. No loan under this subdivision
139.29 for the rehabilitation of owner-occupied housing shall be denied solely because the loan
139.30 will not be used for placing the owner-occupied residential housing in full compliance with
139.31 all state, county, or municipal building, housing maintenance, fire, health, or similar codes
139.32 and standards applicable to housing. Rehabilitation loans shall be made only when the
139.33 agency determines that financing is not otherwise available, in whole or in part, from private

205.8 Sec. 4. Minnesota Statutes 2023 Supplement, section 462A.05, subdivision 14, is amended
205.9 to read:

205.10 Subd. 14. **Rehabilitation loans.** It may agree to purchase, make, or otherwise participate
205.11 in the making, and may enter into commitments for the purchase, making, or participation
205.12 in the making, of eligible loans for rehabilitation, with terms and conditions as the agency
205.13 deems advisable, to persons and families of low and moderate income, and to owners of
205.14 existing residential housing for occupancy by such persons and families, for the rehabilitation
205.15 of existing residential housing owned by them. Rehabilitation may include the addition or
205.16 rehabilitation of a detached accessory dwelling unit. The loans may be insured or uninsured
205.17 and may be made with security, or may be unsecured, as the agency deems advisable. The
205.18 loans may be in addition to or in combination with long-term eligible mortgage loans under
205.19 subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness
205.20 secured by the property, if refinancing is determined by the agency to be necessary to permit
205.21 the owner to meet the owner's housing cost without expending an unreasonable portion of
205.22 the owner's income thereon. No loan for rehabilitation shall be made unless the agency
205.23 determines that the loan will be used primarily to make the housing more desirable to live
205.24 in, to increase the market value of the housing, for compliance with state, county or municipal
205.25 building, housing maintenance, fire, health or similar codes and standards applicable to
205.26 housing, or to accomplish energy conservation-related improvements, decarbonization,
205.27 climate resiliency, and other qualified projects. In unincorporated areas and municipalities
205.28 not having codes and standards, the agency may, solely for the purpose of administering
205.29 the provisions of this chapter, establish codes and standards. No loan under this subdivision
205.30 for the rehabilitation of owner-occupied housing shall be denied solely because the loan
205.31 will not be used for placing the owner-occupied residential housing in full compliance with
205.32 all state, county, or municipal building, housing maintenance, fire, health, or similar codes
205.33 and standards applicable to housing. Rehabilitation loans shall be made only when the
205.34 agency determines that financing is not otherwise available, in whole or in part, from private

139.34 lenders upon equivalent terms and conditions. Accessibility rehabilitation loans authorized
 140.1 under this subdivision may be made to eligible persons and families without limitations
 140.2 relating to the maximum incomes of the borrowers if:

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

140.6 (2) home care is appropriate; and

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

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

140.12 Sec. 7. Minnesota Statutes 2022, section 462A.05, subdivision 14a, is amended to read:

140.13 Subd. 14a. **Rehabilitation loans; existing owner-occupied residential housing.** It may
 140.14 make loans to persons and families of low and moderate income to rehabilitate or to assist
 140.15 in rehabilitating existing residential housing owned and occupied by those persons or
 140.16 families. Rehabilitation may include replacement of manufactured homes. No loan shall be
 140.17 made unless the agency determines that the loan will be used primarily for rehabilitation
 140.18 work necessary for health or safety, essential accessibility improvements, or to improve the
 140.19 energy efficiency ~~of~~, clean energy, greenhouse gas emissions reductions, climate resiliency,
 140.20 and other qualified projects in the dwelling. No loan for rehabilitation of owner-occupied
 140.21 residential housing shall be denied solely because the loan will not be used for placing the
 140.22 residential housing in full compliance with all state, county or municipal building, housing
 140.23 maintenance, fire, health or similar codes and standards applicable to housing. The amount
 140.24 of any loan shall not exceed the lesser of (a) a maximum loan amount determined under
 140.25 rules adopted by the agency not to exceed \$37,500, or (b) the actual cost of the work
 140.26 performed, or (c) that portion of the cost of rehabilitation which the agency determines
 140.27 cannot otherwise be paid by the person or family without the expenditure of an unreasonable
 140.28 portion of the income of the person or family. Loans made in whole or in part with federal
 140.29 funds may exceed the maximum loan amount to the extent necessary to comply with federal
 140.30 lead abatement requirements prescribed by the funding source. In making loans, the agency
 140.31 shall determine the circumstances under which and the terms and conditions under which
 140.32 all or any portion of the loan will be repaid and shall determine the appropriate security for
 140.33 the repayment of the loan. Loans pursuant to this subdivision may be made with or without
 140.34 interest or periodic payments.

141.1 Sec. 8. Minnesota Statutes 2022, section 462A.05, subdivision 14b, is amended to read:

141.2 Subd. 14b. **Energy ~~conservation~~ decarbonization and climate resiliency loans.** It
 141.3 may agree to purchase, make, or otherwise participate in the making, and may enter into
 141.4 commitments for the purchase, making, or participating in the making, of loans to persons

205.35 lenders upon equivalent terms and conditions. Accessibility rehabilitation loans authorized
 206.1 under this subdivision may be made to eligible persons and families without limitations
 206.2 relating to the maximum incomes of the borrowers if:

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

206.6 (2) home care is appropriate; and

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

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

206.12 Sec. 5. Minnesota Statutes 2022, section 462A.05, subdivision 14a, is amended to read:

206.13 Subd. 14a. **Rehabilitation loans; existing owner-occupied residential housing.** It may
 206.14 make loans to persons and families of low and moderate income to rehabilitate or to assist
 206.15 in rehabilitating existing residential housing owned and occupied by those persons or
 206.16 families. Rehabilitation may include replacement of manufactured homes. No loan shall be
 206.17 made unless the agency determines that the loan will be used primarily for rehabilitation
 206.18 work necessary for health or safety, essential accessibility improvements, or to improve the
 206.19 energy efficiency ~~of~~, clean energy, greenhouse gas emissions reductions, climate resiliency,
 206.20 and other qualified projects in the dwelling. No loan for rehabilitation of owner-occupied
 206.21 residential housing shall be denied solely because the loan will not be used for placing the
 206.22 residential housing in full compliance with all state, county or municipal building, housing
 206.23 maintenance, fire, health or similar codes and standards applicable to housing. The amount
 206.24 of any loan shall not exceed the lesser of (a) a maximum loan amount determined under
 206.25 rules adopted by the agency not to exceed \$37,500, or (b) the actual cost of the work
 206.26 performed, or (c) that portion of the cost of rehabilitation which the agency determines
 206.27 cannot otherwise be paid by the person or family without the expenditure of an unreasonable
 206.28 portion of the income of the person or family. Loans made in whole or in part with federal
 206.29 funds may exceed the maximum loan amount to the extent necessary to comply with federal
 206.30 lead abatement requirements prescribed by the funding source. In making loans, the agency
 206.31 shall determine the circumstances under which and the terms and conditions under which
 206.32 all or any portion of the loan will be repaid and shall determine the appropriate security for
 206.33 the repayment of the loan. Loans pursuant to this subdivision may be made with or without
 206.34 interest or periodic payments.

207.1 Sec. 6. Minnesota Statutes 2022, section 462A.05, subdivision 14b, is amended to read:

207.2 Subd. 14b. **Energy ~~conservation~~ decarbonization and climate resiliency loans.** It
 207.3 may agree to purchase, make, or otherwise participate in the making, and may enter into
 207.4 commitments for the purchase, making, or participating in the making, of loans to persons

141.5 and families, without limitations relating to the maximum incomes of the borrowers, to
 141.6 assist in energy ~~conservation-rehabilitation measures~~, decarbonization, climate resiliency,
 141.7 and other qualified projects for existing housing owned by those persons or families
 141.8 including, but not limited to: weatherstripping and caulking; chimney construction or
 141.9 improvement; furnace or space heater repair, cleaning or replacement; central air conditioner
 141.10 installation, repair, maintenance, or replacement; air source or geothermal heat pump
 141.11 installation, repair, maintenance, or replacement; insulation; windows and doors; and
 141.12 structural or other directly related repairs or installations essential for energy conservation
 141.13 decarbonization, climate resiliency, and other qualified projects. Loans shall be made only
 141.14 when the agency determines that financing is not otherwise available, in whole or in part,
 141.15 from private lenders upon equivalent terms and conditions. Loans under this subdivision
 141.16 or subdivision 14 may:

141.17 (1) be integrated with a utility's on-bill repayment program approved under section
 141.18 216B.241, subdivision 5d; and

141.19 (2) also be made for the installation of on-site solar energy or energy storage systems.

141.20 Sec. 9. Minnesota Statutes 2022, section 462A.05, subdivision 15, is amended to read:

141.21 Subd. 15. **Rehabilitation grants.** (a) It may make grants to persons and families of low
 141.22 and moderate income to pay or to assist in paying a loan made pursuant to subdivision 14,
 141.23 or to rehabilitate or to assist in rehabilitating existing residential housing owned or occupied
 141.24 by such persons or families. For the purposes of this section, persons of low and moderate
 141.25 income include administrators appointed pursuant to section 504B.425, paragraph (d). No
 141.26 grant shall be made unless the agency determines that the grant will be used primarily to
 141.27 make the housing more desirable to live in, to increase the market value of the housing or
 141.28 for compliance with state, county or municipal building, housing maintenance, fire, health
 141.29 or similar codes and standards applicable to housing, or to accomplish energy ~~conservation~~
 141.30 related improvements decarbonization, climate resiliency, or other qualified projects. In
 141.31 unincorporated areas and municipalities not having codes and standards, the agency may,
 141.32 solely for the purpose of administering this provision, establish codes and standards. No
 141.33 grant for rehabilitation of owner occupied residential housing shall be denied solely because
 141.34 the grant will not be used for placing the residential housing in full compliance with all
 142.1 state, county or municipal building, housing maintenance, fire, health or similar codes and
 142.2 standards applicable to housing. The amount of any grant shall not exceed the lesser of (a)
 142.3 \$6,000, or (b) the actual cost of the work performed, or (c) that portion of the cost of
 142.4 rehabilitation which the agency determines cannot otherwise be paid by the person or family
 142.5 without spending an unreasonable portion of the income of the person or family thereon.
 142.6 In making grants, the agency shall determine the circumstances under which and the terms
 142.7 and conditions under which all or any portion thereof will be repaid and shall determine the
 142.8 appropriate security should repayment be required.

142.9 (b) The agency may also make grants to rehabilitate or to assist in rehabilitating housing
 142.10 under this subdivision to persons of low and moderate income for the purpose of qualifying
 142.11 as foster parents.

207.5 and families, without limitations relating to the maximum incomes of the borrowers, to
 207.6 assist in energy ~~conservation-rehabilitation measures~~, decarbonization, climate resiliency,
 207.7 and other qualified projects for existing housing owned by those persons or families
 207.8 including, but not limited to: weatherstripping and caulking; chimney construction or
 207.9 improvement; furnace or space heater repair, cleaning or replacement; central air conditioner
 207.10 installation, repair, maintenance, or replacement; air source or geothermal heat pump
 207.11 installation, repair, maintenance, or replacement; insulation; windows and doors; and
 207.12 structural or other directly related repairs or installations essential for energy conservation
 207.13 decarbonization, climate resiliency, and other qualified projects. Loans shall be made only
 207.14 when the agency determines that financing is not otherwise available, in whole or in part,
 207.15 from private lenders upon equivalent terms and conditions. Loans under this subdivision
 207.16 or subdivision 14 may:

207.17 (1) be integrated with a utility's on-bill repayment program approved under section
 207.18 216B.241, subdivision 5d; and

207.19 (2) also be made for the installation of on-site solar energy or energy storage systems.

207.20 Sec. 7. Minnesota Statutes 2022, section 462A.05, subdivision 15, is amended to read:

207.21 Subd. 15. **Rehabilitation grants.** (a) It may make grants to persons and families of low
 207.22 and moderate income to pay or to assist in paying a loan made pursuant to subdivision 14,
 207.23 or to rehabilitate or to assist in rehabilitating existing residential housing owned or occupied
 207.24 by such persons or families. For the purposes of this section, persons of low and moderate
 207.25 income include administrators appointed pursuant to section 504B.425, paragraph (d). No
 207.26 grant shall be made unless the agency determines that the grant will be used primarily to
 207.27 make the housing more desirable to live in, to increase the market value of the housing or
 207.28 for compliance with state, county or municipal building, housing maintenance, fire, health
 207.29 or similar codes and standards applicable to housing, or to accomplish energy ~~conservation~~
 207.30 related improvements decarbonization, climate resiliency, or other qualified projects. In
 207.31 unincorporated areas and municipalities not having codes and standards, the agency may,
 207.32 solely for the purpose of administering this provision, establish codes and standards. No
 207.33 grant for rehabilitation of owner occupied residential housing shall be denied solely because
 207.34 the grant will not be used for placing the residential housing in full compliance with all
 208.1 state, county or municipal building, housing maintenance, fire, health or similar codes and
 208.2 standards applicable to housing. The amount of any grant shall not exceed the lesser of (a)
 208.3 \$6,000, or (b) the actual cost of the work performed, or (c) that portion of the cost of
 208.4 rehabilitation which the agency determines cannot otherwise be paid by the person or family
 208.5 without spending an unreasonable portion of the income of the person or family thereon.
 208.6 In making grants, the agency shall determine the circumstances under which and the terms
 208.7 and conditions under which all or any portion thereof will be repaid and shall determine the
 208.8 appropriate security should repayment be required.

208.9 (b) The agency may also make grants to rehabilitate or to assist in rehabilitating housing
 208.10 under this subdivision to persons of low and moderate income for the purpose of qualifying
 208.11 as foster parents.

142.12 Sec. 10. Minnesota Statutes 2022, section 462A.05, subdivision 15b, is amended to read:

142.13 Subd. 15b. **Energy ~~conservation~~ decarbonization and climate resiliency grants.** (a)
 142.14 It may make grants to assist in energy ~~conservation-rehabilitation-measures~~ decarbonization,
 142.15 climate resiliency, and other qualified projects for existing owner occupied housing including,
 142.16 but not limited to: insulation, storm windows and doors, furnace or space heater repair,
 142.17 cleaning or replacement, chimney construction or improvement, weatherstripping and
 142.18 caulking, ~~and~~ structural or other directly related repairs, or installations essential for energy
 142.19 ~~conservation~~ decarbonization, climate resiliency, and other qualified projects. The grant to
 142.20 any household shall not exceed \$2,000.

142.21 (b) To be eligible for an emergency energy ~~conservation~~ decarbonization and climate
 142.22 resiliency grant, a household must be certified as eligible to receive emergency residential
 142.23 heating assistance under either the federal or the state program, and either (1) have had a
 142.24 heating cost for the preceding heating season that exceeded 120 percent of the regional
 142.25 average for the preceding heating season for that energy source as determined by the
 142.26 commissioner of employment and economic development, or (2) be eligible to receive a
 142.27 federal energy conservation grant, but be precluded from receiving the grant because of a
 142.28 need for directly related repairs that cannot be paid for under the federal program. The
 142.29 Housing Finance Agency shall make a reasonable effort to determine whether other state
 142.30 or federal loan and grant programs are available and adequate to finance the intended
 142.31 improvements. An emergency energy conservation grant may be made in conjunction with
 142.32 grants or loans from other state or federal programs that finance other needed rehabilitation
 142.33 work. The receipt of a grant pursuant to this section shall not affect the applicant's eligibility
 142.34 for other Housing Finance Agency loan or grant programs.

143.1 Sec. 11. Minnesota Statutes 2022, section 462A.05, subdivision 21, is amended to read:

143.2 Subd. 21. **Rental property loans.** The agency may make or purchase loans to owners
 143.3 of rental property that is occupied or intended for occupancy primarily by low- and
 143.4 moderate-income tenants and which does not comply with the standards established in
 143.5 section 326B.106, subdivision 1, for the purpose of energy ~~improvements~~ decarbonization,
 143.6 climate resiliency, and other qualified projects necessary to bring the property into full or
 143.7 partial compliance with these standards. For property which meets the other requirements
 143.8 of this subdivision, a loan may also be used for moderate rehabilitation of the property. The
 143.9 authority granted in this subdivision is in addition to and not in limitation of any other
 143.10 authority granted to the agency in this chapter. The limitations on eligible mortgagors
 143.11 contained in section 462A.03, subdivision 13, do not apply to loans under this subdivision.
 143.12 Loans for the improvement of rental property pursuant to this subdivision may contain
 143.13 provisions that repayment is not required in whole or in part subject to terms and conditions
 143.14 determined by the agency to be necessary and desirable to encourage owners to maximize
 143.15 rehabilitation of properties.

208.12 Sec. 8. Minnesota Statutes 2022, section 462A.05, subdivision 15b, is amended to read:

208.13 Subd. 15b. **Energy ~~conservation~~ decarbonization and climate resiliency grants.** (a)
 208.14 It may make grants to assist in energy ~~conservation-rehabilitation-measures~~ decarbonization,
 208.15 climate resiliency, and other qualified projects for existing owner occupied housing including,
 208.16 but not limited to: insulation, storm windows and doors, furnace or space heater repair,
 208.17 cleaning or replacement, chimney construction or improvement, weatherstripping and
 208.18 caulking, ~~and~~ structural or other directly related repairs, or installations essential for energy
 208.19 ~~conservation~~ decarbonization, climate resiliency, and other qualified projects. The grant to
 208.20 any household shall not exceed \$2,000.

208.21 (b) To be eligible for an emergency energy ~~conservation~~ decarbonization and climate
 208.22 resiliency grant, a household must be certified as eligible to receive emergency residential
 208.23 heating assistance under either the federal or the state program, and either (1) have had a
 208.24 heating cost for the preceding heating season that exceeded 120 percent of the regional
 208.25 average for the preceding heating season for that energy source as determined by the
 208.26 commissioner of employment and economic development, or (2) be eligible to receive a
 208.27 federal energy conservation grant, but be precluded from receiving the grant because of a
 208.28 need for directly related repairs that cannot be paid for under the federal program. The
 208.29 Housing Finance Agency shall make a reasonable effort to determine whether other state
 208.30 or federal loan and grant programs are available and adequate to finance the intended
 208.31 improvements. An emergency energy conservation grant may be made in conjunction with
 208.32 grants or loans from other state or federal programs that finance other needed rehabilitation
 208.33 work. The receipt of a grant pursuant to this section shall not affect the applicant's eligibility
 208.34 for other Housing Finance Agency loan or grant programs.

209.1 Sec. 9. Minnesota Statutes 2022, section 462A.05, subdivision 21, is amended to read:

209.2 Subd. 21. **Rental property loans.** The agency may make or purchase loans to owners
 209.3 of rental property that is occupied or intended for occupancy primarily by low- and
 209.4 moderate-income tenants and which does not comply with the standards established in
 209.5 section 326B.106, subdivision 1, for the purpose of energy ~~improvements~~ decarbonization,
 209.6 climate resiliency, and other qualified projects necessary to bring the property into full or
 209.7 partial compliance with these standards. For property which meets the other requirements
 209.8 of this subdivision, a loan may also be used for moderate rehabilitation of the property. The
 209.9 authority granted in this subdivision is in addition to and not in limitation of any other
 209.10 authority granted to the agency in this chapter. The limitations on eligible mortgagors
 209.11 contained in section 462A.03, subdivision 13, do not apply to loans under this subdivision.
 209.12 Loans for the improvement of rental property pursuant to this subdivision may contain
 209.13 provisions that repayment is not required in whole or in part subject to terms and conditions
 209.14 determined by the agency to be necessary and desirable to encourage owners to maximize
 209.15 rehabilitation of properties.

143.16 Sec. 12. Minnesota Statutes 2022, section 462A.05, subdivision 23, is amended to read:

143.17 Subd. 23. **Insuring financial institution loans.** The agency may participate in loans or
 143.18 establish a fund to insure loans, or portions of loans, that are made by any banking institution,
 143.19 savings association, or other lender approved by the agency, organized under the laws of
 143.20 this or any other state or of the United States having an office in this state, to owners of
 143.21 renter-occupied homes or apartments that do not comply with standards set forth in section
 143.22 326B.106, subdivision 1, without limitations relating to the maximum incomes of the owners
 143.23 or tenants. The proceeds of the insured portion of the loan must be used to pay the costs of
 143.24 improvements, including all related structural and other improvements, that will reduce
 143.25 energy consumption, that will decarbonize, and that will ensure the climate resiliency of
 143.26 housing.

143.27 Sec. 13. Minnesota Statutes 2023 Supplement, section 462A.05, subdivision 45, is amended
 143.28 to read:

143.29 Subd. 45. **Indian Tribes.** Notwithstanding any other provision in this chapter, at its
 143.30 discretion the agency may make any federally recognized Indian Tribe in Minnesota, or
 143.31 their associated Tribally Designated Housing Entity (TDHE) as defined by United States
 143.32 Code, title 25, section 4103(22), eligible for agency funding ~~authorized under this chapter.~~

144.1 Sec. 14. **462A.051 WAGE THEFT PREVENTION AND USE OF RESPONSIBLE**
 144.2 **CONTRACTORS.**

144.3 Subdivision 1. **Application.** This section applies to all forms of financial assistance
 144.4 provided by the Minnesota Housing Finance Agency, as well as the allocation of federal
 144.5 low-income housing credits, for the development, construction, rehabilitation, renovation,
 144.6 or retrofitting of multiunit residential housing, including loans, grants, tax credits, loan
 144.7 guarantees, loan insurance, and other financial assistance.

144.8 Subd. 2. **Disclosures.** An applicant for financial assistance under this chapter shall
 144.9 disclose in the application any conviction, court judgment, agency determination, legal
 144.10 settlement, ongoing criminal or civil investigation, or lawsuit involving alleged violations
 144.11 of sections 177.24, 177.25, 177.32, 177.41 to 177.44, 181.03, 181.101, 181.13, 181.14,
 144.12 181.722, 181.723, 181A.01 to 181A.12, or 609.52, subdivision 2, paragraph (a), clause (19),
 144.13 or United States Code, title 29, sections 201 to 219, or title 40, sections 3141 to 3148, arising
 144.14 or occurring within the preceding five years on a construction project owned or managed
 144.15 by the developer or owner of the proposed project, the intended general contractor for the
 144.16 proposed project, or any of their respective parent companies, subsidiaries, or other affiliated
 144.17 companies. An applicant for financial assistance shall make the disclosures required by this
 144.18 subdivision available within 14 calendar days to any member of the public who submits a
 144.19 request by mail or electronic correspondence. The applicant shall designate a public
 144.20 information officer who will serve as a point of contact for public inquiries.

144.21 Subd. 3. **Responsible contractors required.** As a condition of receiving financial
 144.22 assistance, the applicant shall verify that every contractor or subcontractor of any tier

209.16 Sec. 10. Minnesota Statutes 2022, section 462A.05, subdivision 23, is amended to read:

209.17 Subd. 23. **Insuring financial institution loans.** The agency may participate in loans or
 209.18 establish a fund to insure loans, or portions of loans, that are made by any banking institution,
 209.19 savings association, or other lender approved by the agency, organized under the laws of
 209.20 this or any other state or of the United States having an office in this state, to owners of
 209.21 renter-occupied homes or apartments that do not comply with standards set forth in section
 209.22 326B.106, subdivision 1, without limitations relating to the maximum incomes of the owners
 209.23 or tenants. The proceeds of the insured portion of the loan must be used to pay the costs of
 209.24 improvements, including all related structural and other improvements, that will reduce
 209.25 energy consumption, that will decarbonize, and that will ensure the climate resiliency of
 209.26 housing.

209.27 Sec. 11. Minnesota Statutes 2023 Supplement, section 462A.05, subdivision 45, is amended
 209.28 to read:

209.29 Subd. 45. **Indian Tribes.** Notwithstanding any other provision in this chapter, at its
 209.30 discretion the agency may make any federally recognized Indian Tribe in Minnesota, or
 209.31 their associated Tribally Designated Housing Entity (TDHE) as defined by United States
 209.32 Code, title 25, section 4103(22), eligible for agency funding ~~authorized under this chapter.~~

144.23 performing work on the proposed project meets the minimum criteria to be a responsible
 144.24 contractor under section 16C.285, subdivision 3. This verification must meet the criteria
 144.25 defined in section 16C.285, subdivision 4.

144.26 Subd. 4. **Certified contractor lists.** As a condition of receiving financial assistance, the
 144.27 applicant shall have available at the development site main office a list of every contractor
 144.28 and subcontractor of any tier that performs work or is expected to perform work on the
 144.29 proposed project, as described in section 16C.285, subdivision 5, including the following
 144.30 information for each contractor and subcontractor: business name, scope of work, Department
 144.31 of Labor and Industry registration number, business name of the entity contracting its
 144.32 services, business telephone number and email address, and actual or anticipated number
 144.33 of workers on the project. The applicant shall establish the initial contractor list 30 days
 144.34 before the start of construction and shall update the list each month thereafter until
 144.35 construction is complete. The applicant shall post the contractor list in a conspicuous location
 145.1 at the project site and make the contractor list available to members of the public upon
 145.2 request.

145.3 Subd. 5. **Wage theft remedy.** If any contractor or subcontractor of any tier is found to
 145.4 have failed to pay statutorily required wages under section 609.52, subdivision 1, clause
 145.5 (13), on a project receiving financial assistance or an allocation of federal low-income
 145.6 housing tax credits from or through the agency, the recipient is responsible for correcting
 145.7 the violation.

145.8 Subd. 6. **Wage theft prevention plans; disqualification.** (a) If any contractor or
 145.9 subcontractor of any tier fails to pay statutorily required wages on a project receiving
 145.10 financial assistance from or through the agency as determined by an enforcement entity,
 145.11 the recipient must have a wage theft prevention plan to be eligible for further financial
 145.12 assistance from the agency. The project developer's wage theft prevention plan must describe
 145.13 detailed measures that the project developer and its general contractor have taken and are
 145.14 committed to take to prevent wage theft on the project, including provisions in any
 145.15 construction contracts and subcontracts on the project. The plan must be submitted to the
 145.16 Department of Labor and Industry who will review the plan. The Department of Labor and
 145.17 Industry may require the project developer to amend the plan or adopt policies or protocols
 145.18 in the plan. Once approved by the Department of Labor and Industry, the wage theft
 145.19 prevention plan must be submitted by the project developer to the agency with any subsequent
 145.20 application for financial assistance from the agency. Such wage theft prevention plans shall
 145.21 be made available to members of the public by the agency upon request.

145.22 (b) A developer is disqualified from receiving financial assistance from or through the
 145.23 agency for three years if any of the developer's contractors or subcontractors of any tier are
 145.24 found by an enforcement agency to have, within three years after entering into a wage theft
 145.25 prevention plan under paragraph (a), failed to pay statutorily required wages on a project
 145.26 receiving financial assistance from or through the agency for a total underpayment of \$25,000
 145.27 or more.

145.28 Subd. 7. **Enforcement.** The agency may deny an application for financial assistance
 145.29 that does not comply with this section or if the applicant refuses to enter into the agreements
 145.30 required by this section. The agency may withhold financial assistance that has been
 145.31 previously approved if the agency determines that the applicant has engaged in unacceptable
 145.32 practices by failing to comply with this section until the violation is cured.

146.1 **EFFECTIVE DATE.** This section is effective for financial assistance provided after
 146.2 August 1, 2024, except Minnesota Statutes, section 462A.051, subdivision 2, does not apply
 146.3 to requests for proposals that were initiated prior to August 1, 2024.

146.4 Sec. 15. Minnesota Statutes 2022, section 462A.07, is amended by adding a subdivision
 146.5 to read:

146.6 Subd. 18. **Rent and income limits.** Notwithstanding any law to the contrary, to promote
 146.7 efficiency in program administration, underwriting, and compliance, the commissioner may
 146.8 adjust income or rent limits for any multifamily capital funding program authorized under
 146.9 state law to align with federal rent or income limits in sections 42 and 142 of the Internal
 146.10 Revenue Code of 1986, as amended. Adjustments made under this subdivision are exempt
 146.11 from the rulemaking requirements of chapter 14.

146.12 Sec. 16. Minnesota Statutes 2022, section 462A.07, is amended by adding a subdivision
 146.13 to read:

146.14 Subd. 19. **Eligibility for agency programs.** The agency may determine that a household
 146.15 or project unit meets the rent or income requirements for a program if the household or unit
 146.16 receives or participates in income-based state or federal public assistance benefits, including
 146.17 but not limited to:

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

146.19 (2) general assistance, Minnesota supplemental aid, or food support under chapter 256D;

146.20 (3) housing support under chapter 256I;

146.21 (4) Minnesota family investment program and diversionary work program under chapter
 146.22 256J; and

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

146.24 Sec. 17. Minnesota Statutes 2022, section 462A.202, subdivision 3a, is amended to read:

146.25 Subd. 3a. **Permanent rental housing.** The agency may make loans, with or without
 146.26 interest, to cities and counties to finance the construction, acquisition, or rehabilitation of
 146.27 affordable, permanent, publicly owned rental housing, including housing owned by a public
 146.28 corporation created pursuant to section 469.0121. Loans made under this subdivision are
 146.29 subject to the restrictions of subdivision 7. In making loans under this subdivision, the
 146.30 agency shall give priority to projects that increase the supply of affordable family housing.

210.1 Sec. 12. Minnesota Statutes 2022, section 462A.07, is amended by adding a subdivision
 210.2 to read:

210.3 Subd. 19. **Eligibility for agency programs.** The agency may determine that a household
 210.4 or project unit meets the rent or income requirements for a program if the household or unit
 210.5 receives or participates in income-based state or federal public assistance benefits, including
 210.6 but not limited to:

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

210.8 (2) general assistance, Minnesota supplemental aid, or food support under chapter 256D;

210.9 (3) housing support under chapter 256I;

210.10 (4) Minnesota family investment program and diversionary work program under chapter
 210.11 256J; and

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

147.1 Sec. 18. [462A.2096] ANNUAL PROJECTION OF EMERGENCY RENTAL
 147.2 ASSISTANCE NEEDS.

147.3 The agency must develop a projection of emergency rental assistance needs in
 147.4 consultation with the commissioner of human services and representatives from county and
 147.5 Tribal housing administrators and housing nonprofit agencies. The projection must identify
 147.6 the amount of funding required to meet all emergency rental assistance needs, including
 147.7 the family homelessness prevention and assistance program, the emergency assistance
 147.8 program, and emergency general assistance. By January 15 each year, the commissioner
 147.9 must submit a report on the projected need for emergency rental assistance to the chairs and
 147.10 ranking minority members of the legislative committees having jurisdiction over housing
 147.11 and human services finance and policy.

147.12 Sec. 19. Minnesota Statutes 2022, section 462A.21, subdivision 7, is amended to read:

147.13 Subd. 7. **Energy efficiency loans.** The agency may make loans to low and moderate
 147.14 income persons who own existing residential housing for the purpose of improving the
 147.15 ~~efficient energy utilization~~ decarbonization and climate resiliency of the housing. Permitted
 147.16 improvements shall include installation or upgrading of ceiling, wall, floor and duct
 147.17 insulation, storm windows and doors, and caulking and weatherstripping. The improvements
 147.18 shall not be inconsistent with the energy standards as promulgated as part of the State
 147.19 Building Code; provided that the improvements need not bring the housing into full
 147.20 compliance with the energy standards. Any loan for such purpose shall be made only upon
 147.21 determination by the agency that such loan is not otherwise available, wholly or in part,
 147.22 from private lenders upon equivalent terms and conditions. The agency may promulgate
 147.23 rules as necessary to implement and make specific the provisions of this subdivision. The
 147.24 rules shall be designed to permit the state, to the extent not inconsistent with this chapter,
 147.25 to seek federal grants or loans for energy ~~purposes~~ decarbonization, climate resiliency, and
 147.26 other qualified projects.

147.27 Sec. 20. Minnesota Statutes 2022, section 462A.21, subdivision 8b, is amended to read:

147.28 Subd. 8b. **Family rental housing.** It may establish a family rental housing assistance
 147.29 program to provide loans or direct rental subsidies for housing for families with incomes
 147.30 of up to 80 percent of state median income, or to provide grants for the operating cost of
 147.31 public housing. Priority must be given to those developments with resident families with
 147.32 the lowest income. The development may be financed by the agency or other public or
 147.33 private lenders. Direct rental subsidies must be administered by the agency for the benefit
 148.1 of eligible families. Financial assistance provided under this subdivision to recipients of aid
 148.2 to families with dependent children must be in the form of vendor payments whenever
 148.3 possible. Loans, grants, and direct rental subsidies under this subdivision may be made only
 148.4 with specific appropriations by the legislature. The limitations on eligible mortgagors
 148.5 contained in section 462A.03, subdivision 13, do not apply to loans for the recapitalization
 148.6 or rehabilitation of existing housing under this subdivision.

235.14 Section 1. [462A.2096] ANNUAL PROJECTION OF EMERGENCY RENTAL
 235.15 ASSISTANCE NEEDS.

235.16 The agency must develop a projection of emergency rental assistance needs in
 235.17 consultation with the commissioner of human services and representatives from county and
 235.18 Tribal housing administrators and housing nonprofit agencies. The projection must identify
 235.19 the amount of funding required to meet all emergency rental assistance needs, including
 235.20 the family homelessness prevention and assistance program, the emergency assistance
 235.21 program, and emergency general assistance. By January 15 each year, the commissioner
 235.22 must submit a report on the projected need for emergency rental assistance to the chairs and
 235.23 ranking minority members of the legislative committees having jurisdiction over housing
 235.24 and human services finance and policy.

210.13 Sec. 13. Minnesota Statutes 2022, section 462A.21, subdivision 7, is amended to read:

210.14 Subd. 7. **Energy efficiency loans.** The agency may make loans to low and moderate
 210.15 income persons who own existing residential housing for the purpose of improving the
 210.16 ~~efficient energy utilization~~ decarbonization and climate resiliency of the housing. Permitted
 210.17 improvements shall include installation or upgrading of ceiling, wall, floor and duct
 210.18 insulation, storm windows and doors, and caulking and weatherstripping. The improvements
 210.19 shall not be inconsistent with the energy standards as promulgated as part of the State
 210.20 Building Code; provided that the improvements need not bring the housing into full
 210.21 compliance with the energy standards. Any loan for such purpose shall be made only upon
 210.22 determination by the agency that such loan is not otherwise available, wholly or in part,
 210.23 from private lenders upon equivalent terms and conditions. The agency may promulgate
 210.24 rules as necessary to implement and make specific the provisions of this subdivision. The
 210.25 rules shall be designed to permit the state, to the extent not inconsistent with this chapter,
 210.26 to seek federal grants or loans for energy ~~purposes~~ decarbonization, climate resiliency, and
 210.27 other qualified projects.

148.7 Sec. 21. Minnesota Statutes 2023 Supplement, section 462A.22, subdivision 1, is amended
148.8 to read:

148.9 Subdivision 1. **Debt ceiling.** The aggregate principal amount of general obligation bonds
148.10 and notes which are outstanding at any time, excluding the principal amount of any bonds
148.11 and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of
148.12 ~~\$5,000,000,000~~ \$7,000,000,000.

148.13 Sec. 22. Minnesota Statutes 2022, section 462A.222, is amended by adding a subdivision
148.14 to read:

148.15 Subd. 5. **Limitation on rental increases.** (a) This subdivision applies to any project
148.16 that is restricted to seniors, as defined by section 462A.37, subdivision 1, paragraph (h),
148.17 and that receives low-income housing tax credits provided under section 42 of the Internal
148.18 Revenue Code of 1986, as amended. The rent in a project may not increase in any 12-month
148.19 period by a percentage more than the greater of:

148.20 (1) the percentage that benefit amounts for Social Security or Supplemental Security
148.21 Income recipients were increased pursuant to United States Code, title 42, sections 415(i)
148.22 and 1382f, in the preceding 12-month period; or

148.23 (2) zero percent.

148.24 (b) This subdivision does not apply to projects owned by a nonprofit entity or to a unit
148.25 occupied by an individual receiving ongoing government-subsidized rental assistance.

148.26 Sec. 23. Minnesota Statutes 2022, section 462A.35, subdivision 2, is amended to read:

148.27 Subd. 2. **Expending funds.** The agency may expend the money in the Minnesota
148.28 manufactured home relocation trust fund to the extent necessary to carry out the objectives
148.29 of section 327C.095, subdivision 13, by making payments to manufactured home owners,
148.30 or other parties approved by the third-party neutral, under subdivision 13, paragraphs (a)
148.31 and (e), and to pay the costs of administering the fund. Money in the fund is appropriated
149.1 to the agency for these purposes and ~~to the commissioner of management and budget~~ to pay
149.2 costs incurred ~~by the commissioner of management and budget~~ to administer the fund.

149.3 Sec. 24. Minnesota Statutes 2023 Supplement, section 462A.37, subdivision 2, is amended
149.4 to read:

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

210.28 Sec. 14. Minnesota Statutes 2023 Supplement, section 462A.22, subdivision 1, is amended
210.29 to read:

210.30 Subdivision 1. **Debt ceiling.** The aggregate principal amount of general obligation bonds
210.31 and notes which are outstanding at any time, excluding the principal amount of any bonds
211.1 and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of
211.2 ~~\$5,000,000,000~~ \$7,000,000,000.

211.3 Sec. 15. Minnesota Statutes 2022, section 462A.35, subdivision 2, is amended to read:

211.4 Subd. 2. **Expending funds.** The agency may expend the money in the Minnesota
211.5 manufactured home relocation trust fund to the extent necessary to carry out the objectives
211.6 of section 327C.095, subdivision 13, by making payments to manufactured home owners,
211.7 or other parties approved by the third-party neutral, under subdivision 13, paragraphs (a)
211.8 and (e), and to pay the costs of administering the fund. Money in the fund is appropriated
211.9 to the agency for these purposes and ~~to the commissioner of management and budget~~ the
211.10 Minnesota Housing Finance Agency to pay costs incurred ~~by the commissioner of~~
211.11 ~~management and budget~~ the Minnesota Housing Finance Agency to administer the fund.

211.12 Sec. 16. Minnesota Statutes 2023 Supplement, section 462A.37, subdivision 2, is amended
211.13 to read:

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

- 149.11 (1) to finance the costs of the construction, acquisition, recapitalization, and rehabilitation
 149.12 of supportive housing where at least 50 percent of units are set aside for individuals and
 149.13 families who are without a permanent residence;
- 149.14 (2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned
 149.15 housing to be used for affordable rental housing or for affordable home ownership and the
 149.16 costs of new construction of rental housing on abandoned or foreclosed property where the
 149.17 existing structures will be demolished or removed;
- 149.18 (3) to finance that portion of the costs of acquisition of property that is attributable to
 149.19 the land to be leased by community land trusts to low- and moderate-income home buyers;
- 149.20 (4) to finance the acquisition, improvement, and infrastructure of manufactured home
 149.21 parks under section 462A.2035, subdivision 1b;
- 149.22 (5) to finance the costs of acquisition, rehabilitation, adaptive reuse, recapitalization, or
 149.23 new construction of senior housing;
- 149.24 (6) to finance the costs of acquisition, rehabilitation, recapitalization, and replacement
 149.25 of federally assisted rental housing and for the refinancing of costs of the construction,
 149.26 acquisition, and rehabilitation of federally assisted rental housing, including providing funds
 149.27 to refund, in whole or in part, outstanding bonds previously issued by the agency or another
 149.28 government unit to finance or refinance such costs;
- 149.29 (7) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction
 149.30 of single-family housing; ~~and~~
- 149.31 (8) to finance the costs of construction, acquisition, recapitalization, and rehabilitation
 149.32 of permanent housing that is affordable to households with incomes at or below 50 percent
 150.1 of the area median income for the applicable county or metropolitan area as published by
 150.2 the Department of Housing and Urban Development, as adjusted for household size;
- 150.3 (9) to finance the recapitalization of a distressed building; and
- 150.4 (10) to finance the costs of construction, acquisition, recapitalization, rehabilitation,
 150.5 conversion, and development of cooperatively owned housing created under chapter 308A
 150.6 or 308B that is affordable to low- and moderate-income households.
- 150.7 (b) Among comparable proposals for permanent supportive housing, preference shall
 150.8 be given to permanent supportive housing for veterans and other individuals or families
 150.9 who:
- 150.10 (1) either have been without a permanent residence for at least 12 months or at least four
 150.11 times in the last three years; or
- 150.12 (2) are at significant risk of lacking a permanent residence for 12 months or at least four
 150.13 times in the last three years.

- 211.20 (1) to finance the costs of the construction, acquisition, and rehabilitation of supportive
 211.21 housing for individuals and families who are without a permanent residence;
- 211.22 (2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned
 211.23 housing to be used for affordable rental housing and the costs of new construction of rental
 211.24 housing on abandoned or foreclosed property where the existing structures will be demolished
 211.25 or removed;
- 211.26 (3) to finance that portion of the costs of acquisition of property that is attributable to
 211.27 the land to be leased by community land trusts to low- and moderate-income home buyers;
- 211.28 (4) to finance the acquisition, improvement, and infrastructure of manufactured home
 211.29 parks under section 462A.2035, subdivision 1b;
- 211.30 (5) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction
 211.31 of senior housing;
- 212.1 (6) to finance the costs of acquisition, rehabilitation, and replacement of federally assisted
 212.2 rental housing and for the refinancing of costs of the construction, acquisition, and
 212.3 rehabilitation of federally assisted rental housing, including providing funds to refund, in
 212.4 whole or in part, outstanding bonds previously issued by the agency or another government
 212.5 unit to finance or refinance such costs;
- 212.6 (7) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction
 212.7 of single-family housing; ~~and~~
- 212.8 (8) to finance the costs of construction, acquisition, and rehabilitation of permanent
 212.9 housing that is affordable to households with incomes at or below 50 percent of the area
 212.10 median income for the applicable county or metropolitan area as published by the Department
 212.11 of Housing and Urban Development, as adjusted for household size;
- 212.12 (b) Among comparable proposals for permanent supportive housing, preference shall
 212.13 be given to permanent supportive housing for veterans and other individuals or families
 212.14 who:
- 212.15 (1) either have been without a permanent residence for at least 12 months or at least four
 212.16 times in the last three years; or
- 212.17 (2) are at significant risk of lacking a permanent residence for 12 months or at least four
 212.18 times in the last three years.

- 150.14 (c) Among comparable proposals for senior housing, the agency must give priority to
150.15 requests for projects that:
- 150.16 (1) demonstrate a commitment to maintaining the housing financed as affordable to
150.17 senior households;
- 150.18 (2) leverage other sources of funding to finance the project, including the use of
150.19 low-income housing tax credits;
- 150.20 (3) provide access to services to residents and demonstrate the ability to increase physical
150.21 supports and support services as residents age and experience increasing levels of disability;
150.22 and
- 150.23 (4) include households with incomes that do not exceed 30 percent of the median
150.24 household income for the metropolitan area.
- 150.25 (d) To the extent practicable, the agency shall balance the loans made between projects
150.26 in the metropolitan area and projects outside the metropolitan area. Of the loans made to
150.27 projects outside the metropolitan area, the agency shall, to the extent practicable, balance
150.28 the loans made between projects in counties or cities with a population of 20,000 or less,
150.29 as established by the most recent decennial census, and projects in counties or cities with
150.30 populations in excess of 20,000.
- 151.1 (e) Among comparable proposals for permanent housing, the agency must give preference
151.2 to projects that will provide housing that is affordable to households at or below 30 percent
151.3 of the area median income.
- 151.4 (f) If a loan recipient uses the loan for new construction or substantial rehabilitation as
151.5 defined by the agency on a building containing more than four units, the loan recipient must
151.6 construct, convert, or otherwise adapt the building to include:
- 151.7 (1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are
151.8 accessible units, as defined by section 1002 of the current State Building Code Accessibility
151.9 Provisions for Dwelling Units in Minnesota, and include at least one roll-in shower in at
151.10 least one accessible unit as defined by section 1002 of the current State Building Code
151.11 Accessibility Provisions for Dwelling Units in Minnesota; and
- 151.12 (2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are
151.13 sensory-accessible units that include:
- 151.14 (A) soundproofing between shared walls for first and second floor units;
- 151.15 (B) no florescent lighting in units and common areas;
- 151.16 (C) low-fume paint;
- 151.17 (D) low-chemical carpet; and
- 151.18 (E) low-chemical carpet glue in units and common areas.

- 212.19 (c) Among comparable proposals for senior housing, the agency must give priority to
212.20 requests for projects that:
- 212.21 (1) demonstrate a commitment to maintaining the housing financed as affordable to
212.22 senior households;
- 212.23 (2) leverage other sources of funding to finance the project, including the use of
212.24 low-income housing tax credits;
- 212.25 (3) provide access to services to residents and demonstrate the ability to increase physical
212.26 supports and support services as residents age and experience increasing levels of disability;
212.27 and
- 212.28 (4) include households with incomes that do not exceed 30 percent of the median
212.29 household income for the metropolitan area.
- 212.30 (d) To the extent practicable, the agency shall balance the loans made between projects
212.31 in the metropolitan area and projects outside the metropolitan area. Of the loans made to
212.32 projects outside the metropolitan area, the agency shall, to the extent practicable, balance
213.1 the loans made between projects in counties or cities with a population of 20,000 or less,
213.2 as established by the most recent decennial census, and projects in counties or cities with
213.3 populations in excess of 20,000.
- 213.4 (e) Among comparable proposals for permanent housing, the agency must give preference
213.5 to projects that will provide housing that is affordable to households at or below 30 percent
213.6 of the area median income.
- 213.7 (f) If a loan recipient uses the loan for new construction or substantial rehabilitation as
213.8 defined by the agency on a building containing more than four units, the loan recipient must
213.9 construct, convert, or otherwise adapt the building to include:
- 213.10 (1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are
213.11 accessible units, as defined by section 1002 of the current State Building Code Accessibility
213.12 Provisions for Dwelling Units in Minnesota, and include at least one roll-in shower in at
213.13 least one accessible unit as defined by section 1002 of the current State Building Code
213.14 Accessibility Provisions for Dwelling Units in Minnesota; and
- 213.15 (2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are
213.16 sensory-accessible units that include:
- 213.17 (A) soundproofing between shared walls for first and second floor units;
- 213.18 (B) no florescent lighting in units and common areas;
- 213.19 (C) low-fume paint;
- 213.20 (D) low-chemical carpet; and
- 213.21 (E) low-chemical carpet glue in units and common areas.

151.19 Nothing in this paragraph relieves a project funded by the agency from meeting other
151.20 applicable accessibility requirements.

151.21 Sec. 25. Minnesota Statutes 2022, section 462A.37, is amended by adding a subdivision
151.22 to read:

151.23 Subd. 2j. **Additional authorization.** In addition to the amount authorized in subdivisions
151.24 2 to 2i, the agency may issue up to \$50,000,000.

151.25 Sec. 26. Minnesota Statutes 2023 Supplement, section 462A.37, subdivision 5, is amended
151.26 to read:

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

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

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

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

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

213.22 Nothing in this paragraph relieves a project funded by the agency from meeting other
213.23 applicable accessibility requirements.

213.24 Sec. 17. Minnesota Statutes 2022, section 462A.37, is amended by adding a subdivision
213.25 to read:

213.26 Subd. 2j. **Additional authorization.** In addition to the amount authorized in subdivisions
213.27 2 to 2i, the agency may issue up to \$50,000,000 in one or more series to which the payments
213.28 under this section may be pledged.

214.1 Sec. 18. Minnesota Statutes 2023 Supplement, section 462A.37, subdivision 5, is amended
214.2 to read:

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

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

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

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

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

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

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

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

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

153.19 (j) Each July 15, beginning in 2026 and through 2047, if any housing infrastructure
 153.20 bonds issued under subdivision 2j, or housing infrastructure bonds issued to refund those
 153.21 bonds, remain outstanding, the commissioner of management and budget must transfer to
 153.22 the housing infrastructure bond account established under section 462A.21, subdivision 33,
 153.23 the amount certified under paragraph (a). The amounts necessary to make the transfers are
 153.24 appropriated from the general fund to the commissioner of management and budget.

153.25 ~~(j)~~ (k) The agency may pledge to the payment of the housing infrastructure bonds the
 153.26 payments to be made by the state under this section.

153.27 Sec. 27. Minnesota Statutes 2023 Supplement, section 462A.39, subdivision 2, is amended
 153.28 to read:

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

153.31 (b) "Eligible project area" means a home rule charter or statutory city located outside
 153.32 of a metropolitan county as defined in section 473.121, subdivision 4, ~~with a population~~
 153.33 ~~exceeding 500; a community that has a combined population of 1,500 residents located~~

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

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

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

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

215.23 (j) Each July 15, beginning in 2026 and through 2047, if any housing infrastructure
 215.24 bonds issued under subdivision 2j, or housing infrastructure bonds issued to refund those
 215.25 bonds, remain outstanding, the commissioner of management and budget must transfer to
 215.26 the housing infrastructure bond account established under section 462A.21, subdivision 33,
 215.27 the amount certified under paragraph (a). The amounts necessary to make the transfers are
 215.28 appropriated from the general fund to the commissioner of management and budget.

215.29 ~~(j)~~ (k) The agency may pledge to the payment of the housing infrastructure bonds the
 215.30 payments to be made by the state under this section.

216.1 Sec. 19. Minnesota Statutes 2023 Supplement, section 462A.39, subdivision 2, is amended
 216.2 to read:

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

216.5 (b) "Eligible project area" means a home rule charter or statutory city located outside
 216.6 of a metropolitan county as defined in section 473.121, subdivision 4, ~~with a population~~
 216.7 ~~exceeding 500; a community that has a combined population of 1,500 residents located~~

- 154.1 ~~within 15 miles of a home rule charter or statutory city located outside a metropolitan county~~
 154.2 ~~as defined in section 473.121, subdivision 4; federally recognized Tribal reservations; or~~
 154.3 ~~an area served by a joint county-city economic development authority.~~
- 154.4 (c) "Joint county-city economic development authority" means an economic development
 154.5 authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between
 154.6 a city and county and excluding those established by the county only.
- 154.7 (d) "Market rate residential rental properties" means properties that are rented at market
 154.8 value, including new modular homes, new manufactured homes, and new manufactured
 154.9 homes on leased land or in a manufactured home park, and may include rental developments
 154.10 that have a portion of income-restricted units.
- 154.11 (e) "Qualified expenditure" means expenditures for market rate residential rental
 154.12 properties including acquisition of property; construction of improvements; and provisions
 154.13 of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing
 154.14 costs.

- 216.8 ~~within 15 miles of a home rule charter or statutory city located outside a metropolitan county~~
 216.9 ~~as defined in section 473.121, subdivision 4; federally recognized Tribal reservations; or~~
 216.10 ~~an area served by a joint county-city economic development authority.~~
- 216.11 (c) "Joint county-city economic development authority" means an economic development
 216.12 authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between
 216.13 a city and county and excluding those established by the county only.
- 216.14 (d) "Market rate residential rental properties" means properties that are rented at market
 216.15 value, including new modular homes, new manufactured homes, and new manufactured
 216.16 homes on leased land or in a manufactured home park, and may include rental developments
 216.17 that have a portion of income-restricted units.
- 216.18 (e) "Qualified expenditure" means expenditures for market rate residential rental
 216.19 properties including acquisition of property; construction of improvements; and provisions
 216.20 of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing
 216.21 costs.
- 216.22 Sec. 20. Minnesota Statutes 2023 Supplement, section 462A.395, is amended to read:
- 216.23 **462A.395 GREATER MINNESOTA HOUSING INFRASTRUCTURE GRANT**
 216.24 **PROGRAM.**
- 216.25 Subdivision 1. **Grant program established.** The commissioner of the Minnesota Housing
 216.26 Finance Agency may make grants to counties and cities to provide up to 50 percent of the
 216.27 capital costs of public infrastructure necessary for an eligible workforce housing development
 216.28 project. The commissioner may make a grant award only after determining that nonstate
 216.29 resources are committed to complete the project. The nonstate contribution may be cash,
 216.30 other committed grant funds, or in kind. In-kind contributions may include the value of the
 216.31 site, whether the site is prepared before or after the law appropriating money for the grant
 216.32 is enacted.
- 217.1 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the
 217.2 meanings given.
- 217.3 (b) "City" means a statutory or home rule charter city located outside the metropolitan
 217.4 area, as defined in section 473.121, subdivision 2.
- 217.5 (c) "Housing infrastructure" means publicly owned physical infrastructure necessary to
 217.6 support housing development projects, including but not limited to sewers, water supply
 217.7 systems, utility extensions, streets, wastewater treatment systems, stormwater management
 217.8 systems, and facilities for pretreatment of wastewater to remove phosphorus.
- 217.9 Subd. 3. **Eligible projects.** Housing projects eligible for a grant under this section may
 217.10 be a single-family or multifamily housing development, and either owner-occupied or rental.
 217.11 Housing projects eligible for a grant under this section may also be a manufactured home
 217.12 development qualifying for homestead treatment under section 273.124, subdivision 3a.

154.15 Sec. 28. Minnesota Statutes 2022, section 462A.40, subdivision 2, is amended to read:

154.16 Subd. 2. **Use of funds; grant and loan program.** (a) The agency may award grants and
 154.17 loans to be used for multifamily and single family developments for persons and families
 154.18 of low and moderate income. Allowable use of the funds include: gap financing, as defined
 154.19 in section 462A.33, subdivision 1; new construction; acquisition; rehabilitation; demolition
 154.20 or removal of existing structures; construction financing; permanent financing; interest rate
 154.21 reduction; and refinancing.

154.22 (b) The agency may give preference for grants and loans to comparable proposals that
 154.23 include regulatory changes or waivers that result in identifiable cost avoidance or cost
 154.24 reductions, including but not limited to increased density, flexibility in site development
 154.25 standards, or zoning code requirements.

154.26 ~~(c) The agency shall separately set aside:~~

154.27 ~~(1) at least ten percent of the financing under this section for housing units located in a~~
 154.28 ~~township or city with a population of 2,500 or less that is located outside the metropolitan~~
 154.29 ~~area, as defined in section 473.121, subdivision 2;~~

154.30 ~~(2) at least 35 percent of the financing under this section for housing for persons and~~
 154.31 ~~families whose income is 50 percent or less of the area median income for the applicable~~
 154.32 ~~county or metropolitan area as published by the Department of Housing and Urban~~
 154.33 ~~Development, as adjusted for household size; and~~

217.13 Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for
 217.14 soliciting and reviewing applications for grants under this section. At a minimum, a city or
 217.15 county must include in its application a resolution of the county board or city council
 217.16 certifying that the required nonstate match is available. The commissioner must evaluate
 217.17 complete applications for funding for eligible projects to determine that:

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

217.20 (2) the increase in workforce housing will result in substantial public and private capital
 217.21 investment in the county or city in which the project would be located.

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

217.25 Subd. 5. **Maximum grant amount.** A county or city may receive no more than \$30,000
 217.26 \$40,000 per lot for single-family, duplex, triplex, or fourplex housing developed, no more
 217.27 than \$60,000 per manufactured housing lot, and no more than \$180,000 per lot for
 217.28 multifamily housing with more than four units per building. A county or city may receive
 217.29 no more than \$500,000 in two years for one or more housing developments. The \$500,000
 217.30 limitation does not apply to use on manufactured housing developments.

155.1 ~~(2) at least 25 percent of the financing under this section for single-family housing;~~

155.2 ~~(d) If by September 1 of each year the agency does not receive requests to use all of the~~

155.3 ~~amounts set aside under paragraph (c), the agency may use any remaining financing for~~

155.4 ~~other projects eligible under this section.~~

155.5 Sec. 29. Minnesota Statutes 2022, section 462A.40, subdivision 3, is amended to read:

155.6 Subd. 3. **Eligible recipients; definitions; restrictions; use of funds.** (a) The agency

155.7 may award a grant or a loan to any recipient that qualifies under subdivision 2. The agency

155.8 must not award a grant or a loan to a disqualified individual or disqualified business.

155.9 (b) For the purposes of this subdivision disqualified individual means ~~an individual who:~~

155.10 (1) an individual who or an individual whose immediate family member made a

155.11 contribution to the account in the current or prior taxable year and received a credit certificate;

155.12 (2) an individual who or an individual whose immediate family member owns the housing

155.13 for which the grant or loan will be used and is using that housing as their domicile;

155.14 (3) an individual who meets the following criteria:

155.15 (i) the individual is an officer or principal of a business entity; and

155.16 (ii) that business entity made a contribution to the account in the current or previous

155.17 taxable year and received a credit certificate; or

155.18 (4) an individual who meets the following criteria:

155.19 (i) the individual directly owns, controls, or holds the power to vote 20 percent or more

155.20 of the outstanding securities of a business entity; and

155.21 (ii) that business entity made a contribution to the account in the current or previous

155.22 taxable year and received a credit certificate.

155.23 (c) For the purposes of this subdivision disqualified business means a business entity

155.24 that:

155.25 (1) made a contribution to the account in the current or prior taxable year and received

155.26 a credit certificate;

155.27 (2) has an officer or principal who is an individual who made a contribution to the

155.28 account in the current or previous taxable year and received a credit certificate; or

155.29 (3) meets the following criteria:

156.1 (i) the business entity is directly owned, controlled, or is subject to the power to vote 20

156.2 percent or more of the outstanding securities by an individual or business entity; and

156.3 (ii) that controlling individual or business entity made a contribution to the account in

156.4 the current or previous taxable year and received a credit certificate.

218.1 Sec. 21. Minnesota Statutes 2022, section 462A.40, subdivision 3, is amended to read:

218.2 Subd. 3. **Eligible recipients; definitions; restrictions; use of funds.** (a) The agency

218.3 may award a grant or a loan to any recipient that qualifies under subdivision 2. The agency

218.4 must not award a grant or a loan to a disqualified individual or disqualified business.

218.5 (b) For the purposes of this subdivision disqualified individual means ~~an individual who:~~

218.6 (1) an individual who or an individual whose immediate family member made a

218.7 contribution to the account in the current or prior taxable year and received a credit certificate;

218.8 (2) an individual who or an individual whose immediate family member owns the housing

218.9 for which the grant or loan will be used and is using that housing as their domicile;

218.10 (3) an individual who meets the following criteria:

218.11 (i) the individual is an officer or principal of a business entity; and

218.12 (ii) that business entity made a contribution to the account in the current or previous

218.13 taxable year and received a credit certificate; or

218.14 (4) an individual who meets the following criteria:

218.15 (i) the individual directly owns, controls, or holds the power to vote 20 percent or more

218.16 of the outstanding securities of a business entity; and

218.17 (ii) that business entity made a contribution to the account in the current or previous

218.18 taxable year and received a credit certificate.

218.19 (c) For the purposes of this subdivision disqualified business means a business entity

218.20 that:

218.21 (1) made a contribution to the account in the current or prior taxable year and received

218.22 a credit certificate;

218.23 (2) has an officer or principal who is an individual who made a contribution to the

218.24 account in the current or previous taxable year and received a credit certificate; or

218.25 (3) meets the following criteria:

218.26 (i) the business entity is directly owned, controlled, or is subject to the power to vote 20

218.27 percent or more of the outstanding securities by an individual or business entity; and

218.28 (ii) that controlling individual or business entity made a contribution to the account in

218.29 the current or previous taxable year and received a credit certificate.

156.5 (d) ~~The disqualifications in paragraphs (b) and (c) apply if the taxpayer would be~~
 156.6 ~~disqualified either individually or in combination with one or more members of the taxpayer's~~
 156.7 ~~family, as defined in the Internal Revenue Code, section 267(e)(4). For purposes of this~~
 156.8 ~~subdivision, "immediate family" means the taxpayer's spouse, parent or parent's spouse,~~
 156.9 ~~sibling or sibling's spouse, or child or child's spouse. For a married couple filing a joint~~
 156.10 ~~return, the limitations in this paragraph subdivision apply collectively to the taxpayer and~~
 156.11 ~~spouse. For purposes of determining the ownership interest of a taxpayer under paragraph~~
 156.12 ~~(a), clause (4), the rules under sections 267(e) and 267(e) of the Internal Revenue Code~~
 156.13 ~~apply.~~

156.14 (e) Before applying for a grant or loan, all recipients must sign a disclosure that the
 156.15 disqualifications under this subdivision do not apply. The Minnesota Housing Finance
 156.16 Agency must prescribe the form of the disclosure. The Minnesota Housing Finance Agency
 156.17 may rely on the disclosure to determine the eligibility of recipients under paragraph (a).

156.18 (f) The agency may award grants or loans to a city as defined in section 462A.03,
 156.19 subdivision 21; a federally recognized American Indian tribe or subdivision located in
 156.20 Minnesota; a tribal housing corporation; a private developer; a nonprofit organization; a
 156.21 housing and redevelopment authority under sections 469.001 to 469.047; a public housing
 156.22 authority or agency authorized by law to exercise any of the powers granted by sections
 156.23 469.001 to 469.047; or the owner of the housing. The provisions of subdivision 2, and
 156.24 paragraphs (a) to (e) and (g) of this subdivision, regarding the use of funds and eligible
 156.25 recipients apply to grants and loans awarded under this paragraph.

156.26 (g) ~~Except for the set aside provided in subdivision 2, paragraph (d),~~ Eligible recipients
 156.27 must use the funds to serve households that meet the income limits as provided in section
 156.28 462A.33, subdivision 5.

156.29 Sec. 30. Minnesota Statutes 2022, section 462C.02, subdivision 6, is amended to read:

156.30 Subd. 6. **City.** "City" means any statutory or home rule charter city, a county housing
 156.31 and redevelopment authority created by special law or authorized by its county to exercise
 156.32 its powers pursuant to section 469.004, or any public body which (a) is the housing and
 156.33 redevelopment authority in and for a statutory or home rule charter city, the port authority
 157.1 of a statutory or home rule charter city, or an economic development authority of a city
 157.2 established under sections 469.090 to 469.108, or a public corporation created pursuant to
 157.3 section 469.0121, and (b) is authorized by ordinance to exercise, on behalf of a statutory or
 157.4 home rule charter city, the powers conferred by sections 462C.01 to 462C.10.

157.5 Sec. 31. Minnesota Statutes 2022, section 469.012, subdivision 2j, is amended to read:

157.6 Subd. 2j. **May be in LLP, LLC, or corporation; bound as if HRA.** (a) An authority
 157.7 may become a member or shareholder in and enter into or form limited partnerships, limited
 157.8 liability companies, or corporations for the purpose of developing, constructing, rehabilitating,
 157.9 managing, supporting, or preserving housing projects and housing development projects,
 157.10 including low-income housing tax credit projects. These limited partnerships, limited liability

219.1 (d) ~~The disqualifications in paragraphs (b) and (c) apply if the taxpayer would be~~
 219.2 ~~disqualified either individually or in combination with one or more members of the taxpayer's~~
 219.3 ~~family, as defined in the Internal Revenue Code, section 267(e)(4). For purposes of this~~
 219.4 ~~subdivision, "immediate family" means the taxpayer's spouse, parent or parent's spouse,~~
 219.5 ~~sibling or sibling's spouse, or child or child's spouse. For a married couple filing a joint~~
 219.6 ~~return, the limitations in this paragraph subdivision apply collectively to the taxpayer and~~
 219.7 ~~spouse. For purposes of determining the ownership interest of a taxpayer under paragraph~~
 219.8 ~~(a), clause (4), the rules under sections 267(e) and 267(e) of the Internal Revenue Code~~
 219.9 ~~apply.~~

219.10 (e) Before applying for a grant or loan, all recipients must sign a disclosure that the
 219.11 disqualifications under this subdivision do not apply. The Minnesota Housing Finance
 219.12 Agency must prescribe the form of the disclosure. The Minnesota Housing Finance Agency
 219.13 may rely on the disclosure to determine the eligibility of recipients under paragraph (a).

219.14 (f) The agency may award grants or loans to a city as defined in section 462A.03,
 219.15 subdivision 21; a federally recognized American Indian tribe or subdivision located in
 219.16 Minnesota; a tribal housing corporation; a private developer; a nonprofit organization; a
 219.17 housing and redevelopment authority under sections 469.001 to 469.047; a public housing
 219.18 authority or agency authorized by law to exercise any of the powers granted by sections
 219.19 469.001 to 469.047; or the owner of the housing. The provisions of subdivision 2, and
 219.20 paragraphs (a) to (e) and (g) of this subdivision, regarding the use of funds and eligible
 219.21 recipients apply to grants and loans awarded under this paragraph.

219.22 (g) ~~Except for the set aside provided in subdivision 2, paragraph (d),~~ Eligible recipients
 219.23 must use the funds to serve households that meet the income limits as provided in section
 219.24 462A.33, subdivision 5.

157.11 companies, or corporations are subject to all of the provisions of sections 469.001 to 469.047
 157.12 and other laws that apply to housing and redevelopment authorities, as if the limited
 157.13 partnership, limited liability company, or corporation were a housing and redevelopment
 157.14 authority.

157.15 (b) An authority may create a public corporation in accordance with section 469.0121
 157.16 for the purpose of purchasing, owning, and operating real property converted through the
 157.17 federal Rental Assistance Demonstration program under Public Law 112-55, as amended.

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

157.19 Sec. 32. **[469.0121] PUBLIC CORPORATION; RENTAL ASSISTANCE**
 157.20 **DEMONSTRATION PROGRAM.**

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

157.23 (b) "Authority" has the meaning given under section 469.002, subdivision 2.

157.24 (c) "Board" means the board of directors of a corporation created under this section.

157.25 (d) "Corporation" means a public corporation created under this section.

157.26 (e) "RAD" means the federal Rental Assistance Demonstration program under Public
 157.27 Law 112-55, as amended.

157.28 Subd. 2. **Public corporation created.** An authority may create a public corporation to
 157.29 purchase, own, and operate real property that has been converted through RAD to preserve

219.25 Sec. 22. Minnesota Statutes 2022, section 469.012, is amended by adding a subdivision
 219.26 to read:

219.27 Subd. 14. **Assistance to preserve naturally occurring affordable housing.** An authority
 219.28 may provide financial assistance of any kind, including but not limited to grants, loans,
 219.29 forgivable loans, payment of interest, interest rate reduction, issuance of bonds and the
 219.30 spending of the proceeds of the bonds, to assist with the capital repair or replacement of an
 219.31 asset or category of assets with a regular life span in excess of 25 years and with a project
 219.32 cost in excess of \$5,000,000, where: (1) the capital repair project is in a multifamily housing
 219.33 building, whether owner-occupied or rental; (2) at least 25 percent of the units were sold
 219.34 or are rented to households meeting low-income requirements set by the United States
 220.1 Department of Housing and Urban Development; and (3) more than 25 years has elapsed
 220.2 since the asset or category of assets has been repaired or replaced. In the case of a common
 220.3 interest community, the assistance authorized herein may be provided whether or not the
 220.4 assets being repaired or replaced are owned by the individual unit owners or by the common
 220.5 interest community of which the individual unit owners are part of the membership, and
 220.6 may be provided to the common interest community or to individual unit owners, or both.

- 157.30 and improve public housing properties. A public corporation created under this section is
 157.31 also a political subdivision of the state and is limited to the powers in this section.
- 158.1 Subd. 3. **Corporation powers.** (a) The corporation has the following general powers:
- 158.2 (1) to have succession until dissolved by law;
- 158.3 (2) to sue and be sued in its corporate name;
- 158.4 (3) to adopt, alter, and use a corporate seal which shall be judicially noticed;
- 158.5 (4) to accept, hold, and administer gifts and bequests of money, securities, or other
 158.6 personal property of whatsoever character, absolutely or in trust, for the purposes for which
 158.7 the corporation is created. Unless otherwise restricted by the terms of the gift or bequest,
 158.8 the corporation is authorized to sell, exchange, or otherwise dispose of and to invest or
 158.9 reinvest in such investments as it may determine from time to time the money, securities,
 158.10 or other property given or bequeathed to it. The principal of such corporate funds and the
 158.11 income therefrom, and all other revenues received by it from any source whatsoever shall
 158.12 be placed in such depositories as the board of directors shall determine and shall be subject
 158.13 to expenditure for corporate purposes;
- 158.14 (5) to enter into contracts generally and to execute all instruments necessary or appropriate
 158.15 to carry out its corporate purposes;
- 158.16 (6) to appoint and prescribe the duties of officers, agents, and employees as may be
 158.17 necessary to carry out its work and to compensate them;
- 158.18 (7) to purchase all supplies and materials necessary for carrying out its purposes;
- 158.19 (8) to accept from the United States or the state of Minnesota, or any of their agencies,
 158.20 money or other assistance whether by gift, loan, or otherwise to carry out its corporate
 158.21 purposes, and enter into such contracts with the United States or the state of Minnesota, or
 158.22 any of the agencies of either, or with any of the political subdivisions of the state, as it may
 158.23 deem proper and consistent with the purposes of this section;
- 158.24 (9) to contract and make cooperative agreements with federal, state, and municipal
 158.25 departments and agencies and private corporations, associations, and individuals for the use
 158.26 of the corporation property, including but not limited to rental agreements; and
- 158.27 (10) to acquire real or personal property or any interest therein in any manner authorized
 158.28 under section 469.012, subdivision 1g, including by the exercise of eminent domain.
- 158.29 (b) A corporation may acquire properties converted under RAD, subject to restrictions
 158.30 and conditions compatible with funding acquisitions of and improvements to real property
 158.31 with state general obligation bond proceeds. The commissioner of management and budget
 158.32 must determine the necessary restrictions and conditions under this paragraph.

- 159.1 Subd. 4. **Board of directors.** (a) A corporation is governed by a board of directors as
 159.2 follows:
- 159.3 (1) a member of the city council from the city in which the corporation is incorporated;
 159.4 and
- 159.5 (2) a commissioner of the authority that created the corporation.
- 159.6 (b) The term of a director is six years. Two members of the initial board of directors
 159.7 must be appointed for terms of four years, and one for a term of two years.
- 159.8 (c) Vacancies on the board must be filled by the authority.
- 159.9 (d) Board members must not be compensated for their service as board members other
 159.10 than to be reimbursed for reasonable expenses incurred in connection with their duties as
 159.11 board members. Reimbursement shall be reviewed each year by the state auditor.
- 159.12 (e) The board must annually elect from among its members a chair and other officers
 159.13 necessary for the performance of its duties.
- 159.14 Subd. 5. **Bylaws.** The board of directors must adopt bylaws and rules as it deems
 159.15 necessary for the administration of its functions and the accomplishment of its purpose,
 159.16 including among other matters the establishment of a business office and the rules, the use
 159.17 of the project-based rental assistance properties, and the administration of corporation funds.
- 159.18 Subd. 6. **Place of business.** The board must locate and maintain the corporation's place
 159.19 of business in the city in which the authority that created the corporation is located.
- 159.20 Subd. 7. **Open meetings; data practices.** Meetings of the board are subject to chapter
 159.21 13D and meetings of the board conducted by interactive technology are subject to section
 159.22 13D.02. The board is subject to chapter 13, the Minnesota Government Data Practices Act,
 159.23 and shall protect from unlawful disclosure data classified as not public.
- 159.24 Subd. 8. **Compliance.** The corporation must comply with all federal, state, and local
 159.25 laws, rules, ordinances, and other regulations required to own and operate properties as
 159.26 project-based rental assistance properties.
- 159.27 Subd. 9. **Dissolution.** Upon dissolution of the corporation for any reason, its wholly
 159.28 owned assets become property of the authority that created the corporation.
- 159.29 **EFFECTIVE DATE.** This section is effective July 1, 2024.
- 160.1 Sec. 33. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 1, is amended
 160.2 to read:
- 160.3 Subdivision 1. **Purpose.** The purpose of this section is to help metropolitan local
 160.4 governments to develop and preserve affordable housing and supportive services for residents
 160.5 within their jurisdictions in order to keep families from losing housing and to help those
 160.6 experiencing homelessness find housing.

160.7 Sec. 34. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 2, is amended
 160.8 to read:

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

160.11 ~~(+)~~ (b) "City distribution factor" means the number of households in a tier I city that are
 160.12 cost-burdened divided by the total number of households that are cost-burdened in tier I
 160.13 cities. The number of cost-burdened households shall be determined using the most recent
 160.14 estimates or experimental estimates provided by the American Community Survey of the
 160.15 United States Census Bureau as of May 1 of the aid calculation year;

160.16 ~~(2)~~ (c) "Cost-burdened household" means a household in which gross rent is 30 percent
 160.17 or more of household income or in which homeownership costs are 30 percent or more of
 160.18 household income;

160.19 ~~(3)~~ (d) "County distribution factor" means the number of households in a county that
 160.20 are cost-burdened divided by the total number of households in metropolitan counties that
 160.21 are cost-burdened. The number of cost-burdened households shall be determined using the
 160.22 most recent estimates or experimental estimates provided by the American Community
 160.23 Survey of the United States Census Bureau as of May 1 of the aid calculation year;

160.24 (e) "Locally funded housing expenditures" means expenditures of the aid recipient,
 160.25 including expenditures by a public corporation or legal entity created by the aid recipient,
 160.26 that are:

160.27 (1) funded from the recipient's general fund, a property tax levy of the recipient or its
 160.28 housing and redevelopment authority, or unrestricted money available to the recipient, but
 160.29 not including tax increments; and

160.30 (2) expended on one of the following qualifying activities:

160.31 (i) financial assistance to residents in arrears on rent, mortgage, utilities, or property tax
 160.32 payments;

161.1 (ii) support services, case management services, and legal services for residents in arrears
 161.2 on rent, mortgage, utilities, or property tax payments;

161.3 (iii) down payment assistance or homeownership education, counseling, and training;

161.4 (iv) acquisition, construction, rehabilitation, adaptive reuse, improvement, financing,
 161.5 and infrastructure of residential dwellings;

161.6 (v) costs of operating emergency shelter, transitional housing, supportive housing, or
 161.7 publicly owned housing, including costs of providing case management services and support
 161.8 services; and

161.9 (vi) rental assistance.

- 161.10 ~~(f)~~ (f) "Metropolitan area" has the meaning given in section 473.121, subdivision 2;
- 161.11 ~~(g)~~ (g) "Metropolitan county" has the meaning given in section 473.121, subdivision 4;
- 161.12 ~~(h)~~ (h) "Population" has the meaning given in section 477A.011, subdivision 3; and
- 161.13 ~~(i)~~ (i) "Tier I city" means a statutory or home rule charter city that is a city of the first,
- 161.14 second, or third class and is located in a metropolitan county.
- 161.15 Sec. 35. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 4, is amended
- 161.16 to read:
- 161.17 Subd. 4. **Qualifying projects.** (a) Qualifying projects ~~shall~~ include:
- 161.18 (1) emergency rental assistance for households earning less than 80 percent of area
- 161.19 median income as determined by the United States Department of Housing and Urban
- 161.20 Development;
- 161.21 (2) financial support to nonprofit affordable housing providers in their mission to provide
- 161.22 safe, dignified, affordable and supportive housing; ~~and~~
- 161.23 (3) projects designed for the purpose of construction, acquisition, rehabilitation,
- 161.24 demolition or removal of existing structures, construction financing, permanent financing,
- 161.25 interest rate reduction, refinancing, and gap financing of housing to provide affordable
- 161.26 housing to households that have incomes which do not exceed, for homeownership projects,
- 161.27 115 percent of the greater of state or area median income as determined by the United States
- 161.28 Department of Housing and Urban Development, and for rental housing projects, 80 percent
- 161.29 of the greater of state or area median income as determined by the United States Department
- 161.30 of Housing and Urban Development, except that the housing developed or rehabilitated
- 161.31 with funds under this section must be affordable to the local work force;
- 162.1 (4) financing the operations and management of financially distressed residential
- 162.2 properties;
- 162.3 (5) funding of supportive services or staff of supportive services providers for supportive
- 162.4 housing as defined by section 462A.37, subdivision 1. Financial support to nonprofit housing
- 162.5 providers to finance supportive housing operations may be awarded as a capitalized reserve
- 162.6 or as an award of ongoing funding; and
- 162.7 (6) costs of operating emergency shelter facilities, including the costs of providing
- 162.8 services.
- 162.9 ~~Projects shall be prioritized~~ (b) Recipients must prioritize projects that provide affordable
- 162.10 housing to households that have incomes which do not exceed, for homeownership projects,
- 162.11 80 percent of the greater of state or area median income as determined by the United States
- 162.12 Department of Housing and Urban Development, and for rental housing projects, 50 percent
- 162.13 of the greater of state or area median income as determined by the United States Department
- 162.14 of Housing and Urban Development. Priority may be given to projects that: reduce disparities

- 162.15 in home ownership; reduce housing cost burden, housing instability, or homelessness;
- 162.16 improve the habitability of homes; create accessible housing; or create more energy- or
- 162.17 water-efficient homes.
- 162.18 ~~(b)~~ (c) Gap financing is either:
- 162.19 (1) the difference between the costs of the property, including acquisition, demolition,
- 162.20 rehabilitation, and construction, and the market value of the property upon sale; or
- 162.21 (2) the difference between the cost of the property and the amount the targeted household
- 162.22 can afford for housing, based on industry standards and practices.
- 162.23 ~~(e)~~ (d) If aid under this section is used for demolition or removal of existing structures,
- 162.24 the cleared land must be used for the construction of housing to be owned or rented by
- 162.25 persons who meet the income limits of paragraph (a).
- 162.26 ~~(e)~~ (e) If an aid recipient uses the aid on new construction or substantial rehabilitation
- 162.27 of a building containing more than four units, the loan recipient must construct, convert, or
- 162.28 otherwise adapt the building to include:
- 162.29 (1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are
- 162.30 accessible units, as defined by section 1002 of the current State Building Code Accessibility
- 162.31 Provisions for Dwelling Units in Minnesota, and include at least one roll-in shower; and
- 162.32 (2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are
- 162.33 sensory-accessible units that include:
- 163.1 (A) soundproofing between shared walls for first and second floor units;
- 163.2 (B) no florescent lighting in units and common areas;
- 163.3 (C) low-fume paint;
- 163.4 (D) low-chemical carpet; and
- 163.5 (E) low-chemical carpet glue in units and common areas.
- 163.6 Nothing in this paragraph relieves a project funded by this section from meeting other
- 163.7 applicable accessibility requirements.
- 163.8 Sec. 36. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 5, is amended
- 163.9 to read:
- 163.10 Subd. 5. **Use of proceeds.** (a) Any funds distributed under this section must be spent on
- 163.11 a qualifying project. Funds are considered spent on a qualifying project if:
- 163.12 (1) a tier I city or county demonstrates to the Minnesota Housing Finance Agency that
- 163.13 the city or county cannot expend funds on a qualifying project by the deadline imposed by
- 163.14 paragraph (b) due to factors outside the control of the city or county; and
- 163.15 (2) the funds are transferred to a local housing trust fund.

- 163.16 Funds transferred to a local housing trust fund under this paragraph must be spent on a
 163.17 project or household that meets the affordability requirements of subdivision 4, paragraph
 163.18 (a).
- 163.19 (b) Funds must be spent by December 31 in the third year following the year after the
 163.20 aid was received. The requirements of this paragraph are satisfied if funds are:
- 163.21 (1) committed to a qualifying project by December 31 in the third year following the
 163.22 year after the aid was received; and
- 163.23 (2) expended by December 31 in the fourth year following the year after the aid was
 163.24 received.
- 163.25 (c) An aid recipient may not use aid money to reimburse itself for prior expenditures.
- 163.26 Sec. 37. Minnesota Statutes 2023 Supplement, section 477A.35, is amended by adding a
 163.27 subdivision to read:
- 163.28 Subd. 5a. **Conditions for receipt.** (a) As a condition of receiving aid under this section,
 163.29 a recipient must commit to using money to supplement, not supplant, existing locally funded
 164.1 housing expenditures, so that they are using the money to create new, or to expand existing,
 164.2 housing programs.
- 164.3 (b) In the annual report required under subdivision 6, a recipient must certify its
 164.4 compliance with this subdivision, including an accounting of locally funded housing
 164.5 expenditures in the prior fiscal year. In a tier I city's or county's first report to the Minnesota
 164.6 Housing Finance Agency, it must document its locally funded housing expenditures in the
 164.7 two prior fiscal years. If a recipient reduces one of its locally funded housing expenditures,
 164.8 the recipient must detail the expenditure, the amount of the reduction, and the reason for
 164.9 the reduction. The certification required under this paragraph must be made available publicly
 164.10 on the website of the recipient.
- 164.11 Sec. 38. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 6, is amended
 164.12 to read:
- 164.13 Subd. 6. **Administration.** (a) The commissioner of revenue must compute the amount
 164.14 of aid payable to each tier I city and county under this section. By August 1 of each year,
 164.15 the commissioner must certify the distribution factors of each tier I city and county to be
 164.16 used in the following year. The commissioner must pay local affordable housing aid annually
 164.17 at the times provided in section 477A.015, distributing the amounts available on the
 164.18 immediately preceding June 1 under the accounts established in section 477A.37, subdivisions
 164.19 2 and 3.
- 164.20 (b) Beginning in 2025, tier I cities and counties shall submit a report annually, no later
 164.21 than December 1 of each year, to the Minnesota Housing Finance Agency. The report must
 164.22 include documentation of the location of any unspent funds distributed under this section
 164.23 and of qualifying projects completed or planned with funds under this section. If a tier I
 164.24 city or county fails to submit a report, if a tier I city or county fails to spend funds within

164.25 the timeline imposed under subdivision 5, paragraph (b), ~~or~~ if a tier I city or county uses
 164.26 funds for a project that does not qualify under this section, ~~or if a tier I city or county fails~~
 164.27 ~~to meet its requirements of subdivision 5a,~~ the Minnesota Housing Finance Agency shall
 164.28 notify the Department of Revenue and the cities and counties that must repay funds under
 164.29 paragraph (c) by February 15 of the following year.

164.30 (c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, a
 164.31 tier I city or county must pay to the Minnesota Housing Finance Agency funds the city or
 164.32 county received under this section if the city or county:

164.33 (1) fails to spend the funds within the time allowed under subdivision 5, paragraph (b);

165.1 (2) spends the funds on anything other than a qualifying project; ~~or~~

165.2 (3) fails to submit a report documenting use of the funds; ~~or~~

165.3 (4) fails to meet the requirements of subdivision 5a.

165.4 (d) The commissioner of revenue must stop distributing funds to a tier I city or county
 165.5 that requests in writing that the commissioner stop payment or that, in three consecutive
 165.6 years, the Minnesota Housing Finance Agency has reported, pursuant to paragraph (b), to
 165.7 have failed to use funds, misused funds, or failed to report on its use of funds.

165.8 (e) The commissioner may resume distributing funds to a tier I city or county to which
 165.9 the commissioner has stopped payments in the year following the August 1 after the
 165.10 Minnesota Housing Finance Agency certifies that the city or county has submitted
 165.11 documentation of plans for a qualifying project. The commissioner may resume distributing
 165.12 funds to a tier I city or county to which the commissioner has stopped payments at the
 165.13 request of the city or county in the year following the August 1 after the Minnesota Housing
 165.14 Finance Agency certifies that the city or county has submitted documentation of plans for
 165.15 a qualifying project.

165.16 (f) By June 1, any funds paid to the Minnesota Housing Finance Agency under paragraph
 165.17 (c) must be deposited in the housing development fund. Funds deposited under this paragraph
 165.18 are appropriated to the commissioner of the Minnesota Housing Finance Agency for use
 165.19 on the family homeless prevention and assistance program under section 462A.204, the
 165.20 economic development and housing challenge program under section 462A.33, and the
 165.21 workforce and affordable homeownership development program under section 462A.38.

220.7 Sec. 23. Minnesota Statutes 2022, section 500.215, subdivision 1, is amended to read:

220.8 Subdivision 1. **General rule.** (a) Any provision of any deed restriction, subdivision
 220.9 regulation, restrictive covenant, local ordinance, contract, rental agreement or regulation,
 220.10 or homeowners association document that limits the right of an owner or tenant of residential
 220.11 property to display the flag of the United States ~~and~~, the flag of the State of Minnesota, ~~or~~
 220.12 the POW/MIA flag is void and unenforceable.

- 220.13 (b) "Homeowners association document" includes the declaration, articles of
220.14 incorporation, bylaws, and rules and regulations of:
- 220.15 (1) a common interest community, as defined in section 515B.1-103(10), regardless of
220.16 whether the common interest community is subject to chapter 515B; and
- 220.17 (2) a residential community that is not a common interest community, as defined in
220.18 section 515B.1-103(10).
- 220.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 220.20 Sec. 24. Minnesota Statutes 2023 Supplement, section 515B.3-102, is amended to read:
- 220.21 **515B.3-102 POWERS OF UNIT OWNERS' ASSOCIATION.**
- 220.22 (a) Except as provided in subsections (b), (c), (d), (e), and (f) and subject to the provisions
220.23 of the declaration or bylaws, the association shall have the power to:
- 220.24 (1) adopt, amend and revoke rules and regulations not inconsistent with the articles of
220.25 incorporation, bylaws and declaration, as follows: (i) regulating the use of the common
220.26 elements; (ii) regulating the use of the units, and conduct of unit occupants, which may
220.27 jeopardize the health, safety or welfare of other occupants, which involves noise or other
220.28 disturbing activity, or which may damage the common elements or other units; (iii) regulating
220.29 or prohibiting animals; (iv) regulating changes in the appearance of the common elements
220.30 and conduct which may damage the common interest community; (v) regulating the exterior
220.31 appearance of the common interest community, including, for example, balconies and patios,
220.32 window treatments, and signs and other displays, regardless of whether inside a unit; (vi)
221.1 implementing the articles of incorporation, declaration and bylaws, and exercising the
221.2 powers granted by this section; and (vii) otherwise facilitating the operation of the common
221.3 interest community;
- 221.4 (2) adopt and amend budgets for revenues, expenditures and reserves, and levy and
221.5 collect assessments for common expenses from unit owners;
- 221.6 (3) hire and discharge managing agents and other employees, agents, and independent
221.7 contractors;
- 221.8 (4) institute, defend, or intervene in litigation or administrative proceedings (i) in its
221.9 own name on behalf of itself or two or more unit owners on matters affecting the common
221.10 elements or other matters affecting the common interest community or, (ii) with the consent
221.11 of the owners of the affected units on matters affecting only those units;
- 221.12 (5) make contracts and incur liabilities;
- 221.13 (6) regulate the use, maintenance, repair, replacement, and modification of the common
221.14 elements and the units;
- 221.15 (7) cause improvements to be made as a part of the common elements, and, in the case
221.16 of a cooperative, the units;

- 221.17 (8) acquire, hold, encumber, and convey in its own name any right, title, or interest to
 221.18 real estate or personal property, but (i) common elements in a condominium or planned
 221.19 community may be conveyed or subjected to a security interest only pursuant to section
 221.20 515B.3-112, or (ii) part of a cooperative may be conveyed, or all or part of a cooperative
 221.21 may be subjected to a security interest, only pursuant to section 515B.3-112;
- 221.22 (9) grant or amend easements for public utilities, public rights-of-way or other public
 221.23 purposes, and cable television or other communications, through, over or under the common
 221.24 elements; grant or amend easements, leases, or licenses to unit owners for purposes authorized
 221.25 by the declaration; and, subject to approval by a vote of unit owners other than declarant
 221.26 or its affiliates, grant or amend other easements, leases, and licenses through, over or under
 221.27 the common elements;
- 221.28 (10) impose and receive any payments, fees, or charges for the use, rental, or operation
 221.29 of the common elements, other than limited common elements, and for services provided
 221.30 to unit owners;
- 221.31 (11) impose interest and late charges for late payment of assessments and, after notice
 221.32 and an opportunity to be heard before the board or a committee appointed by it, levy
 221.33 reasonable fines for violations of the declaration, bylaws, and rules and regulations of the
 222.1 association, provided that attorney fees and costs must not be charged or collected from a
 222.2 unit owner who disputes a fine or assessment and, if after the homeowner requests a hearing
 222.3 and a hearing is held by the board or a committee of the board, the board does not adopt a
 222.4 resolution levying the fine or upholding the assessment against the unit owner or owner's
 222.5 unit;
- 222.6 (12) impose reasonable charges for the review, preparation and recordation of
 222.7 amendments to the declaration, resale certificates required by section 515B.4-107, statements
 222.8 of unpaid assessments, or furnishing copies of association records;
- 222.9 (13) provide for the indemnification of its officers and directors, and maintain directors'
 222.10 and officers' liability insurance;
- 222.11 (14) provide for reasonable procedures governing the conduct of meetings and election
 222.12 of directors;
- 222.13 (15) exercise any other powers conferred by law, or by the declaration, articles of
 222.14 incorporation or bylaws; and
- 222.15 (16) exercise any other powers necessary and proper for the governance and operation
 222.16 of the association.
- 222.17 (b) Notwithstanding subsection (a) the declaration or bylaws may not impose limitations
 222.18 on the power of the association to deal with the declarant which are more restrictive than
 222.19 the limitations imposed on the power of the association to deal with other persons.
- 222.20 (c) A fine levied pursuant to subsection (a)(11), must not exceed \$100 for a single
 222.21 violation, and when combined with additional fines for an ongoing violation, late fees, and

- 222.22 other allowable charges, must not exceed \$2,500 in total for the violation. An association
 222.23 that levies a fine pursuant to subsection (a)(11), or an assessment pursuant to section
 222.24 515B.3-115(g), or 515B.3-1151(g), must provide a dated, written notice to a unit owner
 222.25 that:
- 222.26 (1) states the amount and reason for the fine or assessment;
- 222.27 (2) for fines levied under section 515B.3-102(a)(11), specifies: (i) the violation for which
 222.28 a fine is being levied and the date of the levy; and (ii) the specific section of the declaration,
 222.29 bylaws, rules, or regulations allegedly violated;
- 222.30 (3) for assessments levied under section 515B.3-115(g) or 515B.3-1151(g), identifies:
 222.31 (i) the damage caused; and (ii) the act or omission alleged to have caused the damage;
- 223.1 (4) states that all unpaid fines and assessments are liens which, if not satisfied, could
 223.2 lead to foreclosure of the lien against the owner's unit;
- 223.3 (5) describes the unit owner's right to be heard by the board or a committee appointed
 223.4 by the board;
- 223.5 (6) states that if the assessment, fine, late fees, and other allowable charges are not paid,
 223.6 the amount may increase as a result of the imposition of attorney fees and other collection
 223.7 costs; and
- 223.8 (7) informs the unit owner that homeownership assistance is available from the Minnesota
 223.9 Homeownership Center.
- 223.10 (d) Notwithstanding subsection (a), powers exercised under this section must comply
 223.11 with sections 500.215 and 500.216.
- 223.12 (e) Notwithstanding subsection (a)(4) or any other provision of this chapter, the
 223.13 association, before instituting litigation or arbitration involving construction defect claims
 223.14 against a development party, shall:
- 223.15 (1) mail or deliver written notice of the anticipated commencement of the action to each
 223.16 unit owner at the addresses, if any, established for notices to owners in the declaration and,
 223.17 if the declaration does not state how notices are to be given to owners, to the owner's last
 223.18 known address. The notice shall specify the nature of the construction defect claims to be
 223.19 alleged, the relief sought, and the manner in which the association proposes to fund the cost
 223.20 of pursuing the construction defect claims; and
- 223.21 (2) obtain the approval of owners of units to which a majority of the total votes in the
 223.22 association are allocated. Votes allocated to units owned by the declarant, an affiliate of the
 223.23 declarant, or a mortgagee who obtained ownership of the unit through a foreclosure sale
 223.24 are excluded. The association may obtain the required approval by a vote at an annual or
 223.25 special meeting of the members or, if authorized by the statute under which the association
 223.26 is created and taken in compliance with that statute, by a vote of the members taken by
 223.27 electronic means or mailed ballots. If the association holds a meeting and voting by electronic

223.28 means or mailed ballots is authorized by that statute, the association shall also provide for
 223.29 voting by those methods. Section 515B.3-110(c) applies to votes taken by electronic means
 223.30 or mailed ballots, except that the votes must be used in combination with the vote taken at
 223.31 a meeting and are not in lieu of holding a meeting, if a meeting is held, and are considered
 223.32 for purposes of determining whether a quorum was present. Proxies may not be used for a
 223.33 vote taken under this paragraph unless the unit owner executes the proxy after receipt of
 223.34 the notice required under subsection (e)(1) and the proxy expressly references this notice.

224.1 (f) The association may intervene in a litigation or arbitration involving a construction
 224.2 defect claim or assert a construction defect claim as a counterclaim, crossclaim, or third-party
 224.3 claim before complying with subsections (e)(1) and (e)(2) but the association's complaint
 224.4 in an intervention, counterclaim, crossclaim, or third-party claim shall be dismissed without
 224.5 prejudice unless the association has complied with the requirements of subsection (e) within
 224.6 90 days of the association's commencement of the complaint in an intervention or the
 224.7 assertion of the counterclaim, crossclaim, or third-party claim.

224.8 Sec. 25. Minnesota Statutes 2022, section 515B.3-107, is amended to read:

224.9 **515B.3-107 UPKEEP OF COMMON INTEREST COMMUNITY.**

224.10 (a) Except to the extent provided by the declaration, this subsection or section
 224.11 515B.3-113, the association is responsible for the maintenance, repair and replacement of
 224.12 the common elements, and each unit owner is responsible for the maintenance, repair and
 224.13 replacement of the unit owner's unit. Damage to the common elements or any unit as a result
 224.14 of the acts or omissions of a unit owner or the association, including damage resulting from
 224.15 the unit owner's or association's lack of maintenance or failure to perform necessary repairs
 224.16 or replacement, is the responsibility of the unit owner or association responsible for causing
 224.17 the damage, or whose agents or invitees caused the damage.

224.18 (b) The association's board of directors shall prepare and approve a written preventative
 224.19 maintenance plan, maintenance schedule, and maintenance budget for the common elements.
 224.20 The association shall follow the approved preventative maintenance plan. The association's
 224.21 board may amend, modify, or replace an approved preventative maintenance plan or an
 224.22 approved maintenance schedule from time to time. The association must provide all unit
 224.23 owners with a paper copy, electronic copy, or electronic access to the preventative
 224.24 maintenance plan, the maintenance schedule, and any amendments or modifications to or
 224.25 replacements of the preventative maintenance plan and the maintenance schedule. If a
 224.26 common interest community was created on or before August 1, 2017, the association's
 224.27 board of directors shall have until January 1, 2019, to comply with the requirements of this
 224.28 subsection.

224.29 (c) The association shall have access through and into each unit for purposes of
 224.30 performing maintenance, repair or replacement for which the association may be responsible.
 224.31 The association and any public safety personnel shall also have access for purposes of
 224.32 abating or correcting any condition in the unit which violates any governmental law,
 224.33 ordinance or regulation, which may cause material damage to or jeopardize the safety of

- 225.1 the common interest community, or which may constitute a health or safety hazard for
 225.2 occupants of units.
- 225.3 (d) In exercising any authority granted to it under the declaration to approve or disapprove
 225.4 proposed changes to a unit or limited common element, the association's board shall provide
 225.5 a fair, reasonable, and expeditious procedure for making its decision. The procedure shall
 225.6 be set forth in the association's governing documents. The procedures shall state the
 225.7 maximum time for issuance of any decision on a proposal or a request for reconsideration.
 225.8 At a minimum, a decision shall be made within 90 days after the initial submission of the
 225.9 proposal or submission of any additional information or changes to the proposal requested
 225.10 by the association's board in response to the initial submission. A decision shall be in writing,
 225.11 shall be made in good faith, and may not be unreasonable, arbitrary, or capricious. If the
 225.12 proposal is disapproved, the decision shall include both an explanation of why the proposal
 225.13 is disapproved and a description of the procedure for reconsideration of the decision by the
 225.14 association's board.
- 225.15 ~~(d)~~ (e) Neither the association, nor any unit owner other than the declarant or its affiliates,
 225.16 is subject to a claim for payment of expenses incurred in connection with any additional
 225.17 real estate.
- 225.18 (f) Unless expressly provided for in the declaration, the association must not enforce
 225.19 any restriction on parking of a personal vehicle on a public street or public road for which
 225.20 the state or local government has assumed responsibility for maintenance and repairs, unless
 225.21 the authority to regulate such parking has been expressly delegated to the association by
 225.22 the state or local government under terms prescribing the manner in which the association
 225.23 may exercise that authority. Any such delegation shall be valid for a period not to exceed
 225.24 five years, at which time the association must reapply to the delegating entity. As used in
 225.25 this subdivision, "personal vehicle" means an automobile with a gross weight of less than
 225.26 26,001 pounds that is used for personal pleasure, travel, or commuting to and from a place
 225.27 of work, and does not include a motor home or self-propelled recreational vehicle, or an
 225.28 automobile that is otherwise used primarily in connection with any commercial endeavor
 225.29 or business.
- 225.30 Sec. 26. Minnesota Statutes 2023 Supplement, section 515B.3-116, is amended to read:
- 225.31 **515B.3-116 LIEN FOR ASSESSMENTS.**
- 225.32 (a) The association has a lien on a unit for any assessment levied against that unit from
 225.33 the time the assessment becomes due. If an assessment is payable in installments, the full
 225.34 amount of the assessment is a lien from the time the first installment thereof becomes due.
 226.1 Unless the declaration otherwise provides, fees, charges, late charges, ~~fees~~ and interest
 226.2 charges pursuant to section 515B.3-102(a)(10), (11) and (12) are liens, and are enforceable
 226.3 as assessments, under this section. Fines and fine-related charges are not liens, and are not
 226.4 enforceable as assessments under this section. Recording of the declaration constitutes
 226.5 record notice and perfection of any assessment lien under this section, and no further
 226.6 recording of any notice of or claim for the lien is required.

226.7 (b) Subject to subsection (c), a lien under this section is prior to all other liens and
 226.8 encumbrances on a unit except (i) liens and encumbrances recorded before the declaration
 226.9 and, in a cooperative, liens and encumbrances which the association creates, assumes, or
 226.10 takes subject to, (ii) any first mortgage encumbering the fee simple interest in the unit, or,
 226.11 in a cooperative, any first security interest encumbering only the unit owner's interest in the
 226.12 unit, (iii) liens for real estate taxes and other governmental assessments or charges against
 226.13 the unit, and (iv) a master association lien under section 515B.2-121(h). This subsection
 226.14 shall not affect the priority of mechanic's liens.

226.15 (c) If a first mortgage on a unit is foreclosed, the first mortgage was recorded after June
 226.16 1, 1994, and no owner or person who acquires the owner's interest in the unit redeems
 226.17 pursuant to chapter 580, 581, or 582, the holder of the sheriff's certificate of sale from the
 226.18 foreclosure of the first mortgage or any person who acquires title to the unit by redemption
 226.19 as a junior creditor shall take title to the unit subject to a lien in favor of the association for
 226.20 unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (e)(1)
 226.21 to (3), (f), and (i) which became due, without acceleration, during the six months immediately
 226.22 preceding the end of the owner's period of redemption. The common expenses shall be
 226.23 based upon the association's then current annual budget, notwithstanding the use of an
 226.24 alternate common expense plan under section 515B.3-115(a)(2). If a first security interest
 226.25 encumbering a unit owner's interest in a cooperative unit which is personal property is
 226.26 foreclosed, the secured party or the purchaser at the sale shall take title to the unit subject
 226.27 to unpaid assessments for common expenses levied pursuant to section 515B.3-115(a),
 226.28 (e)(1) to (3), (f), and (i) which became due, without acceleration, during the six months
 226.29 immediately preceding the first day following either the disposition date pursuant to section
 226.30 336.9-610 or the date on which the obligation of the unit owner is discharged pursuant to
 226.31 section 336.9-622.

226.32 (d) Proceedings to enforce an assessment lien shall be instituted within three years after
 226.33 the last installment of the assessment becomes payable, or shall be barred.

227.1 (e) The unit owner of a unit at the time an assessment is due shall be personally liable
 227.2 to the association for payment of the assessment levied against the unit. If there are multiple
 227.3 owners of the unit, they shall be jointly and severally liable.

227.4 (f) This section does not prohibit actions to recover sums for which subsection (a) creates
 227.5 a lien nor prohibit an association from taking a deed in lieu of foreclosure.

227.6 (g) The association shall furnish to a unit owner or the owner's authorized agent upon
 227.7 written request of the unit owner or the authorized agent a statement setting forth the amount
 227.8 of unpaid assessments currently levied against the owner's unit. If the unit owner's interest
 227.9 is real estate, the statement shall be in recordable form. The statement shall be furnished
 227.10 within ten business days after receipt of the request and is binding on the association and
 227.11 every unit owner.

227.12 (h) The association's lien may be foreclosed as provided in this subsection. In no case
 227.13 may an association's lien be foreclosed unless unpaid fees, charges, late charges, and interest

- 227.14 charges pursuant to section 515B.3-102(a)(10), (11) and (12), are outstanding for more than
227.15 180 days.
- 227.16 (1) In a condominium or planned community, the association's lien may be foreclosed
227.17 in a like manner as a mortgage containing a power of sale pursuant to chapter 580, or by
227.18 action pursuant to chapter 581. The association shall have a power of sale to foreclose the
227.19 lien pursuant to chapter 580, except that any portion of the assessment that represents
227.20 attorney fees or costs shall not be included in the amount a unit owner must pay to reinstate
227.21 under section 580.30 or chapter 581.
- 227.22 (2) In a cooperative whose unit owners' interests are real estate, the association's lien
227.23 shall be foreclosed in a like manner as a mortgage on real estate as provided in paragraph
227.24 (1).
- 227.25 (3) In a cooperative whose unit owners' interests in the units are personal property, the
227.26 association's lien shall be foreclosed in a like manner as a security interest under article 9
227.27 of chapter 336. In any disposition pursuant to section 336.9-610 or retention pursuant to
227.28 sections 336.9-620 to 336.9-622, the rights of the parties shall be the same as those provided
227.29 by law, except (i) notice of sale, disposition, or retention shall be served on the unit owner
227.30 90 days prior to sale, disposition, or retention, (ii) the association shall be entitled to its
227.31 reasonable costs and attorney fees not exceeding the amount provided by section 582.01,
227.32 subdivision 1a, (iii) the amount of the association's lien shall be deemed to be adequate
227.33 consideration for the unit subject to disposition or retention, notwithstanding the value of
228.1 the unit, and (iv) the notice of sale, disposition, or retention shall contain the following
228.2 statement in capital letters with the name of the association or secured party filled in:
- 228.3 "THIS IS TO INFORM YOU THAT BY THIS NOTICE (fill in name of association or
228.4 secured party) HAS BEGUN PROCEEDINGS UNDER MINNESOTA STATUTES,
228.5 CHAPTER 515B, TO FORECLOSE ON YOUR INTEREST IN YOUR UNIT FOR THE
228.6 REASON SPECIFIED IN THIS NOTICE. YOUR INTEREST IN YOUR UNIT WILL
228.7 TERMINATE 90 DAYS AFTER SERVICE OF THIS NOTICE ON YOU UNLESS
228.8 BEFORE THEN:
- 228.9 (a) THE PERSON AUTHORIZED BY (fill in the name of association or secured party)
228.10 AND DESCRIBED IN THIS NOTICE TO RECEIVE PAYMENTS RECEIVES FROM
228.11 YOU:
- 228.12 (1) THE AMOUNT THIS NOTICE SAYS YOU OWE; PLUS
- 228.13 (2) THE COSTS INCURRED TO SERVE THIS NOTICE ON YOU; PLUS
- 228.14 (3) \$500 TO APPLY TO ATTORNEY FEES ACTUALLY EXPENDED OR
228.15 INCURRED; PLUS
- 228.16 (4) ANY ADDITIONAL AMOUNTS FOR YOUR UNIT BECOMING DUE TO (fill
228.17 in name of association or secured party) AFTER THE DATE OF THIS NOTICE; OR

228.18 (b) YOU SECURE FROM A DISTRICT COURT AN ORDER THAT THE
 228.19 FORECLOSURE OF YOUR RIGHTS TO YOUR UNIT BE SUSPENDED UNTIL YOUR
 228.20 CLAIMS OR DEFENSES ARE FINALLY DISPOSED OF BY TRIAL, HEARING, OR
 228.21 SETTLEMENT. YOUR ACTION MUST SPECIFICALLY STATE THOSE FACTS AND
 228.22 GROUNDS THAT DEMONSTRATE YOUR CLAIMS OR DEFENSES.

228.23 IF YOU DO NOT DO ONE OR THE OTHER OF THE ABOVE THINGS WITHIN
 228.24 THE TIME PERIOD SPECIFIED IN THIS NOTICE, YOUR OWNERSHIP RIGHTS IN
 228.25 YOUR UNIT WILL TERMINATE AT THE END OF THE PERIOD, YOU WILL LOSE
 228.26 ALL THE MONEY YOU HAVE PAID FOR YOUR UNIT, YOU WILL LOSE YOUR
 228.27 RIGHT TO POSSESSION OF YOUR UNIT, YOU MAY LOSE YOUR RIGHT TO
 228.28 ASSERT ANY CLAIMS OR DEFENSES THAT YOU MIGHT HAVE, AND YOU WILL
 228.29 BE EVICTED. IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE, CONTACT
 228.30 AN ATTORNEY IMMEDIATELY."

228.31 (4) In any foreclosure pursuant to chapter 580, 581, or 582, the rights of the parties shall
 228.32 be the same as those provided by law, except (i) the period of redemption for unit owners
 228.33 shall be six months from the date of sale or a lesser period authorized by law, (ii) in a
 229.1 foreclosure by advertisement under chapter 580, the foreclosing party shall be entitled to
 229.2 costs and disbursements of foreclosure and attorney fees authorized by the declaration or
 229.3 bylaws, notwithstanding the provisions of section 582.01, subdivisions 1 and 1a, (iii) in a
 229.4 foreclosure by action under chapter 581, the foreclosing party shall be entitled to costs and
 229.5 disbursements of foreclosure and attorney fees as the court shall determine, and (iv) the
 229.6 amount of the association's lien shall be deemed to be adequate consideration for the unit
 229.7 subject to foreclosure, notwithstanding the value of the unit.

229.8 (i) If a holder of a sheriff's certificate of sale, prior to the expiration of the period of
 229.9 redemption, pays any past due or current assessments, or any other charges lienable as
 229.10 assessments, with respect to the unit described in the sheriff's certificate, then the amount
 229.11 paid shall be a part of the sum required to be paid to redeem under section 582.03.

229.12 (j) In a cooperative, if the unit owner fails to redeem before the expiration of the
 229.13 redemption period in a foreclosure of the association's assessment lien, the association may
 229.14 bring an action for eviction against the unit owner and any persons in possession of the unit,
 229.15 and in that case section 504B.291 shall not apply.

229.16 (k) An association may assign its lien rights in the same manner as any other secured
 229.17 party.

229.18 Sec. 27. Minnesota Statutes 2022, section 515B.4-116, is amended to read:

229.19 **515B.4-116 RIGHTS OF ACTION; RETALIATION PROHIBITED; ATTORNEY'S**
 229.20 **FEES.**

229.21 (a) In addition to any other rights to recover damages, attorney's fees, costs or expenses,
 229.22 whether authorized by this chapter or otherwise, if a declarant, an association, or any other
 229.23 person violates any provision of this chapter, or any provision of the declaration, bylaws,

229.24 or rules and regulations any person or class of persons adversely affected by the failure to
 229.25 comply has a claim for appropriate relief. Subject to the requirements of section 515B.3-102,
 229.26 the association shall have standing to pursue claims on behalf of the unit owners of two or
 229.27 more units.

229.28 (b) An association may not retaliate against an owner for asserting any right the owner
 229.29 has under this chapter or other law. For purposes of this paragraph, asserting rights includes
 229.30 but is not limited to filing an action in district court to enforce a right or remedy provided
 229.31 by this chapter or other law; by the declaration, bylaws, or rules and regulations of the
 229.32 association; or by filing a complaint with local authorities regarding a violation of a health,
 229.33 safety, housing, or building code or ordinance. An association may not decrease services
 230.1 or impose a fine or other penalty or charge legal fees to the owner, nor may the association
 230.2 make the resumption of services or removal of the fine, penalty, or legal fees contingent on
 230.3 the owner dropping the owner's action in district court or complaint with local authorities.

230.4 ~~(b)~~ (c) The court may award reasonable attorney's fees and costs of litigation to the
 230.5 prevailing party. Punitive damages may be awarded for a willful failure to comply.

230.6 ~~(c)~~ (d) As a condition precedent to any construction defect claim, the parties to the claim
 230.7 must submit the matter to mediation before a mutually agreeable neutral third party. For
 230.8 the purposes of this section, mediation has the meaning given under the General Rules of
 230.9 Practice, rule 114.02 (7). If the parties are not able to agree on a neutral third-party mediator
 230.10 from the roster maintained by the Minnesota Supreme Court, the parties may petition the
 230.11 district court in the jurisdiction in which the common interest community is located to
 230.12 appoint a mediator. The applicable statute of limitations and statute of repose for an action
 230.13 based on breach of a warranty imposed by this section, or any other action in contract, tort,
 230.14 or other law for any injury to real or personal property or bodily injury or wrongful death
 230.15 arising out of the alleged construction defect, is tolled from the date that any party makes
 230.16 a written demand for mediation under this section until the latest of the following:

230.17 (1) five business days after mediation is completed; or

230.18 (2) 180 days.

230.19 Notwithstanding the foregoing, mediation shall not be required prior to commencement
 230.20 of a construction defect claim if the parties have completed home warranty dispute resolution
 230.21 under section 327A.051.

230.22 ~~(d)~~ (e) The remedies provided for under this chapter are not exclusive and do not abrogate
 230.23 any remedies under other statutes or the common law, notwithstanding whether those
 230.24 remedies are referred to in this chapter.

165.22 Sec. 39. Laws 2023, chapter 37, article 1, section 2, subdivision 2, is amended to read:

165.23 Subd. 2. **Challenge Program** 60,425,000 60,425,000

230.25 Sec. 28. Laws 2023, chapter 37, article 1, section 2, subdivision 2, is amended to read:

230.26 Subd. 2. **Challenge Program** 60,425,000 60,425,000

165.24 (a) This appropriation is for the economic
 165.25 development and housing challenge program
 165.26 under Minnesota Statutes, sections 462A.33
 165.27 and 462A.07, subdivision 14.

165.28 (b) Of this amount, \$6,425,000 each year shall
 165.29 be made available during the first 11 months
 165.30 of the fiscal year exclusively for housing
 165.31 projects for American Indians. Any funds not
 165.32 committed to housing projects for American
 165.33 Indians within the annual consolidated request
 166.1 for funding processes may be available for
 166.2 any eligible activity under Minnesota Statutes,
 166.3 sections 462A.33 and 462A.07, subdivision
 166.4 14.

166.5 (c) Of the amount in the first year, \$5,000,000
 166.6 is for a grant to Urban Homeworks to expand
 166.7 initiatives pertaining to deeply affordable
 166.8 homeownership in Minneapolis neighborhoods
 166.9 with over 40 percent of residents identifying
 166.10 as Black, Indigenous, or People of Color and
 166.11 at least 40 percent of residents making less
 166.12 than 50 percent of the area median income.
 166.13 The grant is to be used for acquisition,
 166.14 rehabilitation, gap financing as defined in
 166.15 section 462A.33, subdivision 1, and
 166.16 construction of homes to be sold to households
 166.17 with incomes ~~of 50 to~~ at or below 60 percent
 166.18 of the area median income. This is a onetime
 166.19 appropriation, ~~and is available until June 30,~~
 166.20 ~~2027.~~ By December 15 each year ~~until 2027,~~
 166.21 Urban Homeworks must submit a report to
 166.22 the chairs and ranking minority members of
 166.23 the legislative committees having jurisdiction
 166.24 over housing finance and policy. The report
 166.25 must include the amount used for (1)
 166.26 acquisition, (2) rehabilitation, and (3)
 166.27 construction of housing units, along with the
 166.28 number of housing units acquired,
 166.29 rehabilitated, or constructed, and the amount
 166.30 of the appropriation that has been spent. If any
 166.31 home was sold or transferred within the year
 166.32 covered by the report, Urban Homeworks must

230.27 (a) This appropriation is for the economic
 230.28 development and housing challenge program
 230.29 under Minnesota Statutes, sections 462A.33
 230.30 and 462A.07, subdivision 14.

230.31 (b) Of this amount, \$6,425,000 each year shall
 230.32 be made available during the first 11 months
 231.1 of the fiscal year exclusively for housing
 231.2 projects for American Indians. Any funds not
 231.3 committed to housing projects for American
 231.4 Indians within the annual consolidated request
 231.5 for funding processes may be available for
 231.6 any eligible activity under Minnesota Statutes,
 231.7 sections 462A.33 and 462A.07, subdivision
 231.8 14.

231.9 (c) Of the amount in the first year, \$5,000,000
 231.10 is for a grant to Urban Homeworks to expand
 231.11 initiatives pertaining to deeply affordable
 231.12 homeownership in Minneapolis neighborhoods
 231.13 with over 40 percent of residents identifying
 231.14 as Black, Indigenous, or People of Color and
 231.15 at least 40 percent of residents making less
 231.16 than 50 percent of the area median income.
 231.17 The grant is to be used for acquisition,
 231.18 rehabilitation, gap financing as defined in
 231.19 Minnesota Statutes, section 462A.33,
 231.20 subdivision 1, and construction of homes to
 231.21 be sold to households with incomes ~~of 50 to~~
 231.22 at or below 60 percent of the area median
 231.23 income. This is a onetime appropriation, ~~and~~
 231.24 is available until June 30, 2027. By December
 231.25 15 each year ~~until 2027,~~ Urban Homeworks
 231.26 must submit a report to the chairs and ranking
 231.27 minority members of the legislative
 231.28 committees having jurisdiction over housing
 231.29 finance and policy. The report must include
 231.30 the amount used for (1) acquisition, (2)
 231.31 rehabilitation, and (3) construction of housing
 231.32 units, along with the number of housing units
 231.33 acquired, rehabilitated, or constructed, and the
 231.34 amount of the appropriation that has been
 231.35 spent. If any home was sold or transferred
 231.36 within the year covered by the report, Urban

166.33 include the price at which the home was sold,
166.34 as well as how much was spent to complete
166.35 the project before sale.

167.1 (d) Of the amount in the first year, \$2,000,000
167.2 is for a grant to Rondo Community Land
167.3 Trust. This is a onetime appropriation.

167.4 (e) The base for this program in fiscal year
167.5 2026 and beyond is \$12,925,000.

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

167.7 Sec. 40. Laws 2023, chapter 37, article 1, section 2, subdivision 32, is amended to read:

167.8 Subd. 32. **Northland Foundation** 1,000,000 -0-

167.9 This appropriation is for a grant to Northland
167.10 Foundation for use on expenditures authorized
167.11 under Minnesota Statutes, section 462C.16,
167.12 subdivision 3, to assist and support
167.13 communities in providing housing locally, and
167.14 ~~on~~ for assisting local governments to establish
167.15 local or regional housing trust funds.
167.16 Northland Foundation may award grants and
167.17 loans to other entities to expend on authorized
167.18 expenditures under this section. This
167.19 appropriation is onetime and available until
167.20 June 30, 2025.

167.21 Sec. 41. Laws 2023, chapter 37, article 2, section 12, subdivision 2, is amended to read:

167.22 Subd. 2. **Eligible homebuyer.** For the purposes of this section, an "eligible homebuyer"
167.23 means an individual:

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

167.25 ~~(2) who resides in a census tract where at least 60 percent of occupied housing units are~~
167.26 ~~renter-occupied, based on the most recent estimates or experimental estimates provided by~~
167.27 ~~the American Community Survey of the United States Census Bureau;~~

167.28 ~~(2)~~ (2) who is financing the purchase of an eligible property with an interest-free,
167.29 fee-based mortgage; and

167.30 ~~(4)~~ (3) who is a first-time homebuyer as defined by Code of Federal Regulations, title
167.31 24, section 92.2.

232.1 Homeworks must include the price at which
232.2 the home was sold, as well as how much was
232.3 spent to complete the project before sale.

232.4 (d) Of the amount in the first year, \$2,000,000
232.5 is for a grant to Rondo Community Land
232.6 Trust. This is a onetime appropriation.

232.7 (e) The base for this program in fiscal year
232.8 2026 and beyond is \$12,925,000.

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

232.10 Sec. 29. Laws 2023, chapter 37, article 1, section 2, subdivision 32, is amended to read:

232.11 Subd. 32. **Northland Foundation** 1,000,000 -0-

232.12 This appropriation is for a grant to Northland
232.13 Foundation for use on expenditures authorized
232.14 under Minnesota Statutes, section 462C.16,
232.15 subdivision 3, to assist and support
232.16 communities in providing housing locally, and
232.17 ~~on~~ for assisting local governments to establish
232.18 local or regional housing trust funds.
232.19 Northland Foundation may award grants and
232.20 loans to other entities to expend on authorized
232.21 expenditures under this section. This
232.22 appropriation is onetime and available until
232.23 June 30, 2025.

232.24 Sec. 30. Laws 2023, chapter 37, article 2, section 12, subdivision 2, is amended to read:

232.25 Subd. 2. **Eligible homebuyer.** For the purposes of this section, an "eligible homebuyer"
232.26 means an individual:

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

232.28 ~~(2) who resides in a census tract where at least 60 percent of occupied housing units are~~
232.29 ~~renter-occupied, based on the most recent estimates or experimental estimates provided by~~
232.30 ~~the American Community Survey of the United States Census Bureau;~~

233.1 ~~(2)~~ (2) who is financing the purchase of an eligible property with an interest-free,
233.2 fee-based mortgage; and

233.3 ~~(4)~~ (3) who is a first-time homebuyer as defined by Code of Federal Regulations, title
233.4 24, section 92.2.

168.1 Sec. 42. **TASK FORCE ON LONG-TERM SUSTAINABILITY OF AFFORDABLE**
 168.2 **HOUSING.**

168.3 Subdivision 1. **Establishment.** A task force is established to study the financial health
 168.4 and stability of affordable housing providers and to provide recommendations to the
 168.5 Minnesota legislature to promote long-term sustainability of affordable housing providers.
 168.6 prevent loss of affordable units, and promote housing security for renters.

168.7 Subd. 2. **Duties.** (a) The task force must assess underlying financial challenges for
 168.8 affordable housing providers in their pursuit of developing and preserving safe, affordable,
 168.9 and dignified housing, including examining:

168.10 (1) factors that are leading to increasing costs, including but not limited to insurance
 168.11 rates, security costs, and rehabilitation needs;

168.12 (2) factors that are leading to declining revenues for affordable housing providers.
 168.13 including but not limited to loss of rent and vacancy issues;

168.14 (3) the significant financial needs across the entire sector of affordable housing providers;
 168.15 and

168.16 (4) the potential impact of loss of housing units under current conditions.

168.17 (b) The task force must evaluate the current financing and administrative tools that are
 168.18 being deployed to support housing providers and their effectiveness, including examining:

168.19 (1) current funding needs, financing programs, and the availability of funding to assess
 168.20 the level of funding as it relates to overall needs;

168.21 (2) administrative tools utilized by the Minnesota Housing Finance Agency to support
 168.22 affordable housing providers; and

168.23 (3) the effectiveness of current funding programs and tools.

168.24 (c) The task force must evaluate potential solutions to address identified financial
 168.25 challenges for affordable housing providers, including:

168.26 (1) additional funding for existing programs and tools;

168.27 (2) new financial tools, including new uses of housing infrastructure bonds;

168.28 (3) mechanisms to fund supportive services in the development process for new affordable
 168.29 housing projects;

168.30 (4) underwriting practices at the Minnesota Housing Finance Agency; and

169.1 (5) recommendations for changes to financial or management practices for affordable
 169.2 housing providers.

169.3 Subd. 3. **Meetings and report.** The Minnesota Housing Finance Agency shall convene
 169.4 the first meeting of the task force no later than August 31, 2024, and shall provide accessible

169.5 physical or virtual meeting space as necessary for the task force to conduct its work. The
 169.6 task force must submit final recommendations to the house of representatives and senate
 169.7 housing committees and for the commissioner of the Minnesota Housing Finance Agency
 169.8 no later than February 1, 2025.

169.9 Subd. 4. **Membership.** The task force shall consist of 13 members representing a cross
 169.10 section of the affordable housing industry and relevant agency staff. The chair of the house
 169.11 of representatives committee with jurisdiction over housing finance shall appoint four
 169.12 members. The chair of the senate committee with jurisdiction over housing finance shall
 169.13 appoint four members. The commissioner of the Minnesota Housing Finance Agency shall
 169.14 appoint five members. Members must be appointed no later than July 1, 2024.

169.15 Subd. 5. **Expiration.** The task force expires upon submission of the final
 169.16 recommendations required under subdivision 4.

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

169.18 Sec. 43. **DIRECTION TO COMMISSIONERS OF HUMAN SERVICES AND THE**
 169.19 **MINNESOTA HOUSING FINANCE AGENCY; EMERGENCY ASSISTANCE**
 169.20 **PROGRAM MODIFICATIONS.**

169.21 (a) The commissioner of the Minnesota Housing Finance Agency, in consultation with
 169.22 the commissioner of human services, shall develop program recommendations for emergency
 169.23 rental assistance that have the flexibility to provide relief for crises within a time frame that
 169.24 corresponds to the emergency and that are simple enough for applicants to understand across
 169.25 all emergency rental assistance programs. In the development of these recommendations,
 169.26 the commissioners must:

169.27 (1) recognize differences between administrative and legislative authority and propose
 169.28 legislative changes to the definition of emergency general assistance;

169.29 (2) adopt policies and practices that prioritize easy-to-understand eligibility criteria and
 169.30 definitions that prioritize accessible, culturally responsive, and trauma-informed approaches
 169.31 when assisting persons through a crisis; and

169.32 (3) develop guidance to emergency rental assistance program administrators that
 169.33 encourage the program administrators to be flexible with the required forms of documentation
 170.1 for the program and to avoid establishing documentation requirements that are likely to be
 170.2 barriers to participation in emergency rental assistance for eligible households.

170.3 (b) For the purposes of this section, the following terms have the meanings given:

170.4 (1) "culturally responsive" means agencies, programs, and providers of services respond
 170.5 respectfully and effectively to people of all cultures, languages, classes, races, ethnic
 170.6 backgrounds, disabilities, religions, genders, sexual orientations, and other identities in a
 170.7 manner that recognizes, values, and affirms differences and eliminates barriers to access;
 170.8 and

170.9 (2) "trauma-informed" means to recognize that many people have experienced trauma
 170.10 in their lifetime and that programs must be designed to respond to people with respect and
 170.11 accommodate the needs of people who have or are currently experiencing trauma.

170.12 Sec. 44. **E-SIGNATURE OPTIONS FOR RENTAL ASSISTANCE.**

170.13 The commissioner of the Minnesota Housing Finance Agency and the commissioner of
 170.14 human services are encouraged to develop uniform e-signature options to be used in
 170.15 applications for emergency general assistance, emergency assistance, and family homeless
 170.16 prevention and assistance program assistance. The commissioner must notify the chairs and
 170.17 ranking minority members of the legislative committees with jurisdiction over housing and
 170.18 human services when the e-signature options are implemented. A copy of this notification
 170.19 must also be filed with the Legislative Reference Library in compliance with Minnesota
 170.20 Statutes, section 3.195.

170.21 Sec. 45. **LANGUAGE ACCESS IN APPLICATIONS FOR RENTAL ASSISTANCE.**

170.22 The commissioner of the Minnesota Housing Finance Agency and the commissioner of
 170.23 human services shall research state and federal laws and regulations to determine language
 170.24 access standards applying to the organizations' emergency general assistance, emergency
 170.25 assistance, and family homelessness prevention and assistance programs and shall ensure
 170.26 compliance with all applicable language access requirements. The commissioners are
 170.27 encouraged to identify specific languages into which program materials could be translated
 170.28 to improve access to emergency general assistance, emergency assistance, and family
 170.29 homeless prevention and assistance program assistance and shall translate the materials into
 170.30 the identified languages. The commissioners are encouraged to develop and implement a
 170.31 plan to translate any website applications for emergency general assistance, emergency
 170.32 assistance, and family homeless prevention and assistance program assistance into
 170.33 multilingual website applications.

171.1 Sec. 46. **VERIFICATION PROCEDURES FOR RENTAL ASSISTANCE.**

171.2 (a) The commissioner of the Minnesota Housing Finance Agency, in consultation with
 171.3 the commissioner of human services, is encouraged to consult with local officials to develop
 171.4 recommendations aimed at simplifying the process of verifying the information in
 171.5 applications for emergency general assistance, emergency assistance, and family homeless
 171.6 prevention and assistance program assistance. In developing recommendations, the
 171.7 commissioners must consider:

171.8 (1) allowing self-attestation of emergencies, assets, and income;

171.9 (2) allowing verbal authorization by applicants to allow emergency rental assistance
 171.10 administrators to communicate with landlords and utility providers regarding applications
 171.11 for assistance; and

236.9 Sec. 3. **E-SIGNATURE OPTIONS FOR RENTAL ASSISTANCE.**

236.10 The commissioner of the Minnesota Housing Finance Agency, working with the
 236.11 commissioner of human services, shall develop uniform e-signature options to be used in
 236.12 applications for the family homelessness prevention and assistance program. No later than
 236.13 June 30, 2026, the commissioner shall require administrators of the family homelessness
 236.14 prevention and assistance program to incorporate and implement the developed e-signature
 236.15 options. The commissioner must notify the chairs and ranking minority members of the
 236.16 legislative committees with jurisdiction over housing of the date when the e-signature options
 236.17 are implemented. A copy of this notification must also be filed with the Legislative Reference
 236.18 Library in compliance with Minnesota Statutes, section 3.195.

236.19 Sec. 4. **VERIFICATION PROCEDURES FOR RENTAL ASSISTANCE.**

236.20 (a) The commissioner of the Minnesota Housing Finance Agency, working with program
 236.21 administrators, must develop recommendations to simplify the process of verifying
 236.22 information in applications for the family homelessness prevention and assistance program.
 236.23 In developing recommendations, the commissioner must consider:

236.24 (1) allowing self-attestation of emergencies, assets, and income;

236.25 (2) allowing verbal authorization by applicants to allow emergency rental assistance
 236.26 administrators to communicate with landlords and utility providers regarding applications
 236.27 for assistance; and

- 171.12 (3) allowing landlords to apply for emergency rental assistance on tenants' behalf.
- 171.13 (b) The commissioners are encouraged to:
- 171.14 (1) prepare recommendations by January 1, 2025; and
- 171.15 (2) report those recommendations to the chairs and ranking minority members of the
- 171.16 legislative committees having jurisdiction over housing.
- 171.17 (c) If recommendations are developed, the commissioners must report by January 13,
- 171.18 2025, to the chairs and ranking minority members of the legislative committees with
- 171.19 jurisdiction over housing and human services detailing the proposed recommendations
- 171.20 developed pursuant to this section. If recommendations are implemented, the commissioners
- 171.21 must report by July 7, 2025, to the chairs and ranking minority members of the legislative
- 171.22 committees with jurisdiction over housing and human services detailing the recommendations
- 171.23 adopted pursuant to this section.

- 171.24 Sec. 47. **HOUSING AFFORDABILITY PRESERVATION INVESTMENT.**
- 171.25 Subdivision 1. Establishment. The commissioner of the Minnesota Housing Finance
- 171.26 Agency must establish and administer a grant program to support recapitalization of distressed
- 171.27 buildings.
- 171.28 Subd. 2. Definitions. For purposes of this section:
- 171.29 (1) "distressed building" means an existing rental housing building in which the units
- 171.30 are restricted to households at or below 60 percent of the area median income, and that:
- 171.31 (i) is in foreclosure proceedings;
- 172.1 (ii) has two or more years of negative net operating income;
- 172.2 (iii) has two or more years with a debt service coverage ratio of less than one; or
- 172.3 (iv) has necessary costs of repair, replacement, or maintenance that exceed the project
- 172.4 reserves available for those purposes; and
- 172.5 (2) "recapitalization" means financing for the physical and financial needs of a distressed
- 172.6 building, including restructuring and forgiveness of amortizing and deferred debt, principal
- 172.7 and interest paydown, interest rate write-down, deferral of debt payments, mortgage payment

- 236.28 (3) allowing landlords to apply for emergency rental assistance on tenants' behalf.
- 236.29 (b) The commissioner must:
- 236.30 (1) prepare recommendations and submit them to the chairs and ranking minority
- 236.31 members of the legislative committees having jurisdiction over housing finance and policy
- 236.32 by January 1, 2025;
- 237.1 (2) adopt any recommendations that have become law; and
- 237.2 (3) provide technical assistance to counties, Tribes, and other emergency rental assistance
- 237.3 administrators to implement these recommendations.
- 237.4 (c) By January 13, 2025, the commissioner must report to the chairs and ranking minority
- 237.5 members of the legislative committees with jurisdiction over housing detailing the proposed
- 237.6 recommendations required by this section. By July 7, 2025, the commissioner must report
- 237.7 to the chairs and ranking minority members of the legislative committees with jurisdiction
- 237.8 over housing detailing the recommendations adopted as required by this section.
- 233.5 Sec. 31. **HOUSING AFFORDABILITY PRESERVATION INVESTMENT.**
- 233.6 Subdivision 1. Establishment. The commissioner of the Minnesota Housing Finance
- 233.7 Agency must establish and administer a grant program to support recapitalization of distressed
- 233.8 buildings.
- 233.9 Subd. 2. Definitions. For purposes of this section:
- 233.10 (1) "distressed building" means an existing rental housing building in which the units
- 233.11 are restricted to households at or below 60 percent of the area median income, and:
- 233.12 (i) is in foreclosure proceedings;
- 233.13 (ii) has two or more years of negative net operating income;
- 233.14 (iii) has two or more years with a debt service coverage ratio of less than one; or
- 233.15 (iv) has necessary costs of repair, replacement, or maintenance that exceed the project
- 233.16 reserves available for those purposes; and
- 233.17 (2) "recapitalization" means financing for the physical and financial needs of a distressed
- 233.18 building, including restructuring and forgiveness of amortizing and deferred debt, principal
- 233.19 and interest paydown, interest rate write-down, deferral of debt payments, mortgage payment

- 172.8 forbearance, deferred maintenance, security services, property insurance, capital
 172.9 improvements, funding of reserves for supportive services, and property operations.
- 172.10 Subd. 3. **Grant program.** The commissioner must use a request for proposal process
 172.11 to consider funding requests and award grants to finance recapitalization of distressed
 172.12 buildings. In awarding grants, the commissioner must give priority to distressed buildings
 172.13 most at risk of losing affordable housing.
- 172.14 Subd. 4. **Report.** By February 1, 2025, and November 30, 2025, the commissioner shall
 172.15 submit a report to the chairs and ranking minority members of the legislative committees
 172.16 having jurisdiction over housing and homelessness. The report must detail the number of
 172.17 applications received, the amount of funding requested, the grants awarded, and the number
 172.18 of affordable housing units preserved through awards under this section.

- 233.20 forbearance, deferred maintenance, security services, property insurance, capital
 233.21 improvements, funding of reserves for supportive services, and property operations.
- 233.22 Subd. 3. **Grant program.** The commissioner must use a request for proposal process
 233.23 to consider funding requests and award grants to finance recapitalization of distressed
 233.24 buildings. In awarding grants, the commissioner must give priority to distressed buildings
 233.25 most at risk of losing affordable housing, to the extent practicable.
- 233.26 Subd. 4. **Report.** By February 1, 2025, and November 30, 2025, the commissioner shall
 233.27 submit a report to the chairs and ranking minority members of the legislative committees
 233.28 having jurisdiction over housing and homelessness. The report must detail the number of
 233.29 applications received, the amount of funding requested, the grants awarded, and the number
 233.30 of affordable housing units preserved through awards under this section.
- 234.1 Sec. 32. **REPORT ON RENTAL HOUSING PROGRAMS.**
- 234.2 The commissioner of the Minnesota Housing Finance Agency must review the financial
 234.3 impacts of the low-income rental property tax classification in Minnesota Statutes, section
 234.4 273.128, and the low-income housing tax credit program under section 42 of the Internal
 234.5 Revenue Code, including the extent of rent increases and housing related expenses. By
 234.6 December 15, 2024, the commissioner must report on the findings and recommendations
 234.7 for legislative changes to the chairs and ranking minority members of the legislative
 234.8 committees with jurisdiction over human services, housing finance, and taxes. The
 234.9 commissioner must use existing financial resources for this review and report.
- 234.10 Sec. 33. **SINGLE-EXIT STAIRWAY APARTMENT BUILDING REPORT.**
- 234.11 The commissioner of labor and industry must evaluate conditions under which single-exit
 234.12 stairway apartment buildings above three stories up to 75 feet would achieve life safety
 234.13 outcomes equal to or superior to currently adopted codes, including those for multifamily
 234.14 buildings with very large footprints and single-family houses. The commissioner must use
 234.15 research techniques that include smoke modeling, egress modeling, an analysis of fire loss
 234.16 history in jurisdictions that have already adopted similar provisions, and interviews with
 234.17 fire services regarding fire suppression and rescue techniques in such buildings. The
 234.18 commissioner shall consult with relevant stakeholders, including but not limited to the
 234.19 Minnesota Fire Chiefs Association, Minnesota Professional Firefighters Association,
 234.20 Association of Minnesota Building Officials, Housing First Minnesota, Center for Building
 234.21 in North America, and faculty from the relevant department of a university which grants
 234.22 degrees in fire protection engineering. The commissioner may contract with external experts
 234.23 or an independent third party to develop the report and perform other functions required of
 234.24 the commissioner under this section. By December 31, 2025, the commissioner must report
 234.25 on the findings to the chairs and ranking minority members of the legislative committees
 234.26 with jurisdiction over housing and state building codes.

172.19 Sec. 48. **REPORT TO THE LEGISLATURE.**

172.20 (a) By January 15 each year, the commissioner must submit a report to the chairs and
 172.21 ranking minority members of the legislative committees having jurisdiction over housing
 172.22 finance and policy containing the following information:

- 172.23 (1) the total number of applications for funding;
 172.24 (2) the amount of funding requested;
 172.25 (3) the amounts of funding awarded; and
 172.26 (4) the number of housing units that are affected by funding awards, including the number
 172.27 of:
- 172.28 (i) newly constructed owner-occupied units;
 172.29 (ii) renovated owner-occupied units;
 172.30 (iii) newly constructed rental units; and
 172.31 (iv) renovated rental units.

173.1 (b) This reporting requirement applies to appropriations to the Minnesota Housing
 173.2 Finance Agency under this act, to appropriations to the Minnesota Housing Finance Agency
 173.3 in Laws 2023, and to future appropriations to the Minnesota Housing Finance Agency.

173.4 Sec. 49. **REVISOR INSTRUCTION.**

173.5 (a) If H.F. 3800 or another substantively similar bill that establishes a new cooperative
 173.6 chapter coded as Minnesota Statutes, chapter 308C, is enacted during the 2024 legislative
 173.7 session, the revisor of statutes must add "308C" to the list of chapters referenced in Minnesota
 173.8 Statutes, section 462A.37, subdivision 2, paragraph (a), clause (10), as amended in this act.

173.9 (b) The revisor of statutes shall renumber Minnesota Statutes, section 462A.37,
 173.10 subdivision 2i, as Minnesota Statutes, section 462A.37, subdivision 3a. The revisor shall
 173.11 also make necessary cross-reference changes in Minnesota Statutes.

173.14 Section 1. **[504B.505] DISCRIMINATION; HOUSING ASSISTANCE.**

173.15 (a) A landlord must not discriminate against a tenant based on the tenant's use of federal,
 173.16 state, or local government rental assistance; a housing choice voucher program; or another
 173.17 form of public assistance that helps a tenant pay rent; or refuse to rent to a tenant because
 173.18 the landlord may be responsible for meeting the terms and conditions of a public assistance
 173.19 program. A landlord must not deny a tenant or prospective tenant a viewing or application
 173.20 for a rental unit, deny them the opportunity to rent a unit, or discriminate against a tenant
 173.21 or prospective tenant who uses rental assistance or a housing choice voucher. A landlord
 173.22 cannot advertise that they will not rent to a tenant who uses rental assistance or a housing
 173.23 choice voucher program.

234.27 Sec. 34. **REPORT TO THE LEGISLATURE.**

234.28 By January 15 each year, the commissioner of the Minnesota Housing Finance Agency
 234.29 must submit a report to the chairs and ranking minority members of the legislative committees
 234.30 having jurisdiction over housing finance and policy containing the following information:

- 234.31 (1) the total number of applications for funding;
 234.32 (2) the amount of funding requested;
 235.1 (3) the amounts of funding awarded; and
 235.2 (4) the number of housing units that are affected by funding awards, including the number
 235.3 of:
- 235.4 (i) newly constructed owner-occupied units;
 235.5 (ii) renovated owner-occupied units;
 235.6 (iii) newly constructed rental units; and
 235.7 (iv) renovated rental units.

235.8 Sec. 35. **REVISOR INSTRUCTION.**

235.9 The revisor of statutes shall renumber Minnesota Statutes, section 462A.37, subdivision
 235.10 2i, as Minnesota Statutes, section 462A.37, subdivision 3a. The revisor shall also make
 235.11 necessary cross-reference changes in Minnesota Statutes.

- 173.24 (b) A violation of this section is an unfair discriminatory practice under section 363A.09,
 173.25 and an individual has all the rights and remedies available under chapter 363A.
- 173.26 Sec. 2. Laws 2023, chapter 52, article 19, section 120, is amended to read:
 173.27 Sec. 120. **EFFECTIVE DATE.**
- 173.28 Sections 117 ~~to~~ and 119 are effective January 1, 2024. Section 118 is effective January
 173.29 1, 2024, and applies to cases filed before, on, or after that date.
- 173.30 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2024.
- 174.1 Sec. 3. **WORKING GROUP ON COMMON INTEREST COMMUNITIES AND**
 174.2 **HOMEOWNERS ASSOCIATIONS.**
- 174.3 Subdivision 1. **Creation; duties.** (a) A working group is created to study the prevalence
 174.4 and impact of common interest communities (CICs) and homeowners associations (HOAs)
 174.5 in Minnesota and how the existing laws regulating CICs and HOAs help homeowners and
 174.6 tenants access safe and affordable housing. The working group shall study:
- 174.7 (1) how many CICs and HOAs exist, how many people may reside in those housing
 174.8 units, and where they are located in the state;
- 174.9 (2) the governing documents commonly used by CICs and HOAs and whether the
 174.10 governing documents or common practices create barriers for participation by homeowners
 174.11 in the board of directors for CICs or HOAs;
- 174.12 (3) the fees and costs commonly associated with CICs and HOAs and how those fees
 174.13 have increased, including the cost of outside management, accounting, and attorney fees
 174.14 that are assessed to owners and residents;
- 174.15 (4) whether there should be uniform, statutory standards regarding fees, fines, and costs
 174.16 assessed to residents;
- 174.17 (5) how the organization and management of CICs and HOAs, including boards and
 174.18 management companies, impact the affordability of CICs and HOAs;
- 174.19 (6) the impact of CICs and HOAs on the housing market and housing costs;
- 174.20 (7) the racial disparity in homeownership as it relates to CICs and HOAs;
- 174.21 (8) the accessibility and affordability of CICs and HOAs for Minnesotans with disabilities;
- 174.22 (9) how other states regulate CICs and HOAs and best practices related to board
 174.23 transparency, dispute resolution, and foreclosures; and
- 174.24 (10) how the current laws governing CICs and HOAs may be consolidated and reformed
 174.25 for clarity and to improve the experience of homeowners and residents in CICs and HOAs.

- 174.26 (b) The focus and duties of the working group shall be to recommend legislative reforms
 174.27 or other methods to regulate CICs and HOAs, including the consolidation or recodification
 174.28 of existing chapters regulating CICs and HOAs.
- 174.29 Subd. 2. **Membership.** The working group shall consist of the following:
- 174.30 (1) two members of the house of representatives, one appointed by the speaker of the
 174.31 house and one appointed by the minority leader;
- 175.1 (2) two members of the senate, one appointed by the senate majority leader and one
 175.2 appointed by the senate minority leader;
- 175.3 (3) one member from the Minnesota Homeownership Center;
- 175.4 (4) one member from the Community Associations Institute;
- 175.5 (5) one member from a business association that supports, educates, or provides services
 175.6 to CICs and HOAs in Minnesota designated by the commissioner of commerce;
- 175.7 (6) one member from a legal aid association familiar with housing laws and representing
 175.8 low-income clients;
- 175.9 (7) one member from the Minnesota Association of Realtors;
- 175.10 (8) one member who is an attorney who regularly works advising homeowners or
 175.11 residents in CICs and HOAs and is familiar with the state foreclosure laws designed by the
 175.12 State Bar Association;
- 175.13 (9) one member who is an attorney who regularly works advising CIC and HOA boards
 175.14 designated by the State Bar Association;
- 175.15 (10) one member from a metropolitan area government who is familiar with issues
 175.16 homeowners and tenants face while living in CICs and HOAs in the metropolitan area;
- 175.17 (11) the commissioner of the Minnesota Housing Finance Agency or the commissioner's
 175.18 designee;
- 175.19 (12) one member from the attorney general's office designated by the attorney general;
- 175.20 (13) two members who are currently, or have within the last five years, served on a CIC
 175.21 or HOA board and have knowledge about the management of CIC and HOA boards; and
- 175.22 (14) four members who are current or recent owners of a residence that is part of a CIC
 175.23 or HOA.
- 175.24 Subd. 3. **Facilitation; organization; meetings.** (a) The Management Analysis Division
 175.25 of Minnesota Management and Budget shall facilitate the working group, provide
 175.26 administrative assistance, and convene the first meeting by July 15, 2024. Members of the

- 175.27 working group may receive compensation and reimbursement for expenses as authorized
 175.28 by Minnesota Statutes, section 15.059, subdivision 3.
- 175.29 (b) The working group must meet at regular intervals as often as necessary to accomplish
 175.30 the goals enumerated under subdivision 1. Meetings of the working group are subject to the
 175.31 Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.
- 176.1 Subd. 4. **External consultation.** The working group shall consult with other individuals
 176.2 and organizations that have expertise and experience that may assist the working group in
 176.3 fulfilling its responsibilities, including entities engaging in additional external stakeholder
 176.4 input from those with experience living in CICs and HOAs as well as working with the
 176.5 board of directors for CICs and HOAs.
- 176.6 Subd. 5. **Report required.** The working group shall submit a final report by February
 176.7 1, 2025, to the chairs and ranking minority members of the legislative committees with
 176.8 jurisdiction over housing finance and policy, commerce, and real property. The report shall
 176.9 include recommendations and draft legislation based on the duties and focus for the working
 176.10 group provided in subdivision 1.
- 176.11 Subd. 6. **Expiration.** The working group expires upon submission of the final report in
 176.12 subdivision 5, or February 28, 2025, whichever is later.
- 176.13 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 176.14 expires March 1, 2025.

235.25 Sec. 2. **DATA COLLECTION TO MEASURE TIMELINESS OF RENTAL**
 235.26 **ASSISTANCE.**

- 235.27 The commissioner of the Minnesota Housing Finance Agency must work with the
 235.28 commissioner of human services to develop criteria for measuring the timeliness of
 235.29 processing applications for rental assistance. The commissioner of the Minnesota Housing
 235.30 Finance Agency must collect data to monitor application speeds of the family homelessness
 236.1 prevention and assistance program and use the collected data to inform improvements to
 236.2 application processing systems. By January 15, 2027, the commissioner of the Minnesota
 236.3 Housing Finance Agency must submit a report to the chairs and ranking minority members
 236.4 of the legislative committees having jurisdiction over housing finance and policy. The report
 236.5 must include analysis of the data collected and whether goals have been met to (1) process
 236.6 an emergency rental assistance application within two weeks of the receipt of a complete
 236.7 application, and (2) if approved, make payment to a landlord within 30 days of the receipt
 236.8 of a complete application.