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State of Minnesota

HOUSE OF REPRESENTATIVES

First Division Engrossment

Authored by Thompson
The bill was read for the first time and referred to the Committee on State Government Finance and Elections

Referred by Chair to the Local Government Division Returned to the Committee on State Government Finance and Elections as Amended

NINETY-SECOND SESSION

Division Action

H. F. No. 4317

1.1	A bill for an act
1.2 1.3 1.4 1.5 1.6 1.7	relating to state government; creating opportunities for homeownership for certain groups; appropriating money for an affordable homeownership incentive account to support homeownership for African Americans and African immigrants and other protected groups; requiring a report; amending Minnesota Statutes 2020, section 473.251; proposing coding for new law in Minnesota Statutes, chapter 473.
1.8	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
1.9	Section 1. Minnesota Statutes 2020, section 473.251, is amended to read:
1.10	473.251 METROPOLITAN LIVABLE COMMUNITIES FUND.
1.11	The metropolitan livable communities fund is created and consists of the following
1.12	accounts:
1.13	(1) the tax base revitalization account;
1.14	(2) the livable communities demonstration account;
1.15	(3) the local housing incentives account; and
1.16	(4) the inclusionary housing account-; and
1.17	(5) affordable homeownership incentive account.
1.18	EFFECTIVE DATE. This section is effective August 1, 2022.
1.19	Sec. 2. [473.256] AFFORDABLE HOMEOWNERSHIP INCENTIVE ACCOUNT.
1.20	Subdivision 1. Participation. (a) A municipality may elect to participate in the affordable

homeownership incentive account program to address disparities in homeownership rates

Sec. 2. 1

1.21

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2.1	between whites, African Americans, African immigrants, and other protected groups. If the
2.2	election to participate occurs by November 15 of any year, it is effective commencing the
2.3	next calendar year; otherwise it is effective commencing the next succeeding calendar year.
2.4	An election to participate in the program is effective until revoked according to paragraph
2.5	(b). A municipality is subject to this section only in those calendar years for which its
2.6	election to participate in the program is effective. For purposes of this section, municipality
2.7	means a municipality electing to participate in the affordable homeownership incentive
2.8	account program to address disparities in homeownership rates between whites, African
2.9	Americans, African immigrants, and other protected groups for the calendar year in question,
2.10	unless the context indicates otherwise.
2.11	(b) A municipality may revoke its election to participate in the affordable homeownership
2.12	incentive account program to address disparities in homeownership rates between whites,
2.13	African Americans, African immigrants, and other protected groups. If the revocation occurs
2.14	by November 15 of any year, it is effective commencing the next calendar year; otherwise
2.15	it is effective commencing the next succeeding calendar year. After revoking its election
2.16	to participate in the program, a municipality may again elect to participate in the program
2.17	according to paragraph (a).
2.18	(c) A municipality that elects to participate may receive grants or loans from the
2.19	affordable homeownership incentive account to address disparities in homeownership rates
2.20	between whites, African Americans, African immigrants, and other protected groups. The
2.21	council, when making discretionary funding decisions, shall give consideration to a
2.22	municipality's participation in the affordable homeownership incentive program to address
2.23	disparities in homeownership rates between whites, African Americans, African immigrants,
2.24	and other protected groups.
2.25	Subd. 2. Affordable homeownership priorities. The affordable homeownership
2.26	incentive account priorities are:
2.27	(1) increasing affordable homeownership options in areas that are predominantly
2.28	single-family and have higher sale prices;

- single-family and have higher sale prices;
- (2) increasing affordable homeownership opportunities focused on servicing African Americans, African immigrants, and other protected groups that own homes in disproportionately lower rates than white households;
- (3) leveraging municipal revenues deposited with financial institutions to influence credit 2.32 in a useful form to increase affordable homeownership opportunities focused on serving 2.33

Sec. 2. 2

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African Americans, African immigrants, and other protected groups that own homes at
disproportionately lower rates than white households;
(4) leveraging municipal purchase of insurance to influence insurance access in a useful
form to increase affordable homeownership opportunities focused on serving African
Americans, African immigrants, and other protected groups that own homes at
disproportionately lower rates than white households; and
(5) leveraging municipality enforcement of equal opportunity and affirmative action
laws under chapters 363A and 473 to increase employment opportunities for protected
groups and minority business enterprises in the development of affordable homeownership
opportunities focused on serving African Americans, African immigrants, and other protected
groups that own homes at disproportionately lower rates than white households.
Subd. 3. Affordable homeownership eligibility. The council, in collaboration with
members of protected groups, shall establish eligibility and homeownership scoring criteria.
Subd. 4. Report to legislature. On or before January 31, 2023, and every January 31
of each year, the council shall submit a report as required under section 3.195 that details
the grants awarded under this section to the chairs and ranking minority members of the
legislative committees having jurisdiction over capital investment and economic development.
The report must include the following information:
(1) the total number of grants distributed;
(2) the grantees receiving the grants;
(3) the services supported by the grants; and
(4) any other information the council deems pertinent.
EFFECTIVE DATE. This section is effective August 1, 2022.
Sec. 3. APPROPRIATION; AFFORDABLE HOMEOWNERSHIP INCENTIVE
ACCOUNT.
\$40,000,000 in fiscal year 2023 is appropriated from the general fund to the Metropolitan
Council to create the affordable homeownership incentive account to address disparities in
homeownership rates between whites, African Americans, African immigrants, and other
protected groups, and to:
(1) develop a program or policy to provide for regular review of local lending practices
for fair housing issues;

Sec. 3. 3

4.1	(2) increase funding for homeownership down-payment assistance programs targeted
4.2	to African Americans, African immigrants, and other protected groups;
4.3	(3) fund and facilitate credit counseling and credit improvement programs targeted at
1.4	African Americans, African immigrants, and other protected groups;
.5	(4) provide opportunities for African Americans, African immigrants, and other protected
.6	groups on public assistance to transition to homeownership;
7	(5) create equal employment opportunities in housing development in the metropolitan
3	area;
)	(6) close the homeownership gap between whites and African Americans, African
0	immigrants, and other protected groups;
1	(7) provide equitable wealth creation and transfer for African Americans, African
12	immigrants, and other protected groups; and
3	(8) provide equity in homeownership for African Americans, African immigrants, and
14	other protected groups.

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

4.15

Sec. 3. 4