

H. F. No. **4317**

between whites, African Americans, African immigrants, and other protected groups. If the election to participate occurs by November 15 of any year, it is effective commencing the next calendar year; otherwise it is effective commencing the next succeeding calendar year. An election to participate in the program is effective until revoked according to paragraph (b). A municipality is subject to this section only in those calendar years for which its election to participate in the program is effective. For purposes of this section, municipality means a municipality electing to participate in the affordable homeownership incentive account program to address disparities in homeownership rates between whites, African Americans, African immigrants, and other protected groups for the calendar year in question, unless the context indicates otherwise.

(b) A municipality may revoke its election to participate in the affordable homeownership incentive account program to address disparities in homeownership rates between whites, African Americans, African immigrants, and other protected groups. If the revocation occurs by November 15 of any year, it is effective commencing the next calendar year; otherwise it is effective commencing the next succeeding calendar year. After revoking its election to participate in the program, a municipality may again elect to participate in the program according to paragraph (a).

(c) A municipality that elects to participate may receive grants or loans from the affordable homeownership incentive account to address disparities in homeownership rates between whites, African Americans, African immigrants, and other protected groups. The council, when making discretionary funding decisions, shall give consideration to a municipality's participation in the affordable homeownership incentive program to address disparities in homeownership rates between whites, African Americans, African immigrants, and other protected groups.

Subd. 2. **Affordable homeownership priorities.** The affordable homeownership incentive account priorities are:

(1) increasing affordable homeownership options in areas that are predominantly 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 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;

(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;

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
4.4 African Americans, African immigrants, and other protected groups;

4.5 (4) provide opportunities for African Americans, African immigrants, and other protected
4.6 groups on public assistance to transition to homeownership;

4.7 (5) create equal employment opportunities in housing development in the metropolitan
4.8 area;

4.9 (6) close the homeownership gap between whites and African Americans, African
4.10 immigrants, and other protected groups;

4.11 (7) provide equitable wealth creation and transfer for African Americans, African
4.12 immigrants, and other protected groups; and

4.13 (8) provide equity in homeownership for African Americans, African immigrants, and
4.14 other protected groups.

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