A bill for an act

relating to housing; authorizing the issuance of housing infrastructure bonds; appropriating money; modifying eligible recipients and allocation of Minnesota housing tax credit contributions; modifying housing aggregate bond limitation; modifying certain income provisions; modifying meeting requirements for the housing finance agency; modifying eligible projects for the greater Minnesota housing infrastructure grant program; modifying certain expenditure provisions of the housing development fund; repealing certain allowed expenditures for the housing finance agency; modifying the operating costs report; providing standards for rent and utility payments, fees, and charges in manufactured home parks; requiring certain safety inspections; modifying provisions for sale of manufactured home parks; modifying penalties; modifying certain rental covenants; limiting certain rent increases; limiting private equity company ownership of single-family homes; providing attorney general enforcement; establishing a task force on housing taxes and fees; amending Minnesota Statutes 2024, sections 290.0683, subdivisions 1, 3; 327C.015, subdivision 13; 327C.03, subdivision 3; 327C.04, subdivision 1, by adding a subdivision; 327C.06, subdivisions 1, 3; 327C.097; 327C.11, subdivision 3, by adding a subdivision; 327C.15; 462A.041; 462A.20, subdivisions 2, 3, 4; 462A.21, subdivisions 10, 12a; 462A.222, by adding a subdivision; 462A.37, by adding a subdivision; 462A.395, subdivision 3; 462A.40, subdivision 3; 474A.02, subdivision 1a; 500.215, subdivision 1; Minnesota Statutes 2025 Supplement, section 462A.37, subdivision 5; Laws 2025, chapter 32, article 1, section 2, subdivision 16; proposing coding for new law in Minnesota Statutes, chapters 327C; 462A; 500; repealing Minnesota Statutes 2024, sections 327C.096; 462A.21, subdivisions 3b, 5, 23, 26.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 290.0683, subdivision 1, is amended to read:

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

(b) "Agency" means the Minnesota Housing Finance Agency.

(c) "Greater Minnesota" means the area of Minnesota located outside of the metropolitan area.

(d) "Metropolitan area" has the meaning given in section 473.121, subdivision 2.

~~(c)~~ (e) "Minnesota housing tax credit contribution account" or "account" means the account established in section 462A.40.

~~(d)~~ (f) "Qualified project" means a project that qualifies for a grant or loan under section 462A.40.

~~(e)~~ (g) "Taxpayer" means a taxpayer as defined in section 290.01, subdivision 6, or a taxpayer as defined in section 297I.01, subdivision 16.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2026.

Sec. 2. Minnesota Statutes 2024, section 290.0683, subdivision 3, is amended to read:

Subd. 3. **Allocation.** (a) To qualify for the credit, a taxpayer must contribute to the Minnesota housing tax credit contribution account. A taxpayer may indicate that a contribution is intended for a specific qualified project, subject to the limitations in paragraph (b). A taxpayer is prohibited from contributing to certain projects as provided in section 462A.40, subdivision 3.

(b) For each taxable year, the agency must reserve 50 percent of credits for contributions to qualified projects located in greater Minnesota. Any portion of a taxable year's credits reserved for contributions to qualified projects located in greater Minnesota that is not allocated by the agency by September 30 of each year is available for allocation to credit applications for contributions to other qualified projects beginning on October 1.

~~(b)~~ (c) The aggregate amount of tax credits allowed to all eligible contributors is limited to $9,900,000 annually.

~~(c)~~ (d) Within 30 days after a taxpayer contributes to the account, the agency must file with the contributing taxpayer a credit certificate statement or return any amounts to the taxpayer as provided in this paragraph. The agency must send a copy of the credit certificate to the commissioner. If there are insufficient credits to match the contribution, the agency must not issue a credit certificate for the amount of the contribution for which there are insufficient credits, and must return that amount to the taxpayer before issuing any credit certificate.

~~(d)~~ (e) The credit certificate must state the dollar amount of the contribution made by the taxpayer and the date the payment was received by the account, and indicate if the contribution was intended for a specific qualified project.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2026.

Sec. 3. Minnesota Statutes 2024, section 327C.015, subdivision 13, is amended to read:

Subd. 13. **Representative acting on behalf of residents.** "Representative acting on behalf of residents" means a representative who is authorized to represent residents in the purchase of property for the purposes of this chapter, and has gained that authorization by obtaining the signature of support from at least one resident who is a homeowner-signatory to the home's lot lease agreement as defined by subdivision 14, from ~~at least 51~~ greater than 50 percent of the ~~occupied~~ homes occupied by the owner of the home or an adult family member of the owner in a manufactured home park. The signature of a resident who is a signatory to the home's lot lease agreement asserting that they are a resident of that manufactured home park shall be presumptive evidence of the claim that the representative is authorized to act on behalf of the resident and shall be exclusive to only one representative acting on behalf of residents. A homeowner may indicate support for proposing a purchase agreement by signing a petition or other document that states support for proposing a purchase agreement.

Sec. 4. Minnesota Statutes 2024, section 327C.03, subdivision 3, is amended to read:

Subd. 3. **Rent.** All periodic rental payments charged to residents by the park owner shall be uniform throughout the park, except that a higher rent may be charged to a particular resident due to the larger size or location of the lot, or the special services or facilities furnished by the park. A park owner may charge a reasonable fee for delinquent rent where the fee is provided for in the rental agreement, except in no case may the fee exceed eight percent of the delinquent rent payment. The fee shall be enforceable as part of the rent owed by the resident. No park owner shall charge to a resident any fee, whether as part of or in addition to the periodic rental payment, which is based on the number of persons residing or staying in the resident's home, the number or age of children residing or staying in the home, the number of guests staying in the home, the size of the home, the fact that the home is temporarily vacant or the type of personal property used or located in the home. The park owner may charge an additional fee for pets owned by the resident, but the fee may not exceed $4 per pet per month. This subdivision does not prohibit a park owner from abating all or a portion of the rent of a particular resident with special needs. A park owner receiving rent or other payments from a resident in cash must provide a written receipt for payment immediately upon receipt if the payment is made in person, or within three business days if payment in cash is not made in person.

Sec. 5. Minnesota Statutes 2024, section 327C.04, subdivision 1, is amended to read:

Subdivision 1. **Billing permitted.** A park owner who either provides utility service directly to residents or who redistributes to residents utility service provided to the park owner by a utility provider may charge the residents for that service, only if the charges comply with this section. A park owner may not charge residents for costs of repairs by utility providers or for costs imposed by utility providers for services provided in response to reports of interruptions of utilities.

Sec. 6. Minnesota Statutes 2024, section 327C.04, is amended by adding a subdivision to read:

Subd. 7. **Itemized billing required.** A park owner must provide an itemized bill separately that clearly labels each service or item charged to the resident.

Sec. 7. **[327C.041] ACCESS BY UTILITY PROVIDERS.**

In a park where residents receive utilities from a utility provider, either directly or through redistribution by the park owner, the park owner must not deny access to a utility provider seeking access for the purposes of repairing faulty or defective utility equipment or investigating reports of an interruption of utilities. A resident may provide a utility provider access to the park for these purposes.

Sec. 8. **[327C.051] HABITABILITY COVENANTS REGARDING TREES THAT PRESENT SAFETY HAZARDS.**

(a) Park owner covenants under section 504B.161 include the trimming and care of trees and the removal of unsound trees when the trees present safety hazards.

(b) Within 14 days of receiving written notice from a resident that a tree or branch presents a safety hazard, the park owner must either:

(1) remove the tree or branch; or

(2) receive an opinion on the safety of the tree or branch from an arborist who has inspected the tree or branch in person.

(c) If an arborist advises that a tree or branch presents a safety hazard, the park owner must remove the tree or branch within five days of inspection by the arborist, unless the arborist advises that it is not the appropriate season for removing the tree or branch. If an arborist advises that a tree or branch presents a safety hazard but that it is not the appropriate season for removing the tree or branch, the owner must schedule the removal to take place during the appropriate season and must provide written notice to the resident of the scheduled date of removal and of the reason for the delay.

Sec. 9. Minnesota Statutes 2024, section 327C.06, subdivision 1, is amended to read:

Subdivision 1. **Notice of rent increases required.** No increase in the amount of the periodic rental payment due from a resident shall be valid unless the park owner gives the resident 60 days' written notice of the increase. The notice must include the park owner's reason for the rent increase.

Sec. 10. Minnesota Statutes 2024, section 327C.06, subdivision 3, is amended to read:

Subd. 3. **Rent increases limited.** A park owner may impose only ~~two~~ one rent ~~increases~~ increase on a resident in any 12-month period. A rent increase must be reasonable. A rent increase is presumed to be unreasonable if the percentage of the increase exceeds three percent of the rent per month in the prior year. A park owner may prove a rent increase is reasonable by clear and convincing evidence that the increase is necessary for the health and safety of the residents. A rent increase approved by a resident-owned cooperative or corporation formed under chapter 308A, 308B, 308C, or 317A, is presumptively reasonable and is not subject to the limitation of one increase in any 12-month period under this subdivision.

Sec. 11. **[327C.065] PAYMENT OF RENT; DIGITAL PAYMENT PLATFORMS.**

Subdivision 1. **Application.** This section applies to park owners who require or permit residents to use a digital payment platform to pay rent, fees, and other charges.

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

(b) "Alternative means of payment" means a method of payment other than the use of a digital payment platform and includes payment by check or cash.

(c) "Digital payment platform" means an electronic application or system that permits a user to conduct financial transactions. Digital payment platform includes electronic funds transfers.

(d) "Electronic funds transfer" means a transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal, telephone, computer, or magnetic tape for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit a consumer's account through the use of an automated clearing house system or alternative payment system.

Subd. 3. **Form of payment.** A park owner must offer each resident an alternative to using a digital payment platform to pay rent, fees, or other charges. No fee may be charged to a resident to use the digital payment platform or any alternative means of payment.

Subd. 4. **Digital payment platform.** (a) The park owner must ensure that an itemized list of all current information on the rent, fees, or other charges assessed that correspond to the charges for which the resident is responsible, and all payments received, are readily viewable and accessible to the resident on a digital payment platform or through a means that does not rely on the use of the digital payment platform.

(b) A park owner must provide the resident with a telephone number to call if, for any reason, the digital payment platform or a system used by the park owner to collect an alternative means of payment is unavailable for use by the resident.

Subd. 5. **Adverse action prohibited.** (a) A park owner is prohibited from taking any adverse action, including filing an eviction action or assessing any late fees, when payment of rent, fees, or other charges is not timely because a digital payment platform is out of service or a system used by the park owner to collect an alternative means of payment is unavailable.

(b) It is an affirmative defense to an eviction action brought based on nonpayment that the park owner violated this section. Upon a showing that the park owner violated this section, the court must dismiss the eviction action and award the resident reasonable attorney fees and any other equitable relief the court deems appropriate.

Sec. 12. Minnesota Statutes 2024, section 327C.097, is amended to read:

327C.097 NOTICE ~~OF UNSOLICITED SALE~~ AND OPPORTUNITY TO PURCHASE.

Subdivision 1. **~~Definitions~~ Definition.** For the purposes of this section, "nonprofit" means a nonprofit organization under chapter 317A.

Subd. 2. **Scope.** (a) This section does not apply to:

~~(1) a purchase of a manufactured home park by a nonprofit or a representative acting on behalf of residents pursuant to a bona fide offer to purchase the park pursuant to subdivision 4;~~

~~(2)~~ (1) a purchase of a manufactured home park by a governmental entity under its powers or threat of eminent domain;

~~(3)~~ (2) a transfer by a corporation or limited liability company to an affiliate, including any shareholder or member of the transferring corporation; any corporation or entity owned or controlled, directly or indirectly, by the transferring corporation; or any other corporation or entity owned or controlled, directly or indirectly, by any shareholder or member of the transferring corporation;

~~(4)~~ (3) a transfer by a partnership to any of its partners;

~~(5)~~ (4) a sale or transfer between or among joint tenants or tenants in common owning a manufactured home park;

~~(6) an exchange of a manufactured home park for other real property, whether or not such exchange also invoices the payment of cash or boot;~~

~~(7)~~ (5) a conveyance of an interest in a manufactured home park incidental to the financing of the manufactured home park;

~~(8)~~ (6) a conveyance resulting from the foreclosure of a mortgage, cancellation of a contract for deed, or other instrument encumbering a manufactured home park or any deed given in lieu of such foreclosure or cancellation; or

~~(9) a sale or transfer to a person who would be included within the intestate table of descent and distribution of the park owner; or~~

(7) a sale or transfer to:

(i) the park owner's spouse, child, or parent;

(ii) the grandparent of the park owner or the owner's spouse; or

(iii) a descendant of a person listed in item (i) or (ii).

~~(10) a park owner who, within the past year, has provided written notice pursuant to section 327C.096.~~

(b) To qualify for an exemption under this subdivision, a transaction must be made in good faith for a legitimate business purpose or a legitimate familial purpose consistent with the exemptions listed in paragraph (a) of this subdivision, and must not be made for the primary purpose of avoiding the opportunity-to-purchase provisions set forth in this subdivision. Creation of an affiliate, shareholder, partnership, or joint tenancy relationship after a purchase or sale of a manufactured home community has been proposed or discussed shall be presumptive evidence of bad faith.

Subd. 3. **Notice of ~~offer~~ sale.** ~~(a) If a park owner receives an unsolicited bona fide offer to purchase the park that the park owner intends to consider or make a counteroffer to, the park owner's only obligation shall be to mail a notice to the Minnesota Housing Finance Agency, by certified mail, and to each park resident household, by regular mail. The notice must indicate that the park owner has received an offer that it is considering, and it must disclose the price range and material terms and conditions upon which the park owner would consider selling the park and consider any offer made by a representative acting on behalf of residents or a nonprofit that will become a representative acting on behalf of residents, as provided below. The park owner shall be under no obligation either to sell to the nonprofit or representative acting on behalf of residents or to interrupt or delay other negotiations and shall be free to execute a purchase agreement or contract for the sale of the park to a party or parties other than the representative acting on behalf of residents. Substantial compliance with the notice requirement in this paragraph shall be deemed sufficient.~~

~~(b) The Minnesota Housing Finance Agency must, within five days of receipt of the notice required under paragraph (a), distribute a copy of the notice to any representative acting on behalf of residents and to any nonprofits that register with the agency to receive such notices. The agency shall make a list of any representatives acting on behalf of residents and any registered nonprofits publicly available on its website.~~

(a) No park owner may accept any offer for the sale, lease, or transfer of a manufactured home park to any person other than the representative acting on behalf of residents without first giving 60 days' written notice by certified mail, return receipt requested, of the proposed sale, lease, or transfer to:

(1) each resident of the manufactured home park; and

(2) the Minnesota Housing Finance Agency.

(b) The notice required under this subdivision must be dated and indicate the price, terms, and conditions of an acceptable offer the park owner has received to sell, lease, or transfer the manufactured home park. In the case of a proposed sale in a single transaction of more than one manufactured home park or of a manufactured home park together with one or more other unrelated properties, the notice must state both the aggregate price for the transaction and the price attributable to the manufactured home park in which the residents receiving the notice reside. The notice must include the following verbatim statement: "The park owner has received and is prepared to accept an outside offer to [sell, lease, transfer] this park. The price, terms, and conditions of the offer are listed below. Before accepting the offer for the [sale, lease, transfer], the park owner will consider any offer submitted within 60 days of the date of this notice by a representative acting on behalf of residents. The owner will negotiate in good faith with the representative. [List of price, terms, and conditions.] The nonprofit organizations listed at [a website designated by Minnesota Housing Finance Agency] provide assistance to residents who want to evaluate the possibility of purchasing their park."

(c) During the period of 60 days following the date of the notice required under this subdivision, a representative acting on behalf of residents may request and a park owner must within three days of the request send electronically or by certified mail, return receipt requested, a copy of:

(1) the offer to sell, lease, or transfer the manufactured home park that the park owner is prepared to accept;

(2) the total income collected from the park and related profit centers, including storage and laundry, in the calendar year before delivery of the notice required under this subdivision;

(3) the total operating expenses for the park paid by the owner or landlord in the calendar year before delivery of the notice required under this subdivision;

(4) the cost of all utilities for the park that were paid by the owner in the calendar year before delivery of the notice required under this subdivision;

(5) the annual cost of all insurance policies for the park that were paid by the owner, as shown by the most recent premium;

(6) the number of homes in the park owned by the owner; and

(7) the number of vacant spaces and homes in the park.

(d) The park owner may designate all or part of the financial information provided pursuant to this section as confidential, in which case the park owner must establish, in cooperation with the representative acting on behalf of residents, a list of persons with whom the representative acting on behalf of residents may share the information, including but not limited to any of the following:

(1) one or more members of a resident committee that is working with the representative acting on behalf of residents to evaluate the possibility of purchasing the manufactured home park;

(2) a nonprofit organization or a housing authority;

(3) an attorney or other licensed professional or adviser; and

(4) a financial institution.

(e) A park owner may enter into an agreement to sell, lease, or transfer a manufactured home park prior to providing the notice and purchase opportunity required under subdivisions 3 through 8, provided that the agreement is expressly conditioned upon compliance with those notice and purchase opportunity requirements.

Subd. 4. ~~**Unsolicited**~~ **Residents' offer to purchase.** ~~Nothing contained in this section or section 327C.096 shall prevent a representative acting on behalf of residents or a nonprofit from making an unsolicited bona fide offer to purchase the manufactured home park to the park owner at any time.~~

(a) A representative acting on behalf of residents may submit a written offer to the park owner to purchase the manufactured home park, subject to the conditions required under subdivision 7. The offer must be submitted within 60 days of the postmark date of the notice required under subdivision 3.

(b) If a representative acting on behalf of residents makes an offer pursuant to paragraph (a) of this subdivision, the park owner must consider the offer and negotiate with the representative acting on behalf of residents in good faith.

(c) If the owner rejects the offer of a representative acting on behalf of residents, the owner must provide written notice to the representative of, and an explanation of the reasons for, rejection of the offer.

(d) The notice of rejection must be sent electronically or by certified mail, return receipt requested, to the representative acting on behalf of residents within five days of receipt of the offer from the representative acting on behalf of residents. No owner may make a final, unconditional acceptance of an offer for the sale, lease, or transfer of a manufactured home park earlier than the 15th day following the delivery date of the notice of rejection.

(e) The purchase agreement must permit the representative acting on behalf of residents a commercially reasonable due diligence period of no fewer than 90 days from the date of the agreement to arrange all necessary financing and a commercially reasonable period of time to close on the sale. During the due diligence period, the park owner must provide the same information and access to the park as it would have provided to any other prospective purchaser, which may be subject to a commercially reasonable confidentiality agreement.

A community owner shall not reject a proposed purchase agreement solely on the basis that the agreement includes a financing contingency.

Subd. 5. **Optional recording.** (a) A park owner may record with the county recorder or registrar of titles in the county where the park is located an affidavit, with a copy of the notice required under subdivision 3 attached, attesting that:

(1) the park owner has complied with the requirements of this section; or

(2) the sale, lease, or transfer of the manufactured home park is exempt from this section pursuant to subdivision 2.

(b) An affidavit filed in accordance with this subdivision shall be presumptive evidence of compliance for purposes of conveying good title to a bona fide purchaser.

(c) A representative acting on behalf of residents who makes an offer to purchase the park as provided under subdivision 4 may record notice of the offer in the county recorder's office.

Subd. 6. **Good faith obligations.** All transactions governed by, and all actions taken pursuant to, this section must be conducted in good faith.

Subd. 7. **Challenge to petition.** In any action challenging the validity of the signatories of the petition authorizing a representative acting on behalf of residents to represent residents in negotiations to purchase a manufactured home park, there shall be a rebuttable presumption that the challenged party's signature is sufficient evidence that the party is a valid signatory.

Subd. 8. **List of interested organizations.** The Minnesota Housing Finance Agency must:

(1) within three business days of receipt of a notice received under subdivision 3, distribute a copy of the notice to nonprofit organizations that register with the Minnesota Housing Finance Agency to receive such notices; and

(2) make the list of nonprofit organizations that have registered to receive notice publicly available on the Minnesota Housing Finance Agency website.

Sec. 13. Minnesota Statutes 2024, section 327C.11, subdivision 3, is amended to read:

Subd. 3. **Writ of recovery stayed.** The issuance of a writ of recovery, other than a conditional writ, shall be stayed for a reasonable period not to exceed seven days to allow the resident to arrange to remove the resident's home from the lot or for the purpose of an in park sale, as provided in section 327C.07.

Sec. 14. Minnesota Statutes 2024, section 327C.11, is amended by adding a subdivision to read:

Subd. 5. **Good cause.** (a) Upon a showing of good cause, the court may stay a writ under subdivision 3 or issue a conditional writ under subdivision 4 for a reasonable period not to exceed 30 days.

(b) Paragraph (a) does not apply to an action brought on the basis that the resident engaged in behavior that seriously endangered the safety of other residents or intentionally and seriously damaged the property of the park owner or a resident.

Sec. 15. Minnesota Statutes 2024, section 327C.15, is amended to read:

327C.15 REMEDIES; PENALTIES; ENFORCEMENT.

(a) Any violation of sections 327C.015 to 327C.14 is a violation of a law referred to in section 8.31, subdivision 1.

(b) A park owner that violates sections 327C.015 to 327C.14 is liable for:

(1) actual, incidental, and consequential damages sustained by the resident as a result of the violation;

(2) injunctive relief as determined by the court;

(3) equitable relief a court considers just and reasonable in the circumstances; and

(4) in the case of any successful action, the cost of the action and reasonable attorney fees as determined by the court.

(c) The remedies provided under this section are cumulative, not exclusive, and do not restrict any remedy that is otherwise available to a plaintiff at law or in equity.

Sec. 16. Minnesota Statutes 2024, section 462A.041, is amended to read:

462A.041 MEETINGS BY ~~TELEPHONE OR OTHER ELECTRONIC MEANS~~ INTERACTIVE TECHNOLOGY.

(a) For the purposes of this section, "interactive technology" has the meaning in section 13D.001, subdivision 2.

~~(a) Notwithstanding sections 13D.01 and 13D.02,~~ (b) The Housing Finance Agency may conduct a meeting of its members by ~~telephone or other electronic means~~ interactive technology so long as the following conditions are met:

(1) all members of the agency participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;

(2) members of the public present at the regular meeting location of the agency can hear all discussion and testimony and all votes of members of the agency;

(3) at least one member of the agency, the commissioner, the deputy commissioner, or an attorney for the agency is physically present at the regular meeting location; and

(4) all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.

~~(b)~~ (c) Each member of the agency participating in a meeting by ~~electronic means~~ interactive technology is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

~~(c)~~ (d) If ~~telephone or another electronic means~~ interactive technology is used to conduct a meeting, the agency to the extent practical, shall allow a person to monitor the meeting electronically from a remote location. ~~The agency may require the person making such a connection to pay for documented marginal costs that the agency incurs as a result of the additional connection.~~ Meetings must be made available on a website for live video streaming and be archived on a website for playback at a later time.

~~(d)~~ (e) If ~~telephone or another electronic means~~ interactive technology is used to conduct a regular, special, or emergency meeting, the agency shall provide notice of the regular meeting location, of the fact that some members may participate by ~~electronic means~~ interactive technology, and of the provisions of paragraph ~~(c)~~ (d). The timing and method of providing notice is governed by section 13D.04.

EFFECTIVE DATE. This section is effective August 1, 2026.

Sec. 17. Minnesota Statutes 2024, section 462A.20, subdivision 2, is amended to read:

Subd. 2. **Which money in fund.** (a) There shall be paid into the housing development fund:

(1) any moneys appropriated and made available by the state for the purposes of the fund;

(2) any moneys transferred into and made available by the state for the purposes of the fund;

~~(2)~~ (3) any moneys which the agency receives in repayment of advances made from the fund;

~~(3)~~ (4) any other moneys which may be made available to the agency for the purpose of the fund from any other source or sources;

~~(4)~~ (5) all fees and charges collected by the agency;

~~(5)~~ (6) all interest or other income not required by the provisions of a resolution or indenture securing notes or bonds to be paid into another special fund.

(b) Notwithstanding section 462A.21 or any laws to the contrary, all moneys appropriated to the agency by the state that are not appropriated for the purpose of the housing development fund must be treated under the provisions of section 16A.28.

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

Sec. 18. Minnesota Statutes 2024, section 462A.20, subdivision 3, is amended to read:

Subd. 3. **Separate accounts; transfers; limits.** Whenever any money is appropriated and made available for the purposes of the housing development fund by the state to the agency solely for a specified purpose or purposes, the agency shall establish a separate bookkeeping account or accounts in the housing development fund to record the receipt and disbursement of such money and of the income, gain, and loss from the investment and reinvestment thereof. Earnings from investment of any amounts appropriated and made available for the purposes of the housing development fund by the state to the agency for a specified purpose or purposes may be aggregated. The costs and expenses necessary and incidental to the development and operation of all programs funded by state appropriations may be paid from the aggregated earnings from investments prior to periodic distributions of earnings to separate accounts to be used for the same purpose as the respective original appropriation. The agency may transfer unencumbered balances from one appropriated account to another, provided that no money appropriated for the purpose of agency loan programs may be transferred to an account to be used for making grants, except that money appropriated for the purpose of section 462A.05, subdivision 14a, may be transferred for the purpose of section 462A.05, subdivision 15a.

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

Sec. 19. Minnesota Statutes 2024, section 462A.20, subdivision 4, is amended to read:

Subd. 4. **Operating costs report.** On or before February 15 of each year, the agency ~~shall deliver~~ must submit a report to the chairs ~~of the finance and appropriations committees of the legislature~~ and ranking minority members of the legislative committees having jurisdiction over housing finance and policy, ways and means, and finance on the costs of operating the agency in the previous fiscal year. The report ~~shall include~~ must differentiate between costs to administer programs funded by state appropriations and other agency activities. For both types of costs, the report must include the following: (1) the expenditures for salaries and benefits, rent, professional and technical services, and general agency administration~~,~~; (2) the number of full-time equivalent staff positions; and (3) the agency's audited financial statements which include information on expenditures and receipts relating to debt issuance and administration and loan origination and administration. The report ~~shall~~ must also include a budget plan for operating costs that differentiates between the costs to administer programs funded by state appropriations and other agency activities. For both types of costs, the report must include projected costs for salaries and benefits, rent, professional and technical services, and general administration for the current fiscal year, including estimates of changes in costs from the previous fiscal year. If it appears that the costs in the current fiscal year will exceed the budget plan contained in the report submitted under this subdivision, the agency must notify the chairs and ranking minority members of the legislative committees ~~or divisions~~ with jurisdiction over ~~the agency's budget~~ housing finance and policy that the costs in the current fiscal year will exceed the submitted budget plan and the reasons for the changes in costs and must submit a revised budget plan to the commissioner of management and budget and obtain the commissioner's concurrence with the revised plan. The agency must also notify the chairs and ranking minority members of the legislative committees ~~or divisions~~ with jurisdiction over ~~the agency's budget~~ housing finance and policy when the agency is considering an expansion of agency activities that were not contemplated in the submitted budget plan.

Sec. 20. **[462A.2094] CAPACITY BUILDING GRANTS.**

The agency may make capacity building grants to nonprofit organizations, local government units, Indian tribes, and Indian tribal organizations to expand their capacity to provide affordable housing and housing-related services. The grants may be used to assess housing needs and to develop and implement strategies to meet those needs, including but not limited to the creation or preservation of affordable housing, prepurchase and postpurchase counseling and associated administrative costs, and the linking of supportive services to the housing. The agency must adopt policies and procedures specifying the eligible uses of grant money. Funding priority may be given to those applicants that include low-income persons in their membership, have provided housing-related services to low-income people, and demonstrate a local commitment of local resources, which may include in-kind contributions.

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

Sec. 21. Minnesota Statutes 2024, section 462A.21, subdivision 10, is amended to read:

Subd. 10. **Certain appropriations available until expended.** Notwithstanding ~~the repeal of section 462A.26 and the provisions of~~ section 16A.28 or any other law relating to lapse of an appropriation, the appropriations made to the agency by the legislature in 1976 and subsequent years are available until fully expended, and the allocations provided in the appropriations remain in effect. Earnings from investments of any of the amounts appropriated to the agency are appropriated to the agency to be used for the same purposes as the respective original appropriations, after payment of the costs and expenses necessary and incidental to the development and operation of the ~~programs authorized under this chapter~~ respective original appropriations.

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

Sec. 22. Minnesota Statutes 2024, section 462A.21, subdivision 12a, is amended to read:

Subd. 12a. **Program money transfer.** Unencumbered balances of money appropriated for the purpose of loans or grants for agency programs under these subdivisions may be transferred between programs created by these subdivisions or in accordance with section 462A.20, subdivision 3. The commissioner must inform the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy in writing prior to making a transfer pursuant to this subdivision. The written notice must include how much money will be transferred, why the transfer will be made, and when the transfer will occur. The written notice must also be filed with the Legislative Reference Library in compliance with section 3.195.

Sec. 23. Minnesota Statutes 2024, section 462A.222, is amended by adding a subdivision to read:

Subd. 5. **Limitation on rental increases.** A housing project awarded tax credits under this section must not increase rent in any 12-month period by a percentage exceeding the percent change in the Consumer Price Index for all urban consumers, as published by the Bureau of Labor Statistics of the Department of Labor, for the most recent 12-month period. The limitation on rent increases in this subdivision applies only to an income-restricted unit rented by a resident 65 years of age or over.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to rent increases that take effect on or after that date.

Sec. 24. Minnesota Statutes 2024, section 462A.37, is amended by adding a subdivision to read:

<u>Subd. 2l.</u> <u>**Additional authorization.**</u> <u>(a) In addition to the amount authorized in subdivisions 2 to 2k and 3a, the agency may issue up to $50,000,000 in one or more series to which the payments under this section may be pledged. Of this authorization, $5,000,000 of proceeds from the sale of bonds must be applied for manufactured home park improvements and infrastructure under subdivision 2, paragraph (a), clause (4), unless modified under paragraph (b).</u>

<u>(b) The agency must use its best efforts to award grants and loans for the purposes allocated in paragraph (a). If the agency has not committed the full amount of the allocation by January 16, 2029, to the described purposes due to a lack of qualifying projects, the allocated amount may be applied to other purposes authorized in subdivision 2.</u>

<u>**EFFECTIVE DATE.**</u> <u>This section is effective the day following final enactment.</u>

Sec. 25. Minnesota Statutes 2025 Supplement, section 462A.37, subdivision 5, is amended to read:

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

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

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

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

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

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

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

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

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

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

(k) Each July 15, beginning in 2027 and through 2048, if any housing infrastructure bonds issued under subdivision 2k, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(l) Each July 15, beginning in 2028 and through 2049, if any housing infrastructure bonds issued under subdivision 2l or housing infrastructure bonds issued to refund those bonds remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

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

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

Sec. 26. Minnesota Statutes 2024, section 462A.395, subdivision 3, is amended to read:

Subd. 3. **Eligible projects.** ~~Housing projects eligible~~ To be eligible for a grant under this section, a housing project must be located outside of the metropolitan area, and may be:

(1) a single-family ~~or multifamily housing~~ development~~,~~;

(2) a multifamily housing development;

~~and either owner-occupied or rental. Housing projects eligible for a grant under this section may also be~~ (3) a manufactured home development qualifying for homestead treatment under section 273.124, subdivision 3a~~.~~;

(4) a housing project funded under section 462A.38; or

(5) a housing project funded under section 462A.39.

Sec. 27. Minnesota Statutes 2024, section 462A.40, subdivision 3, is amended to read:

Subd. 3. **Eligible recipients; definitions; restrictions; use of funds.** (a) The agency may award a grant or a loan to any recipient that qualifies under subdivision 2. The agency must not award a grant or a loan to a disqualified individual or disqualified business.

(b) For the purposes of this subdivision disqualified individual means:

(1) an individual who or an individual whose immediate family member made a contribution to the account in the current or prior taxable year and received a credit certificate;

(2) an individual who or an individual whose immediate family member owns the housing for which the grant or loan will be used;

(3) an individual who meets the following criteria:

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

(ii) that business entity made a contribution to the account in the current or previous taxable year and received a credit certificate; or

(4) an individual who meets the following criteria:

(i) the individual directly owns, controls, or holds the power to vote 20 percent or more of the outstanding securities of a business entity; and

(ii) that business entity made a contribution to the account in the current or previous taxable year and received a credit certificate.

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

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

(2) has an officer or principal who is an individual who made a contribution to the account in the current or previous taxable year and received a credit certificate; or

(3) meets the following criteria:

(i) the business entity is directly owned, controlled, or is subject to the power to vote 20 percent or more of the outstanding securities by an individual or business entity; and

(ii) that controlling individual or business entity made a contribution to the account in the current or previous taxable year and received a credit certificate.

(d) For purposes of this subdivision, "immediate family" means the taxpayer's spouse, parent or parent's spouse, sibling or sibling's spouse, or child or child's spouse. For a married couple filing a joint return, the limitations in this subdivision apply collectively to the taxpayer and spouse.

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

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

(g) <u>Except for projects receiving funding under section 462A.39,</u> eligible recipients must use the funds to serve households that meet the income limits as provided in section 462A.33, subdivision 5.

Sec. 28. **<u>[462A.45] LIVED-EXPERIENCE ENGAGEMENT EXEMPTION.</u>**

<u>(a) Notwithstanding any law to the contrary, income received from lived-experience engagement is not considered income, assets, or personal property for purposes of determining eligibility or recertifying eligibility for state public assistance, including but not limited to:</u>

<u>(1) child care assistance programs under chapter 142E;</u>

<u>(2) general assistance, Minnesota supplemental aid, and food support under chapters 142F and 256D;</u>

<u>(3) housing support under chapter 256I;</u>

(4) Minnesota family investment program under chapter 142G; and

(5) economic assistance programs under chapter 256P.

(b) For purposes of this section, "lived-experience engagement" means the agency engaging with people with relevant experience identified by the agency for the purposes of (1) serving as a community reviewer of proposals submitted as part of an agency request for proposals, or (2) gathering and sharing feedback on the impact of housing programs.

Sec. 29. Minnesota Statutes 2024, section 474A.02, subdivision 1a, is amended to read:

Subd. 1a. **Aggregate bond limitation.** "Aggregate bond limitation" means ~~up to 55~~ the greater of: (1) 30 percent of the reasonably expected aggregate basis of a residential rental project and the land on which the project is or will be located; or (2) the maximum supportable permanent amortizing debt, subject to a maximum of 40 percent of the reasonably expected aggregate basis of a residential rental project and the land on which the project is or will be located.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 30. Minnesota Statutes 2024, section 500.215, subdivision 1, is amended to read:

Subdivision 1. **General rule.** (a) Any provision of any deed restriction, subdivision regulation, restrictive covenant, local ordinance, contract, rental agreement or regulation, or homeowners association document that limits the right of an owner or tenant of residential property to display the flag of the United States ~~and~~, the flag of the State of Minnesota, the National League of Families POW/MIA flag, the flag of any branch of the United States Armed Forces, or a Blue Star Service flag or a Gold Star Service flag, is void and unenforceable.

(b) "Homeowners association document" includes the declaration, articles of incorporation, bylaws, and rules and regulations of:

(1) a common interest community, as defined in section 515B.1-103(10), regardless of whether the common interest community is subject to chapter 515B; and

(2) a residential community that is not a common interest community, as defined in section 515B.1-103(10).

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all limitations described in this section and not excepted in Minnesota Statutes, section 500.215, subdivision 2, regardless of whether adopted before, on, or after that date.

Sec. 31. **[500.50] SINGLE-FAMILY HOMES; PRIVATE EQUITY OWNERSHIP PROHIBITED.**

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

(b) "Family entity" means an entity, however organized, that meets the following standards:

(1) all its members are natural persons related to each other within the third degree of kindred according to the rules of civil law; and

(2) its revenue from rent or any other means is paid directly from one member to another.

(c) "Homestead" is a property classified as class 1a under section 273.13, subdivision 22.

(d) "Private equity company" means an investor or group of investors who, alone or in concert with one or more other entities, primarily engage in the raising or returning of capital and who invest, develop, or dispose of specified assets. Private equity company includes publicly or nonpublicly traded entities, real estate investment trusts, and any investment firm that buys and manages private companies to make a profit. A private equity company does not include the following:

(1) a local, state, or federal unit of government or agency;

(2) a Tribal government or Tribally designated housing entity;

(3) a land trust as defined in section 462A.31;

(4) a nonprofit organized under chapter 317A that is creating, rehabilitating, or providing affordable housing to low- and moderate-income renters or home buyers;

(5) a corporation primarily engaged in housing development through the construction or substantial rehabilitation of single-family homes;

(6) a mortgage note holder that owns the single-family homes through foreclosure; or

(7) a family entity.

(e) "Real estate investment trust" has the meaning given in United States Code, title 26, section 856.

(f) "Single-family home" means a residential property consisting of one to four dwelling units, but does not include:

(1) an assisted living facility with fewer than five dwelling units licensed under chapter 144G; or

(2) a residential property with fewer than five dwelling units that is controlled by a provider licensed under chapters 245A and 245D and in which residential supports and services as defined in section 245D.03, subdivision 1, paragraph (c), clause (3), or integrated community support as defined in section 245D.03, subdivision 1, paragraph (c), clause (8), are provided.

(g) "Substantial rehabilitation" means the repair, reconstruction, or improvement of existing single-family homes that:

(1) increases the value of each single-family home by 20 percent or more; and

(2) makes each single-family home:

(i) compliant with the State Building Code; and

(ii) safe, sanitary, and in compliance with the applicable health and safety laws of the United States, of the state, and of the local units of government, including ordinances regulating rental licensing.

Subd. 2. **Single-family homes; private equity ownership prohibition.** A private equity company is prohibited from having a direct or indirect ownership interest in a single-family home. This subdivision does not prohibit a natural person from acquiring an ownership interest in a home that is classified as homestead property for tax purposes.

Subd. 3. **Exemption; disclosure.** (a) This section does not apply to a private equity company with an ownership interest in fewer than 100 single-family homes.

(b) A private equity company must not have an interest in or receive a benefit from a private equity company that is subject to the exemption under paragraph (a).

(c) A private equity company subject to the exemption under paragraph (a) must, upon request, disclose the following to the attorney general:

(1) a description of all persons with an interest in or affiliated with the private equity company;

(2) a description of all persons receiving a benefit from the private equity company;

(3) a description of all homes the private equity company owns in Minnesota; and

(4) any other financial disclosures requested by the attorney general.

Subd. 4. **Civil penalty; enforcement.** A private equity company that violates this section is subject to a civil penalty of $100,000 per violation. The attorney general may enforce this section pursuant to section 8.31. The attorney general must provide written notice of the alleged violation under this section to the private equity company at least 90 days before filing an enforcement action. Notwithstanding any contrary provision in law, including but not limited to section 16A.151, any civil penalty recovered under this subdivision must be deposited into the workforce and affordable homeownership development account under section 462A.38, subdivision 7.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to interests in real property acquired on or after that date.

Sec. 32. Laws 2025, chapter 32, article 1, section 2, subdivision 16, is amended to read:

Subd. 16. **Capacity Building Grants**	645,000	645,000

This appropriation is for capacity building grants under Minnesota Statutes, section ~~462A.21, subdivision 3b~~ 462A.2094.

Sec. 33. **TASK FORCE ON HOUSING TAXES AND FEES.**

Subdivision 1. **Establishment.** The Task Force on Housing Taxes and Fees is established to study and analyze the impact of state, county, and local taxes, fees, and exactions on the cost of housing development and preservation in the state.

Subd. 2. **Membership.** (a) The task force consists of 16 members, appointed as follows:

(1) two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader;

(2) two members of the senate, one appointed by the majority leader and one appointed by the minority leader;

(3) the commissioner of revenue, or a designee;

(4) the commissioner of the Minnesota Housing Finance Agency, or a designee;

(5) one member representing the Association of Minnesota Counties;

(6) one member representing the League of Minnesota Cities;

(7) one member representing the Builders Association of Minnesota;

(8) one member representing the Minnesota Realtors;

(9) one member representing the Minnesota Multi Housing Association;

(10) one member representing a nonprofit affordable housing developer;

(11) one member representing a Tribal government; and

(12) three members of the public with expertise in municipal finance or housing policy, appointed by the governor.

(b) Appointments must be made no later than July 1, 2026.

(c) The task force must elect a chair at its first meeting from among the legislative task force members.

Subd. 3. **Duties.** The task force shall:

(1) inventory all current state and local taxes and related fees imposed on the development of new housing, including but not limited to building permit fees, exactions, park dedication fees, and infrastructure impact fees;

(2) analyze the cumulative effect of state and local taxes and fees on the net cost of residential construction;

(3) analyze how housing-related taxes are allocated to state, county, and local governments; and

(4) make recommendations for legislative or administrative changes to reduce the cost burden of taxes and fees on housing while maintaining essential public services.

Subd. 4. **Administration.** The Legislative Coordinating Commission shall convene the first meeting by August 15 and provide staff and administrative support to the task force.

Subd. 5. **Open Meeting Law.** Meetings of the task force are subject to Minnesota Statutes, chapter 13D.

Subd. 6. **Compensation.** Members of the task force shall receive no compensation and are not eligible for reimbursement of expenses.

Subd. 7. **Report.** By February 15, 2027, the task force shall submit a report with its findings and recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over housing and taxes.

Subd. 8. **Expiration.** The task force expires the day after submitting the report required under subdivision 7.

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

Sec. 34. **REPEALER.**

(a) Minnesota Statutes 2024, section 327C.096, is repealed.

(b) Minnesota Statutes 2024, section 462A.21, subdivisions 3b, 5, 23, and 26, are repealed.

EFFECTIVE DATE. Paragraph (b) is effective the day following final enactment.

327C.096 NOTICE OF SALE.

When a park owner offers to sell a manufactured home park to the public through advertising in a newspaper or by listing the park with a real estate broker licensed by the Department of Commerce, the owner must provide concurrent written notice to each resident household in the park that the park is being offered for sale. Written notice provided once within a one-year period satisfies the requirement under this section. The notice provided by the park owner to each resident household does not grant any property rights in the park and is for informational purposes only. This section does not apply in the case of a taking by eminent domain, a transfer by a corporation to an affiliate, a transfer by a partnership to one or more of its partners, or a sale or transfer to a person who would be an heir of the owner if the owner were to die intestate.

462A.21 HOUSING DEVELOPMENT FUND; ADVANCES, USE REPAYMENT.

Subd. 3b. **Capacity building grants.** It may make capacity building grants to nonprofit organizations, local government units, Indian tribes, and Indian tribal organizations to expand their capacity to provide affordable housing and housing-related services. The grants may be used to assess housing needs and to develop and implement strategies to meet those needs, including but not limited to the creation or preservation of affordable housing, prepurchase and postpurchase counseling and associated administrative costs, and the linking of supportive services to the housing. The agency shall adopt rules, policies, and procedures specifying the eligible uses of grant money. Funding priority may be given to those applicants that include low-income persons in their membership, have provided housing-related services to low-income people, and demonstrate a local commitment of local resources, which may include in-kind contributions.

Subd. 5. **Other agency purposes.** It may expend moneys in the fund, not otherwise appropriated, for such other agency purposes as previously enumerated in this chapter as the agency in its discretion shall determine and provide.

Subd. 23. **Rental housing.** The agency may spend money for the purposes of the rental housing program authorized under section 462A.2097, and may pay the costs and expenses necessary and incidental to the development and operation of the program.

Subd. 26. **Full cycle home ownership services.** The agency may spend money for the purposes of section 462A.209 and may pay the costs and expenses necessary and incidental to the development and operation of the program.