

**SENATE**  
**STATE OF MINNESOTA**  
**NINETY-FIRST SESSION**

**S.F. No. 469**

(SENATE AUTHORS: KORAN, Draheim, Goggin, Eken and Sparks)

DATE	D-PG	OFFICIAL STATUS
01/24/2019	161	Introduction and first reading Referred to Agriculture, Rural Development, and Housing Policy
02/28/2019	570a	Comm report: To pass as amended and re-refer to Agriculture, Rural Development, and Housing Finance See SF2226

1.1 A bill for an act

1.2 relating to manufactured home parks; clarifying the eligibility of manufactured

1.3 home parks as housing improvement areas; allowing housing infrastructure bonds

1.4 to be used for manufactured home parks; amending Minnesota Statutes 2018,

1.5 sections 428A.11, subdivisions 4, 6; 462A.2035, subdivisions 1a, 1b; 462A.33,

1.6 subdivisions 1, 2; 462A.37, subdivision 2.

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

1.8 Section 1. Minnesota Statutes 2018, section 428A.11, subdivision 4, is amended to read:

1.9 Subd. 4. **Housing improvements.** "Housing improvements" has the meaning given in

1.10 the city's enabling ordinance. Housing improvements may include improvements to common

1.11 elements of a condominium or other common interest community, or to a manufactured

1.12 home park.

1.13 Sec. 2. Minnesota Statutes 2018, section 428A.11, subdivision 6, is amended to read:

1.14 Subd. 6. **Housing unit.** "Housing unit" means real property and improvements thereon

1.15 consisting of a one-dwelling unit, or an apartment or unit as described in chapter 515, 515A,

1.16 or 515B, respectively, or a manufactured home in a manufactured home park that is occupied

1.17 by a person or family for use as a residence.

1.18 Sec. 3. Minnesota Statutes 2018, section 462A.2035, subdivision 1a, is amended to read:

1.19 Subd. 1a. **Individual assistance grants.** Eligible recipients may use individual assistance

1.20 grants and loans under this program to:

1.21 (1) provide current residents of manufactured home parks with buy-out assistance not

1.22 to exceed \$4,000 per home with preference given to older manufactured homes; and

2.1 (2) provide down-payment assistance for the purchase of new and preowned manufactured  
 2.2 homes that comply with the current version of the ~~State Building~~ United States Department  
 2.3 of Housing and Urban Development's Manufactured Housing Code in effect at the time of  
 2.4 the sale, not to exceed \$10,000 per home.

2.5 Sec. 4. Minnesota Statutes 2018, section 462A.2035, subdivision 1b, is amended to read:

2.6 Subd. 1b. **Manufactured home park infrastructure grants.** Eligible recipients may  
 2.7 use manufactured home park infrastructure grants under this program for:

2.8 (1) acquisition of and improvements in manufactured home parks; and

2.9 (2) infrastructure, including storm shelters and community facilities.

2.10 Sec. 5. Minnesota Statutes 2018, section 462A.33, subdivision 1, is amended to read:

2.11 Subdivision 1. **Created.** The economic development and housing challenge program is  
 2.12 created to be administered by the agency.

2.13 (a) The program shall provide grants or loans for the purpose of construction, acquisition,  
 2.14 rehabilitation, demolition or removal of existing structures, construction financing, permanent  
 2.15 financing, interest rate reduction, refinancing, and gap financing of housing or manufactured  
 2.16 home parks, as defined in section 327C.01, to support economic development and  
 2.17 redevelopment activities or job creation or job preservation within a community or region  
 2.18 by meeting locally identified housing needs.

2.19 Gap financing is either:

2.20 (1) the difference between the costs of the property, including acquisition, demolition,  
 2.21 rehabilitation, and construction, and the market value of the property upon sale; or

2.22 (2) the difference between the cost of the property and the amount the targeted household  
 2.23 can afford for housing, based on industry standards and practices.

2.24 (b) Preference for grants and loans shall be given to comparable proposals that include  
 2.25 regulatory changes or waivers that result in identifiable cost avoidance or cost reductions,  
 2.26 such as increased density, flexibility in site development standards, or zoning code  
 2.27 requirements. Preference must also be given among comparable proposals to proposals for  
 2.28 projects that are accessible to transportation systems, jobs, schools, and other services.

2.29 (c) If a grant or loan is used for demolition or removal of existing structures, the cleared  
 2.30 land must be used for the construction of housing to be owned or rented by persons who  
 2.31 meet the income limits of this section or for other housing-related purposes that primarily

3.1 benefit the persons residing in the adjacent housing. In making selections for grants or loans  
 3.2 for projects that demolish affordable housing units, the agency must review the potential  
 3.3 displacement of residents and consider the extent to which displacement of residents is  
 3.4 minimized.

3.5 Sec. 6. Minnesota Statutes 2018, section 462A.33, subdivision 2, is amended to read:

3.6 Subd. 2. **Eligible recipients.** Challenge grants or loans may be made to a city, a federally  
 3.7 recognized American Indian tribe or subdivision located in Minnesota, a tribal housing  
 3.8 corporation, a private developer, a nonprofit organization, or the owner of the housing or  
 3.9 the manufactured home park, including individuals. For the purpose of this section, "city"  
 3.10 has the meaning given it in section 462A.03, subdivision 21. To the extent practicable,  
 3.11 grants and loans shall be made so that an approximately equal number of housing units are  
 3.12 financed in the metropolitan area and in the nonmetropolitan area.

3.13 Sec. 7. Minnesota Statutes 2018, section 462A.37, subdivision 2, is amended to read:

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

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

3.22 (2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned  
 3.23 housing to be used for affordable rental housing and the costs of new construction of rental  
 3.24 housing on abandoned or foreclosed property where the existing structures will be demolished  
 3.25 or removed;

3.26 (3) to finance that portion of the costs of acquisition of property that is attributable to  
 3.27 the land to be leased by community land trusts to low- and moderate-income homebuyers;

3.28 (4) to finance ~~that portion of the~~ acquisition, improvement, and infrastructure of  
 3.29 manufactured home parks under section 462A.2035, subdivision 1b, ~~that is attributable to~~  
 3.30 ~~land to be leased to low- and moderate-income manufactured home owners;~~

3.31 (5) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction  
 3.32 of senior housing; and

4.1 (6) to finance the costs of acquisition and rehabilitation of federally assisted rental  
4.2 housing and for the refinancing of costs of the construction, acquisition, and rehabilitation  
4.3 of federally assisted rental housing, including providing funds to refund, in whole or in part,  
4.4 outstanding bonds previously issued by the agency or another government unit to finance  
4.5 or refinance such costs.

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

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

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

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

4.15 (1) demonstrate a commitment to maintaining the housing financed as affordable to  
4.16 seniors;

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

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

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

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

4.27 To the extent practicable, the agency shall balance the loans made between projects in the  
4.28 metropolitan area and projects outside the metropolitan area. Of the loans made to projects  
4.29 outside the metropolitan area, the agency shall, to the extent practicable, balance the loans  
4.30 made between projects in counties or cities with a population of 20,000 or less, as established  
4.31 by the most recent decennial census, and projects in counties or cities with populations in  
4.32 excess of 20,000.