

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

S.F. No. 969

(SENATE AUTHORS: DRAHEIM)

| DATE | D-PG | OFFICIAL STATUS |
|------------|-------|--|
| 02/11/2021 | 341 | Introduction and first reading Referred to Housing Finance and Policy |
| 04/12/2021 | 1692a | Comm report: To pass as amended and re-refer to Finance |
| 04/15/2021 | | Comm report: To pass as amended Second reading |

1.1 A bill for an act

1.2 relating to state government; establishing a budget for the Minnesota Housing

1.3 Finance Agency; modifying various housing policy provisions; providing for an

1.4 eviction moratorium phaseout; requiring a report; appropriating money; amending

1.5 Minnesota Statutes 2020, sections 12.46; 12A.09, subdivision 3; 273.11, subdivision

1.6 12; 273.125, subdivision 8; 326B.106, subdivision 7; 462.352, subdivision 5;

1.7 462A.05, subdivisions 14, 14a; 462A.07, subdivision 2; 462A.204, subdivision 3;

1.8 462A.24; 462A.30, subdivision 9; 462A.37, subdivisions 1, 2; 462A.38, subdivision

1.9 1; 462A.39, subdivisions 1, 2, 4, 5; 471.9996, subdivision 1; 474A.061, subdivision

1.10 2a; 474A.091, subdivision 3; proposing coding for new law in Minnesota Statutes,

1.11 chapters 168A; 462; 462A; repealing Minnesota Statutes 2020, sections 168A.141;

1.12 471.9996, subdivision 2.

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

1.14 **ARTICLE 1**

1.15 **HOUSING APPROPRIATIONS**

1.16 Section 1. **APPROPRIATIONS.**

1.17 The sums shown in the columns marked "Appropriations" are appropriated to the agency

1.18 for the purposes specified in this article. The appropriations are from the general fund, or

1.19 another named fund, and are available for the fiscal years indicated for each purpose. The

1.20 figures "2022" and "2023" used in this article mean that the appropriations listed under them

1.21 are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The

1.22 first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is

1.23 fiscal years 2022 and 2023.

| | <u>APPROPRIATIONS</u> | |
|------|--------------------------------------|--------------------|
| | <u>Available for the Year</u> | |
| | <u>Ending June 30</u> | |
| | <u>2022</u> | <u>2023</u> |
| 1.24 | | |
| 1.25 | | |
| 1.26 | | |
| 1.27 | | |

2.1 **Sec. 2. HOUSING FINANCE AGENCY**2.2 **Subdivision 1. Total Appropriation** \$ **57,798,000** \$ **57,798,000**2.3 (a) The amounts that may be spent for each
2.4 purpose are specified in the following
2.5 subdivisions.2.6 (b) Unless otherwise specified, this
2.7 appropriation is for transfer to the housing
2.8 development fund for the programs specified
2.9 in this section. Except as otherwise indicated,
2.10 this transfer is part of the agency's permanent
2.11 budget base.2.12 **Subd. 2. Challenge Program** 11,925,000 11,925,0002.13 This appropriation is for the economic
2.14 development and housing challenge program
2.15 under Minnesota Statutes, section 462A.33.2.16 **Subd. 3. Workforce Housing Development** 2,000,000 2,000,0002.17 This appropriation is for the Greater
2.18 Minnesota workforce housing development
2.19 program under Minnesota Statutes, section
2.20 462A.39. If requested by the applicant and
2.21 approved by the agency, funded properties
2.22 may include a portion of income and rent
2.23 restricted units. Funded properties may include
2.24 owner-occupied homes.2.25 **Subd. 4. Manufactured Home Park**
2.26 **Infrastructure Grants** 1,750,000 1,750,0002.27 This appropriation is for manufactured home
2.28 park infrastructure grants under Minnesota
2.29 Statutes, section 462A.2035, subdivision 1b.2.30 **Subd. 5. Workforce Homeownership Program** 1,850,000 1,850,0002.31 This appropriation is for the workforce
2.32 homeownership program under Minnesota
2.33 Statutes, section 462A.38.

| | | | |
|------|---|-------------------|-------------------|
| 3.1 | <u>Subd. 6. Housing Trust Fund</u> | <u>11,646,000</u> | <u>11,646,000</u> |
| 3.2 | <u>This appropriation is for deposit in the housing</u> | | |
| 3.3 | <u>trust fund account created under Minnesota</u> | | |
| 3.4 | <u>Statutes, section 462A.201, and may be used</u> | | |
| 3.5 | <u>for the purposes provided in that section.</u> | | |
| 3.6 | <u>Subd. 7. Homework Starts with Home</u> | <u>1,750,000</u> | <u>1,750,000</u> |
| 3.7 | <u>This appropriation is for the homework starts</u> | | |
| 3.8 | <u>with home program under Minnesota Statutes,</u> | | |
| 3.9 | <u>sections 462A.201, subdivision 2, paragraph</u> | | |
| 3.10 | <u>(a), clause (4), and 462A.204, subdivision 8,</u> | | |
| 3.11 | <u>to provide assistance to homeless or highly</u> | | |
| 3.12 | <u>mobile families with children eligible for</u> | | |
| 3.13 | <u>enrollment in a prekindergarten through grade</u> | | |
| 3.14 | <u>12 academic program.</u> | | |
| 3.15 | <u>Subd. 8. Rental Assistance for Mentally Ill</u> | <u>4,338,000</u> | <u>4,338,000</u> |
| 3.16 | <u>This appropriation is for the rental housing</u> | | |
| 3.17 | <u>assistance program for persons with a mental</u> | | |
| 3.18 | <u>illness or families with an adult member with</u> | | |
| 3.19 | <u>a mental illness under Minnesota Statutes,</u> | | |
| 3.20 | <u>section 462A.2097. Among comparable</u> | | |
| 3.21 | <u>proposals, the agency shall prioritize those</u> | | |
| 3.22 | <u>proposals that target, in part, eligible persons</u> | | |
| 3.23 | <u>who desire to move to more integrated,</u> | | |
| 3.24 | <u>community-based settings.</u> | | |
| 3.25 | <u>Subd. 9. Family Homeless Prevention</u> | <u>10,269,000</u> | <u>10,269,000</u> |
| 3.26 | <u>This appropriation is for the family homeless</u> | | |
| 3.27 | <u>prevention and assistance programs under</u> | | |
| 3.28 | <u>Minnesota Statutes, section 462A.204.</u> | | |
| 3.29 | <u>Subd. 10. Home Ownership Assistance Fund</u> | <u>885,000</u> | <u>885,000</u> |
| 3.30 | <u>This appropriation is for the home ownership</u> | | |
| 3.31 | <u>assistance program under Minnesota Statutes,</u> | | |
| 3.32 | <u>section 462A.21, subdivision 8. The agency</u> | | |
| 3.33 | <u>shall continue to strengthen its efforts to</u> | | |

4.1 address the disparity gap in the
 4.2 homeownership rate between white
 4.3 households and Indigenous American Indians
 4.4 and communities of color. To better
 4.5 understand and address the disparity gap, the
 4.6 agency is required to collect, on a voluntary
 4.7 basis, demographic information regarding
 4.8 race, color, national origin, and sex of
 4.9 applicants for agency programs intended to
 4.10 benefit homeowners and homebuyers.

4.11 **Subd. 11. Affordable Rental Investment Fund** 4,218,000 4,218,000

4.12 (a) This appropriation is for the affordable
 4.13 rental investment fund program under
 4.14 Minnesota Statutes, section 462A.21,
 4.15 subdivision 8b, to finance the acquisition,
 4.16 rehabilitation, and debt restructuring of
 4.17 federally assisted rental property and for
 4.18 making equity take-out loans under Minnesota
 4.19 Statutes, section 462A.05, subdivision 39.

4.20 (b) The owner of federally assisted rental
 4.21 property must agree to participate in the
 4.22 applicable federally assisted housing program
 4.23 and to extend any existing low-income
 4.24 affordability restrictions on the housing for
 4.25 the maximum term permitted.

4.26 (c) The appropriation also may be used to
 4.27 finance the acquisition, rehabilitation, and debt
 4.28 restructuring of existing supportive housing
 4.29 properties and naturally occurring affordable
 4.30 housing as determined by the commissioner.
 4.31 For purposes of this paragraph, "supportive
 4.32 housing" means affordable rental housing with
 4.33 links to services necessary for individuals,
 4.34 youth, and families with children to maintain
 4.35 housing stability.

| | | | |
|------|---|------------------|------------------|
| 5.1 | <u>Subd. 12. Owner-Occupied Housing</u> | | |
| 5.2 | <u>Rehabilitation</u> | <u>2,772,000</u> | <u>2,772,000</u> |
| 5.3 | <u>(a) This appropriation is for the rehabilitation</u> | | |
| 5.4 | <u>of owner-occupied housing under Minnesota</u> | | |
| 5.5 | <u>Statutes, section 462A.05, subdivisions 14 and</u> | | |
| 5.6 | <u>14a.</u> | | |
| 5.7 | <u>(b) Notwithstanding any law to the contrary,</u> | | |
| 5.8 | <u>grants or loans under this subdivision may be</u> | | |
| 5.9 | <u>made without rent or income restrictions of</u> | | |
| 5.10 | <u>owners or tenants. To the extent practicable,</u> | | |
| 5.11 | <u>grants or loans must be made available</u> | | |
| 5.12 | <u>statewide.</u> | | |
| 5.13 | <u>Subd. 13. Rental Housing Rehabilitation</u> | <u>2,743,000</u> | <u>2,743,000</u> |
| 5.14 | <u>(a) This appropriation is for the rehabilitation</u> | | |
| 5.15 | <u>of eligible rental housing under Minnesota</u> | | |
| 5.16 | <u>Statutes, section 462A.05, subdivision 14. In</u> | | |
| 5.17 | <u>administering a rehabilitation program for</u> | | |
| 5.18 | <u>rental housing, the agency may apply the</u> | | |
| 5.19 | <u>processes and priorities adopted for</u> | | |
| 5.20 | <u>administration of the economic development</u> | | |
| 5.21 | <u>and housing challenge program under</u> | | |
| 5.22 | <u>Minnesota Statutes, section 462A.33, and may</u> | | |
| 5.23 | <u>provide grants or forgivable loans if approved</u> | | |
| 5.24 | <u>by the agency.</u> | | |
| 5.25 | <u>(b) Notwithstanding any law to the contrary,</u> | | |
| 5.26 | <u>grants or loans under this subdivision may be</u> | | |
| 5.27 | <u>made without rent or income restrictions of</u> | | |
| 5.28 | <u>owners or tenants. To the extent practicable,</u> | | |
| 5.29 | <u>grants or loans must be made available</u> | | |
| 5.30 | <u>statewide.</u> | | |
| 5.31 | <u>Subd. 14. Homeownership Education,</u> | | |
| 5.32 | <u>Counseling, and Training</u> | <u>1,007,000</u> | <u>1,007,000</u> |
| 5.33 | <u>(a) This appropriation is for the</u> | | |
| 5.34 | <u>homeownership education, counseling, and</u> | | |

6.1 training program under Minnesota Statutes,
 6.2 section 462A.209.

6.3 (b) Of this amount, at least \$500,000 each year
 6.4 is for grant awards for applicants that will
 6.5 prioritize reducing the housing disparity gap
 6.6 in the homeownership rate between white
 6.7 households and Indigenous American Indians
 6.8 and communities of color. The commissioner
 6.9 may waive the statewide selection criteria
 6.10 under Minnesota Statutes, section 462A.209,
 6.11 subdivision 5, clause (1), in awarding grants
 6.12 under this paragraph.

6.13 **Subd. 15. Capacity-Building Grants**

645,000

645,000

6.14 This appropriation is for nonprofit
 6.15 capacity-building grants under Minnesota
 6.16 Statutes, section 462A.21, subdivision 3b. Of
 6.17 this amount, \$125,000 each year is for support
 6.18 of the Homeless Management Information
 6.19 System (HMIS), and \$85,000 in fiscal year
 6.20 2022 and \$85,000 in fiscal year 2023 are for
 6.21 Open Access Connections.

6.22 **Subd. 16. Availability and Transfer of Funds**

6.23 (a) When allowed under federal law, the
 6.24 commissioner shall first use federal
 6.25 COVID-19-related relief funds for
 6.26 homelessness and support services before
 6.27 using state-appropriated money under
 6.28 subdivisions 6, 7, and 9 for similar services
 6.29 and expenses.

6.30 (b) When allowed under federal law, the
 6.31 commissioner shall first use federal
 6.32 COVID-19-related relief funds for housing
 6.33 counseling before using state-appropriated

7.1 money under subdivision 14 for similar
 7.2 services and expenses.

7.3 (c) When allowed under federal law, the
 7.4 commissioner shall first use federal emergency
 7.5 rental assistance funds for persons or grant
 7.6 recipients that would otherwise qualify for
 7.7 rental assistance under subdivisions 6 to 9.

7.8 (d) By August 1, 2022, the commissioner shall
 7.9 transfer any unused amount from the fiscal
 7.10 year 2022 appropriations in subdivisions 6 to
 7.11 9, and 14 due to the first use of federal funds
 7.12 under paragraphs (a) to (c) to the workforce
 7.13 homeownership program under subdivision
 7.14 5. By September 30, 2022, the commissioner
 7.15 shall report the transfers under this paragraph
 7.16 to the legislature.

7.17 **Subd. 17. Prohibition of Grant Funds for Hiring**
 7.18 **a Lobbyist**

7.19 No grant funds awarded by the agency may
 7.20 be used to hire a lobbyist as defined in
 7.21 Minnesota Statutes, section 10A.01,
 7.22 subdivision 21.

7.23 **Sec. 3. USE OF FEDERAL FUNDS FOR HOMEOWNER ASSISTANCE.**

7.24 The commissioner of management and budget shall not use any money received by the
 7.25 state from the Homeowner Assistance Fund under Public Law 117-2, the American Rescue
 7.26 Plan, to reimburse the federal coronavirus relief fund for money allocated to the Housing
 7.27 Finance Agency according to the federal coronavirus relief fund action order number 44
 7.28 that was approved by the commissioner on July 27, 2020.

7.29 **Sec. 4. HOUSING AFFORDABILITY FUND; FISCAL YEARS 2022 AND 2023**
 7.30 **ALLOCATIONS.**

7.31 (a) At least 25 percent of the allocations from the Housing Finance Agency's housing
 7.32 affordability fund, or Pool 3, in fiscal years 2022 and 2023 shall be for distribution to the
 7.33 workforce homeownership program under Minnesota Statutes, section 462A.38, and the

8.1 manufactured home park infrastructure grants under Minnesota Statutes, section 462A.2035,
 8.2 subdivision 1b, as determined by the agency. This amount shall not be used for loans or
 8.3 other financing programs. The agency shall prioritize allocations under this paragraph to
 8.4 programs that will address the disparity gap in the homeownership rate between white
 8.5 households and Indigenous American Indians and communities of color. This allocation
 8.6 shall remain until June 1, 2023, after which any money remaining in the set-aside shall be
 8.7 available to all eligible projects as determined by the agency. No money from the allocation
 8.8 under this paragraph may be used to administer this program.

8.9 (b) By June 30, 2022, and June 30, 2023, the commissioner of the Housing Finance
 8.10 Agency shall report to the legislature the following for the allocation of housing affordability
 8.11 funds under paragraph (a) for:

8.12 (1) the number and amount of grants issued for single-family homes, townhomes, and
 8.13 manufactured homes;

8.14 (2) the number and amount of grants issued by income categories;

8.15 (3) the number and amount of grants issued by race or ethnic categories; and

8.16 (4) the number and amount of grants issued by county.

8.17 (c) Nothing in this section shall impair the obligation of the agency to use funds in Pool
 8.18 3 to satisfy its obligations to holders of bonds secured by the general obligation pledge of
 8.19 the agency to suggested use of agency resources.

8.20 **ARTICLE 2**

8.21 **HOUSING POLICY**

8.22 Section 1. Minnesota Statutes 2020, section 12A.09, subdivision 3, is amended to read:

8.23 Subd. 3. **Capacity building grants.** Grants may be made under section 462A.21,
 8.24 subdivision 3b₂;

8.25 (1) to local units of government, including regional consortia, in the disaster area and;

8.26 (2) to nonprofit organizations; and

8.27 (3) to federally recognized American Indian Tribes or subdivisions located in Minnesota
 8.28 and Tribal housing corporations

8.29 working in the disaster area to assess housing and related needs, develop and implement
 8.30 community or regional plans to meet those needs, and provide capacity to implement recovery
 8.31 plans.

9.1 **EFFECTIVE DATE.** This section is effective August 1, 2021.

9.2 Sec. 2. **[168A.1411] MANUFACTURED HOME AFFIXED TO REAL PROPERTY**
9.3 **OWNED BY COOPERATIVE.**

9.4 Subdivision 1. **Certificates surrendered for cancellation; cooperatives.** (a) When a
9.5 manufactured home is to be affixed or is affixed, as defined in section 273.125, subdivision
9.6 8, paragraph (b), to real property owned by a Minnesota nonprofit corporation or a Minnesota
9.7 cooperative, the owner of the manufactured home may surrender the manufacturer's certificate
9.8 of origin or certificate of title to the department for cancellation so that the manufactured
9.9 home becomes an improvement to real property and is no longer titled as personal property.
9.10 The department must not issue a certificate of title for a manufactured home under chapter
9.11 168A if the manufacturer's certificate of origin is or has been surrendered under this
9.12 subdivision, except as provided in section 168A.142. Upon surrender of the manufacturer's
9.13 certificate of origin or the certificate of title, the department must issue notice of surrender
9.14 to the owner, and upon recording an affidavit of affixation, which the county recorder or
9.15 registrar of titles, as applicable, must accept, the manufactured home is deemed to be an
9.16 improvement to real property. An affidavit of affixation by the owner of the manufactured
9.17 home must include the following information:

9.18 (1) the name, residence address, and mailing address of owner or owners of the
9.19 manufactured home;

9.20 (2) the legal description of the real property in which the manufactured home is, or will
9.21 be, located;

9.22 (3) a copy of the surrendered manufacturer's certificate of origin or certificate of title
9.23 and the notice of surrender;

9.24 (4) a written statement from the county auditor or county treasurer of the county where
9.25 the manufactured home is located stating that all property taxes payable in the current year,
9.26 as provided under section 273.125, subdivision 8, paragraph (b), have been paid, or are not
9.27 applicable; and

9.28 (5) the signature of the person who executes the affidavit, properly executed before a
9.29 person authorized to authenticate an affidavit in this state.

9.30 (b) A certified copy of the affidavit must be delivered to the county auditor of the county
9.31 in which the real property to which the manufactured home was affixed is located.

9.32 (c) The department is not liable for any errors, omissions, misstatements, or other
9.33 deficiencies or inaccuracies in documents presented to the department under this section,

10.1 if the documents presented appear to satisfy the requirements of this section. The department
10.2 has no obligation to investigate the accuracy of statements contained in the documents.

10.3 Subd. 2. **Affidavit form; cooperatives.** An affidavit of affixation must be in substantially
10.4 the following form and must contain the following information.

10.5 **MANUFACTURED HOME AFFIDAVIT OF AFFIXATION IN A COOPERATIVE**
10.6 PURSUANT TO MINNESOTA STATUTES, SECTION 168A.1411

10.7 Homeowner, being duly sworn, on his or her oath, states as follows:

10.8 1. Homeowner owns the manufactured home ("home") described as follows:

10.9

| | | | | | | |
|--|-----------------|-------------|-----------------------|----------------------|-----------------------|---------------------|
| | | | <u>Manufacturer's</u> | <u>Model Name or</u> | <u>Manufacturer's</u> | |
| | <u>New/Used</u> | <u>Year</u> | <u>Name</u> | <u>Model No.</u> | <u>Serial No.</u> | <u>Length/Width</u> |

10.12 2. A copy of the surrendered manufacturer's certificate of origin or certificate of title is
10.13 attached.

10.14 3. A copy of the notice of surrender issued from the Minnesota Department of Public Safety
10.15 Driver and Vehicle Services is attached.

10.16 4. The home is or will be located at the following "Property Address":

10.17

10.18 Street or Route City County State Zip Code

10.19 5. The legal description of the property address ("land") is as follows or as attached hereto:

10.20

10.21

10.22

10.23 6. The owner of the land is a Minnesota nonprofit corporation or Minnesota cooperative
10.24 that owns the land and whose membership entitles the homeowner to occupy a specific
10.25 portion of the land.

10.26 7. The home is, or will be promptly upon delivery, anchored to the land by
10.27 attachment to a permanent foundation and connected to appropriate residential utilities (e.g.,
10.28 water, gas, electricity, sewer).

10.29 8. The homeowner intends that the home be an immovable permanent improvement to the
10.30 land, free of any personal property security interest.

11.1 9. A copy of the written statement from the county auditor or county treasurer of the county
 11.2 in which the manufactured home is then located, stating that all property taxes payable in
 11.3 the current year (pursuant to Minnesota Statutes, section 273.125, subdivision 8, paragraph
 11.4 (b)), have been paid, or are not applicable, is attached.

11.5 10. The home is intended to be assessed and taxed as an improvement to the land.

11.6 Signed and sworn to (or affirmed) before me on (date) by (names of homeowner(s))

11.7

11.8 Homeowner Signature Address

11.9

11.10 Printed Name City, State

11.11

11.12 Homeowner Signature (if applicable)

11.13

11.14 Printed Name

11.15 This instrument was drafted by, and when recorded return to:

11.16

11.17

11.18

11.19 Subscribed and sworn to before me this day of,

11.20

11.21 Signature of Notary Public or Other Official

11.22 Notary Stamp or Seal

11.23 (optional)

11.24 Lender's Statement of Intent:

11.25 The undersigned ("lender") intends that the home be immovable and a permanent
 11.26 improvement to the land free of any personal property security interest.

11.27

11.28 Lender

11.29 By:

11.30 Authorized Signature

11.31 STATE OF

11.32) ss:

11.33 COUNTY OF

12.1 On the day of in the year before me, the undersigned, a Notary Public in and
12.2 for said state, personally appeared

12.3

12.4 personally known to me or proved to me on the basis of satisfactory evidence to be the
12.5 individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged
12.6 to me that he/she/they executed the same in his/her/their capacity(ies), and that by
12.7 his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of
12.8 which the individual(s) acted, executed the instrument.

12.9

12.10 Notary Signature

12.11

12.12 Notary Printed Name

12.13 Notary Public, State of

12.14 Qualified in the County of

12.15 My commission expires

12.16 Official seal:

12.17 [only if the owner of the land is a Minnesota nonprofit corporation or cooperative]:

12.18 The undersigned is the of, a Minnesota [nonprofit
12.19 corporation or cooperative], which owns the land described above. I hereby certify that the
12.20 homeowner described above is a member of the [nonprofit corporation or cooperative]
12.21 whose membership entitles the homeowner to occupy [insert legal description of the
12.22 homeowner's lot or, if the corporation or cooperative has filed a scaled drawing as permitted
12.23 by subdivision 5, below, Lot shown on such scaled drawing].

12.24

12.25 Signature block for nonprofit or cooperative

12.26

12.27 Acknowledgment of officer of nonprofit or
12.28 cooperative

12.29 Subd. 3. **Perfected security interest prevents surrender.** The department may not
12.30 cancel a certificate of title if, under this chapter, a security interest has been perfected on
12.31 the manufactured home. If a security interest has been perfected, the department must notify
12.32 the owner that each secured party must release or satisfy the security interest prior to
12.33 proceeding with surrender of the manufacturer's certificate of origin or certificate of title to
12.34 the department for cancellation. Permanent attachment to real property or the recording of

13.1 an affidavit of affixation does not extinguish an otherwise valid security interest in or tax
13.2 lien on the manufactured home, unless the requirements of subdivisions 1 to 3, including
13.3 the release of any security interest, have been satisfied.

13.4 Subd. 4. **Notice of security interest.** When a perfected security interest exists, or will
13.5 exist, on the manufactured home at the time the manufactured home is affixed to real
13.6 property, and the owner has not satisfied the requirements of subdivision 1, the owner of
13.7 the manufactured home, or its secured party, may record a notice with the county recorder,
13.8 or with the registrar of titles, if the land is registered, stating that the manufactured home
13.9 located on the property is encumbered by a perfected security interest and is not an
13.10 improvement to real property. The notice must state the name and address of the secured
13.11 party as set forth on the certificate of title, the legal description of the real property, and the
13.12 name and address of the record fee owner of the real property on which the manufactured
13.13 home is affixed. When the security interest is released or satisfied, the secured party must
13.14 attach a copy of the release or satisfaction to a notice executed by the secured party containing
13.15 the county recorder or registrar of titles document number of the notice of security interest.
13.16 The notice of release or satisfaction must be recorded with the county recorder, or registrar
13.17 of titles, if the land is registered. Neither the notice described in this subdivision nor the
13.18 security interest on the certificate of title is deemed to be an encumbrance on the real
13.19 property. The notices provided for in this subdivision need not be acknowledged.

13.20 Subd. 5. **Scaled drawing.** (a) If the portion of the land occupied by the homeowner has
13.21 not been subdivided, the nonprofit or cooperative owner shall have prepared and recorded
13.22 against the land a scaled drawing prepared by a licensed professional land surveyor, who
13.23 shall certify that:

13.24 (1) the scaled drawing accurately depicts all information required by this subdivision;
13.25 and

13.26 (2) the work was undertaken by, or reviewed and approved by, the certifying land
13.27 surveyor.

13.28 (b) The scaled drawing shall show:

13.29 (1) the dimensions and location of all existing material structural improvements and
13.30 roadways;

13.31 (2) the extent of any encroachments by or upon any portion of the land;

13.32 (3) the location and dimensions of all recorded easements within the land burdening any
13.33 portion of the land;

- 14.1 (4) the distance and direction between noncontiguous parcels of real estate;
- 14.2 (5) the location and dimensions of the front, rear, and side boundaries of each lot that a
- 14.3 member of the cooperative or nonprofit corporation has a right to occupy and that lot's
- 14.4 unique lot number; and
- 14.5 (6) the legal description of the land.

14.6 **Sec. 3. [168A.1412] MANUFACTURED HOME AFFIXED TO REAL PROPERTY.**

14.7 Subdivision 1. **Manufactured home as real property.** A manufactured home may be

14.8 made an improvement to real property, and no longer titled as personal property, pursuant

14.9 to this section. A manufactured home constitutes an improvement to real property when:

- 14.10 (1) the manufactured home is to be affixed or is affixed, as defined in section 273.125,
- 14.11 subdivision 8, paragraph (b), to the real property;
- 14.12 (2) the certificate of title is surrendered and canceled pursuant to subdivision 2 or the
- 14.13 manufacturer's certificate or statement of origin is canceled pursuant to subdivision 3; and
- 14.14 (3) an affidavit of affixation pursuant to subdivision 5 is recorded with the county recorder
- 14.15 or registrar of titles, as applicable.

14.16 Subd. 2. **Surrender of certificate of title.** (a) The owner of the manufactured home

14.17 may surrender the manufacturer's certificate of title to the commissioner for cancellation.

14.18 Upon receipt of the certificate of title, the commissioner must issue a notice of cancellation

14.19 to the owner of the manufactured home. In the event the certificate of title is lost, stolen,

14.20 mutilated, destroyed, or becomes illegible, the owner may submit a written request for

14.21 cancellation of the title which includes the serial number of the manufactured home and

14.22 states that the certificate of title is lost, stolen, mutilated, destroyed, or has become illegible.

14.23 Upon receipt of the request and verification of ownership in DVS records, the commissioner

14.24 must issue a notice of cancellation to the owner of the manufactured home and must not

14.25 require the owner to deliver the certificate of title or obtain a duplicate certificate of title.

14.26 After canceling a certificate of title, the commissioner must not allow transfer of the title

14.27 to the manufactured home as personal property. The commissioner must not require the

14.28 owner of the manufactured home to deliver the affidavit of affixation described in subdivision

14.29 5 in order for the commissioner to issue a notice of cancellation.

14.30 (b) The commissioner must not cancel a certificate of title if, under this chapter, a security

14.31 interest has been perfected on the manufactured home. If a security interest has been

14.32 perfected, the commissioner must notify the owner of the manufactured home that each

14.33 secured party must release or satisfy the security interest prior to cancellation of the certificate

15.1 of title by the commissioner. Affixing the manufactured home to real property or the
 15.2 recording of an affidavit of affixation without cancellation of the certificate of title does not
 15.3 extinguish an otherwise valid security interest in or tax lien on the manufactured home.

15.4 Subd. 3. **Surrender of manufacturer's certificate of origin.** The owner of the
 15.5 manufactured home may surrender the manufacturer's certificate of origin to the
 15.6 commissioner for cancellation. Upon delivery of the original certificate of origin, the
 15.7 commissioner must issue notice of cancellation to the owner of the manufactured home.
 15.8 The commissioner must not issue a certificate of title for a manufactured home if the
 15.9 manufacturer's certificate of origin is or has been canceled under this subdivision, except
 15.10 as provided in section 168A.142. The commissioner must not require the owner of the
 15.11 manufactured home to deliver the affidavit of affixation described in subdivision 5 in order
 15.12 for the commissioner to cancel the certificate of origin.

15.13 Subd. 4. **Verification.** The commissioner is not liable for any errors, omissions,
 15.14 misstatements, or other deficiencies or inaccuracies in documents presented to the
 15.15 commissioner under this section if the documents presented appear to satisfy the requirements
 15.16 of this section. The commissioner has no obligation to investigate the accuracy of statements
 15.17 contained in the documents to verify that the manufactured home has been affixed to the
 15.18 real property.

15.19 Subd. 5. **Affidavit of affixation.** An affidavit of affixation must be in substantially the
 15.20 following form and must contain the following information and attachments described in
 15.21 the form. The county recorder or registrar of titles, as applicable, must accept any such
 15.22 affidavit. The county recorder or registrar of titles, as applicable, must provide a copy of
 15.23 the recorded affidavit of affixation to the county auditor of the county for the real property
 15.24 described therein or otherwise inform the county auditor that the home is to be taxed as an
 15.25 improvement to the real property to which it is affixed.

15.26 **MANUFACTURED HOME AFFIDAVIT OF AFFIXATION**

15.27 PURSUANT TO MINNESOTA STATUTES, SECTION 168A.1412

15.28("Affiant"), being first duly sworn, on oath states, or affirms
 15.29 under penalties of perjury, that:

15.30 1. I am an owner of the manufactured home ("Manufactured Home") described as follows:

15.31 Manufacturer's name:

15.32 Make:

15.33 Model number:

15.34 Model year:

16.1 Serial number:

16.2 Dimensions:

16.3 Other descriptive information (if any):

16.4 2. The Manufactured Home is or will be (check one) affixed, in accordance with

16.5 Minnesota Statutes, section 273.125, subdivision 8, to real property in

16.6 County, Minnesota, with the street address of:

16.7 Street or route:

16.8 City:

16.9 State:

16.10 Zip code:

16.11 and legally described as follows ("Land"):

16.12

16.13

16.14

16.15 Check here if all or part of the described real property is Registered (Torrens)

16.16 3. A copy of the notice of cancellation issued from the Minnesota Department of Public

16.17 Safety Driver and Vehicle Services pursuant to Minnesota Statutes, section 168A.1412,

16.18 subdivision 2 or 3, is attached.

16.19 4. The owner(s) of the Manufactured Home is/are the owner(s) of the Land.

16.20 5. The Affiant makes this affidavit to demonstrate that the Manufactured Home is an

16.21 improvement to real property, no longer titled as personal property, and free of any personal

16.22 property security interest.

16.23 Affiant

16.24

16.25 (Signature)

16.26 Signed and sworn to (or affirmed) before me this day of,

16.27 Notary Stamp or Seal

16.28

16.29 Signature of notarial officer Title (and Rank):

16.30 My commission expires:

16.31 This instrument was drafted by, and when

16.32 recorded return to

16.33

17.1 Subd. 6. **Notice of security interest.** When a perfected security interest exists, or will
 17.2 exist, on the manufactured home at the time the manufactured home is affixed to real
 17.3 property, and the owner has not satisfied the requirements of subdivision 1, the owner of
 17.4 the manufactured home, or its secured party, may record a notice with the county recorder,
 17.5 or with the registrar of titles, if the land is registered, stating that the manufactured home
 17.6 located on the property is encumbered by a perfected security interest and is not an
 17.7 improvement to real property. The notice must state the name and address of the secured
 17.8 party as set forth on the certificate of title, the legal description of the real property, and the
 17.9 name and address of the record fee owner of the real property on which the manufactured
 17.10 home is affixed. When the security interest is released or satisfied, the secured party must
 17.11 attach a copy of the release or satisfaction to a notice executed by the secured party containing
 17.12 the county recorder or registrar of titles document number of the notice of security interest.
 17.13 The notice of release or satisfaction must be recorded with the county recorder, or registrar
 17.14 of titles, if the land is registered. Neither the notice described in this subdivision nor the
 17.15 security interest on the certificate of title is deemed to be an encumbrance on the real
 17.16 property. The notices provided for in this subdivision need not be acknowledged.

17.17 Sec. 4. Minnesota Statutes 2020, section 273.11, subdivision 12, is amended to read:

17.18 **Subd. 12. Community land trusts.** (a) A community land trust, as defined under chapter
 17.19 462A, is (i) a community-based nonprofit corporation organized under chapter 317A, which
 17.20 qualifies for tax exempt status under 501(c)(3), or (ii) a "city" as defined in section 462C.02,
 17.21 subdivision 6, which has received funding from the Minnesota housing finance agency for
 17.22 purposes of the community land trust program. The Minnesota Housing Finance Agency
 17.23 shall set the criteria for community land trusts.

17.24 (b) ~~All occupants of a community land trust building must have a family income of less~~
 17.25 ~~than 80 percent of the greater of (1) the state median income, or (2) the area or county~~
 17.26 ~~median income, as most recently determined by the Department of Housing and Urban~~
 17.27 ~~Development.~~ Before the community land trust can rent or sell a unit to an applicant, the
 17.28 community land trust shall verify to the satisfaction of the administering agency or the city
 17.29 that the family income of each person or family applying for a unit in the community land
 17.30 trust building is within the income criteria provided in ~~this paragraph~~ section 462A.30,
 17.31 subdivision 9. The administering agency or the city shall verify to the satisfaction of the
 17.32 county assessor that the occupant meets the income criteria under ~~this paragraph~~ section
 17.33 462A.30, subdivision 9. The property tax benefits under paragraph (c) shall be granted only
 17.34 to property owned or rented by persons or families within the qualifying income limits. The

18.1 family income criteria and verification is only necessary at the time of initial occupancy in
 18.2 the property.

18.3 (c) A unit which is owned by the occupant and used as a homestead by the occupant
 18.4 qualifies for homestead treatment as class 1a under section 273.13, subdivision 22. A unit
 18.5 which is rented by the occupant and used as a homestead by the occupant shall be class 4a
 18.6 or 4b property, under section 273.13, subdivision 25, whichever is applicable. Any remaining
 18.7 portion of the property not used for residential purposes shall be classified by the assessor
 18.8 in the appropriate class based upon the use of that portion of the property owned by the
 18.9 community land trust. The land upon which the building is located shall be assessed at the
 18.10 same classification rate as the units within the building, provided that if the building contains
 18.11 some units assessed as class 1a and some units assessed as class 4a or 4b, the market value
 18.12 of the land will be assessed in the same proportions as the value of the building.

18.13 **EFFECTIVE DATE.** This section is effective August 1, 2021.

18.14 Sec. 5. Minnesota Statutes 2020, section 273.125, subdivision 8, is amended to read:

18.15 Subd. 8. **Manufactured homes; sectional structures.** (a) In this section, "manufactured
 18.16 home" means a structure transportable in one or more sections, which is built on a permanent
 18.17 chassis, and designed to be used as a dwelling with or without a permanent foundation when
 18.18 connected to the required utilities, and contains the plumbing, heating, air conditioning, and
 18.19 electrical systems in it. Manufactured home includes any accessory structure that is an
 18.20 addition or supplement to the manufactured home and, when installed, becomes a part of
 18.21 the manufactured home.

18.22 (b) Except as provided in paragraph (c), a manufactured home that meets each of the
 18.23 following criteria must be valued and assessed as an improvement to real property, the
 18.24 appropriate real property classification applies, and the valuation is subject to review and
 18.25 the taxes payable in the manner provided for real property:

18.26 (1) ~~the owner of the unit holds title to the land on which it is situated~~ is held by: (i) the
 18.27 owner of the unit; or (ii) a Minnesota nonprofit corporation or a Minnesota cooperative to
 18.28 which the owner is a member;

18.29 (2) the unit is affixed to the land by a permanent foundation or is installed at its location
 18.30 in accordance with the Manufactured Home Building Code in sections 327.31 to 327.34,
 18.31 and rules adopted under those sections, or is affixed to the land like other real property in
 18.32 the taxing district; and

19.1 (3) the unit is connected to public utilities, has a well and septic tank system, or is serviced
19.2 by water and sewer facilities comparable to other real property in the taxing district.

19.3 (c) A manufactured home that meets each of the following criteria must be assessed at
19.4 the rate provided by the appropriate real property classification but must be treated as
19.5 personal property, and the valuation is subject to review and the taxes payable in the manner
19.6 provided in this section:

19.7 (1) the owner of the unit is a lessee of the land under the terms of a lease, or the unit is
19.8 located in a manufactured home park but is not the homestead of the park owner;

19.9 (2) the unit is affixed to the land by a permanent foundation or is installed at its location
19.10 in accordance with the Manufactured Home Building Code contained in sections 327.31 to
19.11 327.34, and the rules adopted under those sections, or is affixed to the land like other real
19.12 property in the taxing district; and

19.13 (3) the unit is connected to public utilities, has a well and septic tank system, or is serviced
19.14 by water and sewer facilities comparable to other real property in the taxing district.

19.15 (d) Sectional structures must be valued and assessed as an improvement to real property
19.16 if the owner of the structure holds title to the land on which it is located or is a qualifying
19.17 lessee of the land under section 273.19. In this paragraph "sectional structure" means a
19.18 building or structural unit that has been in whole or substantial part manufactured or
19.19 constructed at an off-site location to be wholly or partially assembled on site alone or with
19.20 other units and attached to a permanent foundation.

19.21 (e) The commissioner of revenue may adopt rules under the Administrative Procedure
19.22 Act to establish additional criteria for the classification of manufactured homes and sectional
19.23 structures under this subdivision.

19.24 (f) A storage shed, deck, or similar improvement constructed on property that is leased
19.25 or rented as a site for a manufactured home, sectional structure, park trailer, or travel trailer
19.26 is taxable as provided in this section. In the case of property that is leased or rented as a site
19.27 for a travel trailer, a storage shed, deck, or similar improvement on the site that is considered
19.28 personal property under this paragraph is taxable only if its total estimated market value is
19.29 over \$10,000. The property is taxable as personal property to the lessee of the site if it is
19.30 not owned by the owner of the site. The property is taxable as real estate if it is owned by
19.31 the owner of the site. As a condition of permitting the owner of the manufactured home,
19.32 sectional structure, park trailer, or travel trailer to construct improvements on the leased or
19.33 rented site, the owner of the site must obtain the permanent home address of the lessee or

20.1 user of the site. The site owner must provide the name and address to the assessor upon
20.2 request.

20.3 Sec. 6. Minnesota Statutes 2020, section 326B.106, subdivision 7, is amended to read:

20.4 Subd. 7. **Window fall prevention device code.** (a) The commissioner of labor and
20.5 industry shall adopt rules for window fall prevention devices as part of the State Building
20.6 Code. Window fall prevention devices include, but are not limited to, safety screens,
20.7 hardware, guards, and other devices that comply with the standards established by the
20.8 commissioner of labor and industry. The rules shall require compliance with standards for
20.9 window fall prevention devices developed by ASTM International, contained in the
20.10 International Building Code as the model language with amendments deemed necessary to
20.11 coordinate with the other adopted building codes in Minnesota. The rules shall establish a
20.12 scope that includes the applicable building occupancies, and the types, locations, and sizes
20.13 of windows that will require the installation of fall devices.

20.14 (b) In one- and two-family dwellings and townhouses, as defined in Minnesota Rules,
20.15 part 1309.0202, subpart 1, window fall prevention devices are not required when: (1) the
20.16 lowest part of the window opening of an operable window is a minimum of 24 inches above
20.17 the finished floor of the room in which the window is located; or (2) the lowest part of the
20.18 opening of an operable window is located 72 inches or less above the exterior grade below.

20.19 Sec. 7. Minnesota Statutes 2020, section 462.352, subdivision 5, is amended to read:

20.20 Subd. 5. **Comprehensive municipal plan.** (a) "Comprehensive municipal plan" means
20.21 a compilation of policy statements, goals, standards, and maps for guiding the physical,
20.22 social and economic development, both private and public, of the municipality and its
20.23 environs, and may include, but is not limited to, the following: statements of policies, goals,
20.24 standards, a land use plan, including proposed densities for development, a community
20.25 facilities plan, a transportation plan, and recommendations for plan execution. A
20.26 comprehensive plan represents the planning agency's recommendations for the future
20.27 development of the community.

20.28 (b) As part of the comprehensive municipal plan, municipalities are encouraged to enact
20.29 public policy to facilitate the development of unsubsidized affordable housing. These policies
20.30 may include but are not limited to the municipal plan authorizing smaller lot sizes for
20.31 single-family homes, allowing the construction of duplexes through fourplexes on lots that
20.32 would otherwise be zoned exclusively for single-family houses, and allowing for mixed-use
20.33 development.

21.1 Sec. 8. [462.3575] LIMITING REGULATIONS ON RESIDENTIAL
 21.2 DEVELOPMENT.

21.3 Subdivision 1. **Application.** This section applies to official controls adopted under
 21.4 sections 462.357, 462.358, and 462.3595.

21.5 Subd. 2. **Planned unit development.** (a) A municipality shall not require a planned unit
 21.6 development agreement in lieu of a proposed residential development if the proposed
 21.7 residential development complies with the existing city zoning ordinances, subdivision
 21.8 regulation, or qualifies as a conditional use.

21.9 (b) A municipality shall not require planned unit development agreement conditions
 21.10 that exceed the requirements in the State Building Code under chapter 326B.

21.11 (c) A planned unit development agreement must be made available to the public by
 21.12 posting the agreement on the website of the municipality at least seven days prior to the
 21.13 governing body's review of the agreement. If the municipality does not have a website, a
 21.14 copy of the planned unit development agreement must be available for review at the city
 21.15 hall building of the municipality. If the agreement is approved by the governing body, the
 21.16 agreement cannot be modified unless all parties to the agreement concur.

21.17 Subd. 3. **Limitation on aesthetic mandates.** A municipality shall not condition approval
 21.18 of a building permit, subdivision development, or planned unit development on the use of
 21.19 specific materials, design, amenities, or other aesthetic conditions that are not required by
 21.20 the State Building Code under chapter 326B.

21.21 Subd. 4. **Exception.** This section shall not apply to a proposed residential development
 21.22 that is to be developed by the municipality.

21.23 Sec. 9. Minnesota Statutes 2020, section 462A.05, subdivision 14, is amended to read:

21.24 Subd. 14. **Rehabilitation loans.** It may agree to purchase, make, or otherwise participate
 21.25 in the making, and may enter into commitments for the purchase, making, or participation
 21.26 in the making, of eligible loans for rehabilitation, with terms and conditions as the agency
 21.27 deems advisable, to persons and families of low and moderate income, and to owners of
 21.28 existing residential housing for occupancy by such persons and families, for the rehabilitation
 21.29 of existing residential housing owned by them. The loans may be insured or uninsured and
 21.30 may be made with security, or may be unsecured, as the agency deems advisable. The loans
 21.31 may be in addition to or in combination with long-term eligible mortgage loans under
 21.32 subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness
 21.33 secured by the property, if refinancing is determined by the agency to be necessary to permit

22.1 the owner to meet the owner's housing cost without expending an unreasonable portion of
 22.2 the owner's income thereon. No loan for rehabilitation shall be made unless the agency
 22.3 determines that the loan will be used primarily to make the housing more desirable to live
 22.4 in, to increase the market value of the housing, for compliance with state, county or municipal
 22.5 building, housing maintenance, fire, health or similar codes and standards applicable to
 22.6 housing, or to accomplish energy conservation related improvements. In unincorporated
 22.7 areas and municipalities not having codes and standards, the agency may, solely for the
 22.8 purpose of administering the provisions of this chapter, establish codes and standards. ~~Except~~
 22.9 ~~for accessibility improvements under this subdivision and subdivisions 14a and 24, clause~~
 22.10 ~~(1), no secured loan for rehabilitation of any owner-occupied property shall be made in an~~
 22.11 ~~amount which, with all other existing indebtedness secured by the property, would exceed~~
 22.12 ~~110 percent of its market value, as determined by the agency.~~ No loan under this subdivision
 22.13 for the rehabilitation of owner-occupied housing shall be denied solely because the loan
 22.14 will not be used for placing the owner-occupied residential housing in full compliance with
 22.15 all state, county, or municipal building, housing maintenance, fire, health, or similar codes
 22.16 and standards applicable to housing. Rehabilitation loans shall be made only when the
 22.17 agency determines that financing is not otherwise available, in whole or in part, from private
 22.18 lenders upon equivalent terms and conditions. Accessibility rehabilitation loans authorized
 22.19 under this subdivision may be made to eligible persons and families without limitations
 22.20 relating to the maximum incomes of the borrowers if:

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

22.24 (2) home care is appropriate; and

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

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

22.30 **EFFECTIVE DATE.** This section is effective July 1, 2021.

22.31 Sec. 10. Minnesota Statutes 2020, section 462A.05, subdivision 14a, is amended to read:

22.32 Subd. 14a. **Rehabilitation loans; existing owner-occupied residential housing.** It may
 22.33 make loans to persons and families of low and moderate income to rehabilitate or to assist

23.1 in rehabilitating existing residential housing owned and occupied by those persons or
 23.2 families. Rehabilitation may include replacement of manufactured homes. No loan shall be
 23.3 made unless the agency determines that the loan will be used primarily for rehabilitation
 23.4 work necessary for health or safety, essential accessibility improvements, or to improve the
 23.5 energy efficiency of the dwelling. No loan for rehabilitation of owner-occupied residential
 23.6 housing shall be denied solely because the loan will not be used for placing the residential
 23.7 housing in full compliance with all state, county or municipal building, housing maintenance,
 23.8 fire, health or similar codes and standards applicable to housing. The amount of any loan
 23.9 shall not exceed the lesser of (a) a maximum loan amount determined under rules adopted
 23.10 by the agency not to exceed ~~\$27,000~~ \$40,000, or (b) the actual cost of the work performed,
 23.11 or (c) that portion of the cost of rehabilitation which the agency determines cannot otherwise
 23.12 be paid by the person or family without the expenditure of an unreasonable portion of the
 23.13 income of the person or family. Loans made in whole or in part with federal funds may
 23.14 exceed the maximum loan amount to the extent necessary to comply with federal lead
 23.15 abatement requirements prescribed by the funding source. In making loans, the agency shall
 23.16 determine the circumstances under which and the terms and conditions under which all or
 23.17 any portion of the loan will be repaid and shall determine the appropriate security for the
 23.18 repayment of the loan. Loans pursuant to this subdivision may be made with or without
 23.19 interest or periodic payments.

23.20 **EFFECTIVE DATE.** This section is effective July 1, 2021.

23.21 Sec. 11. Minnesota Statutes 2020, section 462A.07, subdivision 2, is amended to read:

23.22 Subd. 2. **Technical assistance; residential housing.** It may provide general technical
 23.23 services and support to assist in the planning, processing, design, construction or
 23.24 rehabilitation, and inspection of residential housing for occupancy by persons and families
 23.25 of low and moderate income and to increase the capacity of entities to meet the housing
 23.26 needs in the state.

23.27 **EFFECTIVE DATE.** This section is effective August 1, 2021.

23.28 Sec. 12. Minnesota Statutes 2020, section 462A.204, subdivision 3, is amended to read:

23.29 Subd. 3. **Set aside.** At least one grant must be awarded in an area located outside of the
 23.30 metropolitan area. A county, a group of contiguous counties jointly acting together, a Tribe,
 23.31 a group of Tribes, or a community-based nonprofit organization ~~with a sponsoring resolution~~
 23.32 ~~from each of the county boards of the counties located within its operating jurisdiction~~ may
 23.33 apply for and receive grants ~~for areas located outside the metropolitan area.~~

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

24.2 Sec. 13. Minnesota Statutes 2020, section 462A.24, is amended to read:

24.3 **462A.24 CONSTRUCTION; GRANTS AND LOANS; PRIORITIES.**

24.4 (a) This chapter is necessary for the welfare of the state of Minnesota and its inhabitants;
24.5 therefore, it shall be liberally construed to effect its purpose.

24.6 (b) To the extent practicable, the agency shall award grant and loan amounts with a
24.7 reasonable balance between nonmetropolitan and metropolitan areas of the state.

24.8 (c) Beginning with applications made in response to requests for proposals issued after
24.9 July 1, 2020, after final decisions are made on applications for programs of the agency, the
24.10 results of any quantitative scoring system used to rank applications shall be posted on the
24.11 agency website.

24.12 **(d) The agency shall award points in the agency's decision-making criteria for all**
24.13 **programs of the agency based on how quickly a project can be constructed.**

24.14 Sec. 14. Minnesota Statutes 2020, section 462A.30, subdivision 9, is amended to read:

24.15 Subd. 9. **Persons and families of low and moderate income.** "Persons and families of
24.16 low and moderate income" means persons or families whose income does not exceed:

24.17 (1) ~~80~~115 percent of the greater of state median income, or area or county median income
24.18 as determined by the Department of Housing and Urban Development; or

24.19 (2) the amount that qualifies the organization for tax exempt status under United States
24.20 Code, title 26, section 501(c)(3), whichever is less.

24.21 **EFFECTIVE DATE.** This section is effective August 1, 2021.

24.22 Sec. 15. Minnesota Statutes 2020, section 462A.37, subdivision 1, is amended to read:

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

24.25 (b) "Abandoned property" has the meaning given in section 117.025, subdivision 5.

24.26 (c) "Community land trust" means an entity that meets the requirements of section
24.27 462A.31, subdivisions 1 and 2.

25.1 (d) "Debt service" means the amount payable in any fiscal year of principal, premium,
 25.2 if any, and interest on housing infrastructure bonds and the fees, charges, and expenses
 25.3 related to the bonds.

25.4 (e) "Foreclosed property" means residential property where foreclosure proceedings
 25.5 have been initiated or have been completed and title transferred or where title is transferred
 25.6 in lieu of foreclosure.

25.7 (f) "Housing infrastructure bonds" means bonds issued by the agency under this chapter
 25.8 that:

25.9 (1) are qualified 501(c)(3) bonds, within the meaning of section 145(a) of the Internal
 25.10 Revenue Code;

25.11 (2) finance qualified residential rental projects within the meaning of section 142(d) of
 25.12 the Internal Revenue Code;

25.13 (3) finance the construction or rehabilitation of single-family houses that qualify for
 25.14 mortgage financing within the meaning of section 143 of the Internal Revenue Code; or

25.15 (4) are tax-exempt bonds that are not private activity bonds, within the meaning of
 25.16 section 141(a) of the Internal Revenue Code, for the purpose of financing or refinancing
 25.17 affordable housing authorized under this chapter.

25.18 (g) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

25.19 (h) "Senior" means a person 55 years of age or older ~~with an annual income not greater~~
 25.20 ~~than 50 percent of:~~

25.21 ~~(1) the metropolitan area median income for persons in the metropolitan area; or~~

25.22 ~~(2) the statewide median income for persons outside the metropolitan area.~~

25.23 (i) "Senior household" means a household with one or more senior members and with
 25.24 a combined annual income not greater than 50 percent of:

25.25 (1) the metropolitan area median income for persons in the metropolitan area; or

25.26 (2) the statewide median income for persons outside the metropolitan area.

25.27 ~~(j)~~ (j) "Senior housing" means housing intended and operated for occupancy by ~~at least~~
 25.28 ~~one senior per unit~~ senior households with at least 80 percent of the units occupied by ~~at~~
 25.29 ~~least one senior per unit~~ senior households, and for which there is publication of, and
 25.30 adherence to, policies and procedures that demonstrate an intent by the owner or manager
 25.31 to provide housing for seniors. Senior housing may be developed in conjunction with and

26.1 as a distinct portion of mixed-income senior housing developments that use a variety of
 26.2 public or private financing sources.

26.3 ~~(j)~~ (k) "Supportive housing" means housing that is not time-limited and provides or
 26.4 coordinates with linkages to services necessary for residents to maintain housing stability
 26.5 and maximize opportunities for education and employment.

26.6 **EFFECTIVE DATE.** This section is effective August 1, 2021.

26.7 Sec. 16. Minnesota Statutes 2020, section 462A.37, subdivision 2, is amended to read:

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

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

26.16 (2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned
 26.17 housing to be used for affordable rental housing and the costs of new construction of rental
 26.18 housing on abandoned or foreclosed property where the existing structures will be demolished
 26.19 or removed;

26.20 (3) to finance that portion of the costs of acquisition of property that is attributable to
 26.21 the land to be leased by community land trusts to low- and moderate-income home buyers;

26.22 (4) to finance the acquisition, improvement, and infrastructure of manufactured home
 26.23 parks under section 462A.2035, subdivision 1b;

26.24 (5) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction
 26.25 of senior housing;

26.26 (6) to finance the costs of acquisition and rehabilitation of federally assisted rental
 26.27 housing and for the refinancing of costs of the construction, acquisition, and rehabilitation
 26.28 of federally assisted rental housing, including providing funds to refund, in whole or in part,
 26.29 outstanding bonds previously issued by the agency or another government unit to finance
 26.30 or refinance such costs; and

26.31 (7) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction
 26.32 of single-family housing.

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

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

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

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

27.10 (1) demonstrate a commitment to maintaining the housing financed as affordable to
 27.11 ~~seniors~~ senior households;

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

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

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

27.21 ~~(5)~~ (4) include households with incomes that do not exceed 30 percent of the median
 27.22 household income for the metropolitan area.

27.23 To the extent practicable, the agency shall balance the loans made between projects in the
 27.24 metropolitan area and projects outside the metropolitan area. Of the loans made to projects
 27.25 outside the metropolitan area, the agency shall, to the extent practicable, balance the loans
 27.26 made between projects in counties or cities with a population of 20,000 or less, as established
 27.27 by the most recent decennial census, and projects in counties or cities with populations in
 27.28 excess of 20,000.

27.29 **EFFECTIVE DATE.** This section is effective August 1, 2021.

27.30 Sec. 17. Minnesota Statutes 2020, section 462A.38, subdivision 1, is amended to read:

27.31 Subdivision 1. **Establishment.** A workforce and affordable homeownership development
 27.32 program is established to award homeownership development grants to:

- 28.1 (1) cities;
 28.2 (2) counties;
 28.3 (3) Tribal governments;
 28.4 (4) nonprofit organizations;
 28.5 (5) cooperatives created under chapter 308A or 308B; and
 28.6 (6) community land trusts created for the purposes outlined in section 462A.31,
 28.7 subdivision 1,
 28.8 for development of workforce and affordable homeownership projects. The purpose of the
 28.9 program is to increase the supply of workforce and affordable, owner-occupied multifamily
 28.10 or single-family housing throughout Minnesota.

28.11 **EFFECTIVE DATE.** This section is effective July 1, 2021.

28.12 Sec. 18. Minnesota Statutes 2020, section 462A.39, subdivision 1, is amended to read:

28.13 Subdivision 1. **Establishment.** The commissioner of Minnesota housing finance shall
 28.14 establish a workforce housing development program to award grants or deferred loans to
 28.15 eligible project areas to be used for qualified expenditures. Grants or deferred loans
 28.16 authorized under this section may be made without limitations relating to the maximum
 28.17 incomes of the renters or homeowners.

28.18 Sec. 19. Minnesota Statutes 2020, section 462A.39, subdivision 2, is amended to read:

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

28.21 (b) "Eligible project area" means a home rule charter or statutory city located outside
 28.22 of the metropolitan area as defined in section 473.121, subdivision 2, with a population
 28.23 exceeding 500; a community that has a combined population of 1,500 residents located
 28.24 within 15 miles of a home rule charter or statutory city located outside the metropolitan
 28.25 area as defined in section 473.121, subdivision 2; federally recognized Tribal reservations;
 28.26 or an area served by a joint county-city economic development authority.

28.27 (c) "Joint county-city economic development authority" means an economic development
 28.28 authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between
 28.29 a city and county and excluding those established by the county only.

29.1 (d) "Market rate residential rental properties" means properties that are rented at market
 29.2 value, including new modular homes, new manufactured homes, and new manufactured
 29.3 homes on leased land or in a manufactured home park, and may include rental developments
 29.4 that have a portion of income-restricted units.

29.5 (e) "Qualified expenditure" means expenditures for owner-occupied housing or market
 29.6 rate residential rental properties including acquisition of property; construction of
 29.7 improvements; and provisions of loans or subsidies, grants, interest rate subsidies, public
 29.8 infrastructure, and related financing costs.

29.9 **EFFECTIVE DATE.** This section is effective July 1, 2021.

29.10 Sec. 20. Minnesota Statutes 2020, section 462A.39, subdivision 4, is amended to read:

29.11 Subd. 4. **Program requirements.** (a) The commissioner must not award a grant or
 29.12 deferred loans to an eligible project area under this section until the following determinations
 29.13 are made:

29.14 (1) the average vacancy rate for rental housing located in the eligible project area, and
 29.15 in any other city located within 15 miles or less of the boundaries of the area, has been five
 29.16 percent or less for at least the prior two-year period;

29.17 (2) one or more businesses located in the eligible project area, or within 25 miles of the
 29.18 area, that employs a minimum of 20 full-time equivalent employees in aggregate have
 29.19 provided a written statement to the eligible project area indicating that the lack of available
 29.20 ~~rental~~ housing has impeded their ability to recruit and hire employees; and

29.21 (3) the eligible project area has certified that the grants or deferred loans will be used
 29.22 for qualified expenditures for the development of ~~rental~~ housing to serve employees of
 29.23 businesses located in the eligible project area or surrounding area.

29.24 (b) Preference for grants or deferred loans awarded under this section shall be given to
 29.25 eligible project areas with less than 30,000 people.

29.26 (c) Among comparable proposals, preference must be given to projects with a higher
 29.27 proportion of units that are not income-restricted.

29.28 Sec. 21. Minnesota Statutes 2020, section 462A.39, subdivision 5, is amended to read:

29.29 Subd. 5. **Allocation.** The amount of a grant or deferred loans may not exceed 25 percent
 29.30 of the ~~rental~~ housing development project cost. The commissioner shall not award a grant

30.1 or deferred loans to ~~a city~~ an eligible project area without certification by the ~~city~~ eligible
 30.2 project area that the amount of the grant or deferred loans shall be matched by:

30.3 (1) a local unit of government;

30.4 (2) a business, ~~or;~~

30.5 (3) a nonprofit organization; or

30.6 (4) a federally recognized Tribe

30.7 with \$1 for every \$2 provided in grant or deferred loans funds.

30.8 **EFFECTIVE DATE.** This section is effective July 1, 2021.

30.9 Sec. 22. **[462A.40] PROGRAM FOR MANUFACTURED HOME MORTGAGE**
 30.10 **FINANCING AND DOWN PAYMENT ASSISTANCE FOR CERTAIN**
 30.11 **MANUFACTURED HOMES.**

30.12 (a) By August 1, 2022, the agency, in conjunction with Fannie Mae's HomeReady
 30.13 program, or other federal mortgage programs that may authorize it, must develop and
 30.14 implement a program that offers mortgage financing and down payment assistance for
 30.15 purchasers of eligible manufactured homes.

30.16 (b) For purposes of this section "eligible manufactured homes" means a manufactured
 30.17 home titled as real property in this state and affixed to real property owned by a
 30.18 resident-owned community.

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

30.20 Sec. 23. Minnesota Statutes 2020, section 471.9996, subdivision 1, is amended to read:

30.21 Subdivision 1. **In general Prohibition.** (a) No statutory or home rule charter city, county,
 30.22 or town may adopt or renew by ordinance or otherwise any law to control rents on private
 30.23 residential property ~~except as provided in subdivision 2.~~ This section does not impair the
 30.24 right of any statutory or home rule charter city, county, or town:

30.25 (1) to manage or control property in which it has a financial interest through a housing
 30.26 authority or similar agency;

30.27 (2) to contract with a property owner;

30.28 (3) to act as required or authorized by laws or regulations of the United States government
 30.29 or this state; or

30.30 (4) to mediate between property owners and tenants for the purpose of negotiating rents.

31.1 (b) Nothing in this section shall be deemed to limit or restrict the classification of
 31.2 low-income rental property as class 4d under section 273.13, subdivision 25.

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

31.4 Sec. 24. Minnesota Statutes 2020, section 474A.061, subdivision 2a, is amended to read:

31.5 Subd. 2a. **Housing pool allocation.** (a) Commencing on the second Tuesday in January
 31.6 and continuing on each Monday through the last Monday in June, the commissioner shall
 31.7 allocate available bonding authority from the housing pool to applications received on or
 31.8 before the Monday of the preceding week for residential rental projects that meet the
 31.9 eligibility criteria under section 474A.047. Allocations of available bonding authority from
 31.10 the housing pool for eligible residential rental projects shall be awarded in the following
 31.11 order of priority:

31.12 (1) preservation projects;

31.13 (2) 30 percent AMI residential rental projects;

31.14 (3) 50 percent AMI residential rental projects;

31.15 (4) 100 percent LIHTC projects;

31.16 (5) 20 percent LIHTC projects; and

31.17 (6) other residential rental projects for which the amount of bonds requested in their
 31.18 respective applications do not exceed the aggregate bond limitation.

31.19 If there are two or more applications for residential rental projects at the same priority level
 31.20 and there is insufficient bonding authority to provide allocations for all the projects in any
 31.21 one allocation period, available bonding authority shall be ~~randomly~~ awarded by let giving
 31.22 preference for projects with a lower cost-per-unit of housing but only for projects that can
 31.23 receive the full amount of their respective requested allocations. If a residential rental project
 31.24 does not receive any of its requested allocation pursuant to this paragraph and the project
 31.25 applies for an allocation of bonds again in the same calendar year or to the next successive
 31.26 housing pool, the project shall be fully funded up to its original application request for
 31.27 bonding authority before any new project, applying in the same allocation period, that has
 31.28 an equal priority shall receive bonding authority. An issuer that receives an allocation under
 31.29 this paragraph must issue obligations equal to all or a portion of the allocation received on
 31.30 or before 180 days of the allocation. If an issuer that receives an allocation under this
 31.31 paragraph does not issue obligations equal to all or a portion of the allocation received
 31.32 within the time period provided in this paragraph or returns the allocation to the

32.1 commissioner, the amount of the allocation is canceled and returned for reallocation through
32.2 the housing pool or to the unified pool after July 1.

32.3 (b) After January 1, and through January 15, The Minnesota Housing Finance Agency
32.4 may accept applications from cities for single-family housing programs which meet program
32.5 requirements as follows:

32.6 (1) the housing program must meet a locally identified housing need and be economically
32.7 viable;

32.8 (2) the adjusted income of home buyers may not exceed 80 percent of the greater of
32.9 statewide or area median income as published by the Department of Housing and Urban
32.10 Development, adjusted for household size;

32.11 (3) house price limits may not exceed the federal price limits established for mortgage
32.12 revenue bond programs. Data on the home purchase price amount, mortgage amount, income,
32.13 household size, and race of the households served in the previous year's single-family
32.14 housing program, if any, must be included in each application; and

32.15 (4) for applicants who choose to have the agency issue bonds on their behalf, an
32.16 application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal
32.17 to one percent of the requested allocation must be submitted to the Minnesota Housing
32.18 Finance Agency before the agency forwards the list specifying the amounts allocated to the
32.19 commissioner under paragraph (d). The agency shall submit the city's application fee and
32.20 application deposit to the commissioner when requesting an allocation from the housing
32.21 pool.

32.22 Applications by a consortium shall include the name of each member of the consortium
32.23 and the amount of allocation requested by each member.

32.24 (c) Any amounts remaining in the housing pool after June 15 are available for
32.25 single-family housing programs for cities that applied in January and received an allocation
32.26 under this section in the same calendar year. For a city that chooses to issue bonds on its
32.27 own behalf or pursuant to a joint powers agreement, the agency must allot available bonding
32.28 authority based on the formula in paragraphs (d) and (f). Allocations will be made loan by
32.29 loan, on a first-come, first-served basis among cities on whose behalf the Minnesota Housing
32.30 Finance Agency issues bonds.

32.31 Any city that received an allocation pursuant to paragraph (f) in the same calendar year
32.32 that wishes to issue bonds on its own behalf or pursuant to a joint powers agreement for an
32.33 amount becoming available for single-family housing programs after June 15 shall notify

33.1 the Minnesota Housing Finance Agency by June 15. The Minnesota Housing Finance
33.2 Agency shall notify each city making a request of the amount of its allocation within three
33.3 business days after June 15. The city must comply with paragraph (f).

33.4 For purposes of paragraphs (a) to (h), "city" means a county or a consortium of local
33.5 government units that agree through a joint powers agreement to apply together for
33.6 single-family housing programs, and has the meaning given it in section 462C.02, subdivision
33.7 6. "Agency" means the Minnesota Housing Finance Agency.

33.8 (d) The total amount of allocation for mortgage bonds for one city is limited to the lesser
33.9 of: (i) the amount requested, or (ii) the product of the total amount available for mortgage
33.10 bonds from the housing pool, multiplied by the ratio of each applicant's population as
33.11 determined by the most recent estimate of the city's population released by the state
33.12 demographer's office to the total of all the applicants' population, except that each applicant
33.13 shall be allocated a minimum of \$100,000 regardless of the amount requested or the amount
33.14 determined under the formula in clause (ii). If a city applying for an allocation is located
33.15 within a county that has also applied for an allocation, the city's population will be deducted
33.16 from the county's population in calculating the amount of allocations under this paragraph.

33.17 Upon determining the amount of each applicant's allocation, the agency shall forward
33.18 to the commissioner a list specifying the amounts allotted to each application with all
33.19 application fees and deposits from applicants who choose to have the agency issue bonds
33.20 on their behalf.

33.21 Total allocations from the housing pool for single-family housing programs may not
33.22 exceed 27 percent of the adjusted allocation to the housing pool until after June 15 in 2020
33.23 and 2021, after which the allocations may not exceed 31 percent of the adjusted allocation
33.24 to the housing pool until after June 15.

33.25 (e) The agency may issue bonds on behalf of participating cities. The agency shall request
33.26 an allocation from the commissioner for all applicants who choose to have the agency issue
33.27 bonds on their behalf and the commissioner shall allocate the requested amount to the
33.28 agency. The agency may request an allocation at any time after the second Tuesday in
33.29 January and through the last Monday in June. After awarding an allocation and receiving
33.30 a notice of issuance for the mortgage bonds issued on behalf of the participating cities, the
33.31 commissioner shall transfer the application deposits to the Minnesota Housing Finance
33.32 Agency to be returned to the participating cities. The Minnesota Housing Finance Agency
33.33 shall return any application deposit to a city that paid an application deposit under paragraph

34.1 (b), clause (4), but was not part of the list forwarded to the commissioner under paragraph
34.2 (d).

34.3 (f) A city may choose to issue bonds on its own behalf or through a joint powers
34.4 agreement and may request an allocation from the commissioner by forwarding an application
34.5 with an application fee pursuant to section 474A.03, subdivision 4, and a one percent
34.6 application deposit to the commissioner no later than the Monday of the week preceding
34.7 an allocation. If the total amount requested by all applicants exceeds the amount available
34.8 in the pool, the city may not receive a greater allocation than the amount it would have
34.9 received under the list forwarded by the Minnesota Housing Finance Agency to the
34.10 commissioner. No city may request or receive an allocation from the commissioner until
34.11 the list under paragraph (d) has been forwarded to the commissioner. A city must request
34.12 an allocation from the commissioner no later than the last Monday in June. No city may
34.13 receive an allocation from the housing pool for mortgage bonds which has not first applied
34.14 to the Minnesota Housing Finance Agency. The commissioner shall allocate the requested
34.15 amount to the city or cities subject to the limitations under this paragraph.

34.16 If a city issues mortgage bonds from an allocation received under this paragraph, the
34.17 issuer must provide for the recycling of funds into new loans. If the issuer is not able to
34.18 provide for recycling, the issuer must notify the commissioner in writing of the reason that
34.19 recycling was not possible and the reason the issuer elected not to have the Minnesota
34.20 Housing Finance Agency issue the bonds. "Recycling" means the use of money generated
34.21 from the repayment and prepayment of loans for further eligible loans or for the redemption
34.22 of bonds and the issuance of current refunding bonds.

34.23 (g) No entitlement city or county or city in an entitlement county may apply for or be
34.24 allocated authority to issue mortgage bonds or use mortgage credit certificates from the
34.25 housing pool. No city in an entitlement county may apply for or be allocated authority to
34.26 issue residential rental bonds from the housing pool or the unified pool.

34.27 (h) A city that does not use at least 50 percent of its allotment by the date applications
34.28 are due for the first allocation that is made from the housing pool for single-family housing
34.29 programs in the immediately succeeding calendar year may not apply to the housing pool
34.30 for a single-family mortgage bond or mortgage credit certificate program allocation that
34.31 exceeds the amount of its allotment for the preceding year that was used by the city in the
34.32 immediately preceding year or receive an allotment from the housing pool in the succeeding
34.33 calendar year that exceeds the amount of its allotment for the preceding year that was used
34.34 in the preceding year. The minimum allotment is \$100,000 for an allocation made prior to
34.35 June 15, regardless of the amount used in the preceding calendar year, except that a city

35.1 whose allocation in the preceding year was the minimum amount of \$100,000 and who did
35.2 not use at least 50 percent of its allocation from the preceding year is ineligible for an
35.3 allocation in the immediate succeeding calendar year. Each local government unit in a
35.4 consortium must meet the requirements of this paragraph.

35.5 **EFFECTIVE DATE.** This section is effective January 1, 2022.

35.6 Sec. 25. Minnesota Statutes 2020, section 474A.091, subdivision 3, is amended to read:

35.7 Subd. 3. **Allocation procedure.** (a) The commissioner shall allocate available bonding
35.8 authority under this section on the Monday of every other week beginning with the first
35.9 Monday in July through and on the last Monday in November. Applications for allocations
35.10 must be received by the department by 4:30 p.m. on the Monday preceding the Monday on
35.11 which allocations are to be made. If a Monday falls on a holiday, the allocation will be made
35.12 or the applications must be received by the next business day after the holiday.

35.13 (b) Prior to October 1, only the following applications shall be awarded allocations from
35.14 the unified pool. Allocations shall be awarded in the following order of priority:

35.15 (1) applications for residential rental project bonds;

35.16 (2) applications for small issue bonds for manufacturing projects; and

35.17 (3) applications for small issue bonds for agricultural development bond loan projects.

35.18 (c) On the first Monday in October through the last Monday in November, allocations
35.19 shall be awarded from the unified pool in the following order of priority:

35.20 (1) applications for student loan bonds issued by or on behalf of the Minnesota Office
35.21 of Higher Education;

35.22 (2) applications for mortgage bonds;

35.23 (3) applications for public facility projects funded by public facility bonds;

35.24 (4) applications for small issue bonds for manufacturing projects;

35.25 (5) applications for small issue bonds for agricultural development bond loan projects;

35.26 (6) applications for residential rental project bonds;

35.27 (7) applications for enterprise zone facility bonds;

35.28 (8) applications for governmental bonds; and

35.29 (9) applications for redevelopment bonds.

36.1 (d) If there are two or more applications for manufacturing projects from the unified
36.2 pool and there is insufficient bonding authority to provide allocations for all manufacturing
36.3 projects in any one allocation period, the available bonding authority shall be awarded based
36.4 on the number of points awarded a project under section 474A.045 with those projects
36.5 receiving the greatest number of points receiving allocation first. If two or more applications
36.6 for manufacturing projects receive an equal amount of points, available bonding authority
36.7 shall be awarded by lot unless otherwise agreed to by the respective issuers.

36.8 (e) If there are two or more applications for enterprise zone facility projects from the
36.9 unified pool and there is insufficient bonding authority to provide allocations for all enterprise
36.10 zone facility projects in any one allocation period, the available bonding authority shall be
36.11 awarded based on the number of points awarded a project under section 474A.045 with
36.12 those projects receiving the greatest number of points receiving allocation first. If two or
36.13 more applications for enterprise zone facility projects receive an equal amount of points,
36.14 available bonding authority shall be awarded by lot unless otherwise agreed to by the
36.15 respective issuers.

36.16 (f) If there are two or more applications for residential rental projects from the unified
36.17 pool and there is insufficient bonding authority to provide allocations for all residential
36.18 rental projects in any one allocation period, the available bonding authority shall be awarded
36.19 in the following order of priority: (1) preservation projects; (2) 30 percent AMI residential
36.20 rental projects; (3) 50 percent AMI residential rental projects for which the amount of bonds
36.21 requested in their respective applications do not exceed the aggregate bond limitations; (4)
36.22 100 percent LIHTC projects; (5) 20 percent LIHTC projects; and (6) other residential rental
36.23 projects. If there are two or more applications for residential rental projects at the same
36.24 priority level and there is insufficient bonding authority to provide allocations for all the
36.25 projects in any one allocation period, available bonding authority shall be ~~randomly~~ awarded
36.26 by ~~lot~~ giving preference for projects with a lower cost-per-unit of housing but only for
36.27 projects that can receive the full amount of their respective requested allocations. If a
36.28 residential rental project does not receive any of its requested allocation pursuant to this
36.29 paragraph and the project applies in the next successive housing pool or the next successive
36.30 unified pool for an allocation of bonds, the project shall be fully funded up to its original
36.31 application request for bonding authority before any new project, applying in the same
36.32 allocation period, that has an equal priority shall receive bonding authority.

36.33 (g) From the first Monday in July through the last Monday in November, \$20,000,000
36.34 of bonding authority or an amount equal to the total annual amount of bonding authority
36.35 allocated to the small issue pool under section 474A.03, subdivision 1, less the amount

37.1 allocated to issuers from the small issue pool for that year, whichever is less, is reserved
37.2 within the unified pool for small issue bonds to the extent the amounts are available within
37.3 the unified pool.

37.4 (h) The total amount of allocations for mortgage bonds from the housing pool and the
37.5 unified pool may not exceed:

37.6 (1) \$10,000,000 for any one city; or

37.7 (2) \$20,000,000 for any number of cities in any one county.

37.8 (i) The total amount of allocations for student loan bonds from the unified pool may not
37.9 exceed \$25,000,000 per year.

37.10 (j) If there is insufficient bonding authority to fund all projects within any qualified bond
37.11 category other than enterprise zone facility projects, manufacturing projects, and residential
37.12 rental projects, allocations shall be awarded by lot unless otherwise agreed to by the
37.13 respective issuers.

37.14 (k) If an application is rejected, the commissioner must notify the applicant and return
37.15 the application deposit to the applicant within 30 days unless the applicant requests in writing
37.16 that the application be resubmitted.

37.17 (l) The granting of an allocation of bonding authority under this section must be evidenced
37.18 by issuance of a certificate of allocation.

37.19 **EFFECTIVE DATE.** This section is effective January 1, 2022.

37.20 Sec. 26. **REVISOR INSTRUCTION.**

37.21 The revisor of statutes must change all cross-references to Minnesota Statutes, section
37.22 168A.141, to Minnesota Statutes, section 168A.1412.

37.23 Sec. 27. **REPEALER.**

37.24 (a) Minnesota Statutes 2020, section 168A.141, is repealed.

37.25 (b) Minnesota Statutes 2020, section 471.9996, subdivision 2, is repealed.

37.26 **EFFECTIVE DATE.** Paragraph (a) is effective August 1, 2021. Paragraph (b) is effective
37.27 the day following final enactment.

38.1 **ARTICLE 3**

38.2 **EVICTION MORATORIUM PHASEOUT**

38.3 Section 1. Minnesota Statutes 2020, section 12.46, is amended to read:

38.4 **12.46 LIMITATION OF POWERS.**

38.5 Nothing in this chapter authorizes the governor or the director:

38.6 (1) by subpoena or otherwise to require any person to appear before any person or to
 38.7 produce any records for inspection by any person, or to examine any person under oath;
 38.8 ~~and~~

38.9 (2) to remove summarily from office any person, other than a person appointed under
 38.10 this chapter, except as now provided by law or as herein specifically authorized; and

38.11 (3) to supersede or modify the requirements of chapter 504B.

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

38.13 Sec. 2. **EXECUTIVE ORDER 20-79 VOID.**

38.14 Notwithstanding Minnesota Statutes, chapter 12, or any other law to the contrary,
 38.15 Executive Order 20-79 is null and void.

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

38.17 Sec. 3. **EVICTION MORATORIUM PHASEOUT.**

38.18 (a) Notwithstanding any other law, the following actions are prohibited:

38.19 (1) filing of eviction actions under Minnesota Statutes, section 504B.285 or 504B.291,
 38.20 except:

38.21 (i) where the tenant seriously endangers the safety of others or significantly damages
 38.22 property;

38.23 (ii) for violations under Minnesota Statutes, section 504B.171, subdivision 1;

38.24 (iii) from and after 45 days after the date of enactment of this act, eviction actions are
 38.25 permitted for material breaches of the lease other than nonpayment of rent for households
 38.26 with an annual income of 80 percent or less of the area median income, adjusted for family
 38.27 size; and

38.28 (iv) from and after 60 days after the date of enactment of this act, eviction actions are
 38.29 permitted for those with outstanding rent, but who are ineligible for rental assistance; and

39.1 (2) termination or nonrenewal of residential leases, except:

39.2 (i) at the request of a tenant or where the termination is due to the tenant seriously
39.3 endangering the safety of others or significantly damaging property;

39.4 (ii) for violations under Minnesota Statutes, section 504B.171, subdivision 1;

39.5 (iii) from and after 15 days after the date of enactment of this act, termination and
39.6 nonrenewal of residential leases are permitted for material breaches of the lease other than
39.7 nonpayment of rent for households with an annual income of 80 percent or less of the area
39.8 median income, adjusted for family size; and

39.9 (iv) from and after 30 days after the date of enactment of this act, termination and
39.10 nonrenewal of leases are permitted for those with outstanding rent, but who are ineligible
39.11 for rental assistance.

39.12 (b) Nothing in this section shall prohibit an action where the tenant or occupant abandons
39.13 the premises and relief is sought under Minnesota Statutes, section 504B.271 or 504B.365.

39.14 (c) Nothing in this section reduces the rent owed by the tenant to the landlord, prevents
39.15 the landlord from collecting rent owed, or reduces arrears owed by a tenant for rent.

39.16 (d) This section expires 75 days after the date of enactment of this act.

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

168A.141 MANUFACTURED HOME AFFIXED TO REAL PROPERTY.

Subdivision 1. **Certificates surrendered for cancellation.** (a) When a manufactured home is to be affixed or is affixed, as defined in section 273.125, subdivision 8, paragraph (b), to real property, the owner of the manufactured home may surrender the manufacturer's certificate of origin or certificate of title to the department for cancellation so that the manufactured home becomes an improvement to real property and is no longer titled as personal property. The department must not issue a certificate of title for a manufactured home under chapter 168A if the manufacturer's certificate of origin is or has been surrendered under this subdivision, except as provided in section 168A.142. Upon surrender of the manufacturer's certificate of origin or the certificate of title, the department must issue notice of surrender to the owner, and upon recording an affidavit of affixation, which the county recorder or registrar of titles, as applicable, must accept, the manufactured home is deemed to be an improvement to real property. An affidavit of affixation by the owner of the manufactured home must include the following information:

(1) the name, residence address, and mailing address of owner or owners of the manufactured home;

(2) the legal description of the real property in which the manufactured home is, or will be, located;

(3) a copy of the surrendered manufacturer's certificate of origin or certificate of title and the notice of surrender;

(4) a written statement from the county auditor or county treasurer of the county where the manufactured home is located stating that all property taxes payable in the current year, as provided under section 273.125, subdivision 8, paragraph (b), have been paid, or are not applicable;

(5) the name and address of the person designated by the applicant to record the original affidavit of affixation with the county recorder or registrar of titles for the county where the real property is located; and

(6) the signature of the person who executes the affidavit, properly executed before a person authorized to authenticate an affidavit in this state.

(b) The person designated in paragraph (a), clause (5), must record, or arrange for the recording of, the affidavit of affixation, accompanied by the fees for recording and for issuing a certified copy of the notice, including all attachments, showing the recording date. Upon obtaining the certified copy of the notice under this paragraph, the person designated in the affidavit must deliver the certified copy to the county auditor of the county in which the real property to which the manufactured home was affixed is located.

(c) The department is not liable for any errors, omissions, misstatements, or other deficiencies or inaccuracies in documents presented to the department under this section, if the documents presented appear to satisfy the requirements of this section. The department has no obligation to investigate the accuracy of statements contained in the documents.

Subd. 1a. **Affidavit form.** An affidavit of affixation must be in substantially the following form and must contain the following information.

MANUFACTURED HOME AFFIDAVIT OF AFFIXATION

PURSUANT TO MINNESOTA STATUTES, SECTION 168A.141

Homeowner, being duly sworn, on his or her oath, states as follows:

1. Homeowner owns the manufactured home ("home") described as follows:

.....

| New/Used | Year | Manufacturer's Name | Model Name or Model No. | Manufacturer's Serial No. | Length/Width |
|----------|------|---------------------|-------------------------|---------------------------|--------------|
|----------|------|---------------------|-------------------------|---------------------------|--------------|

2. A copy of the surrendered manufacturer's certificate of origin or certificate of title is attached.
3. A copy of the notice of surrender issued from the Minnesota Department of Public Safety Driver and Vehicle Services is attached.
4. The home is or will be located at the following "Property Address":

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.....
Signature of Notary Public or Other Official

Notary Stamp or Seal
(optional)

Lender's Statement of Intent:

The undersigned ("lender") intends that the home be immovable and a permanent improvement to the land free of any personal property security interest.

.....
Lender

By:

Authorized Signature

STATE OF

.....) ss:

COUNTY OF

On the day of in the year before me, the undersigned, a Notary Public in and for said state, personally appeared

.....
personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

.....
Notary Signature

.....

Notary Printed Name

Notary Public, State of

Qualified in the County of

My commission expires

Official seal:

Subd. 2. Perfected security interest prevents surrender. The department may not cancel a certificate of title if, under this chapter, a security interest has been perfected on the manufactured home. If a security interest has been perfected, the department must notify the owner that each secured party must release or satisfy the security interest prior to proceeding with surrender of the manufacturer's certificate of origin or certificate of title to the department for cancellation. Permanent attachment to real property or the recording of an affidavit of affixation does not extinguish an otherwise valid security interest in or tax lien on the manufactured home, unless the requirements of section 168A.141, subdivisions 1, 1a, and 2, including the release of any security interest, have been satisfied.

Subd. 3. Notice of security interest. When a perfected security interest exists, or will exist, on the manufactured home at the time the manufactured home is affixed to real property, and the owner has not satisfied the requirements of section 168A.141, subdivision 1, the owner of the manufactured home, or its secured party, may record a notice with the county recorder, or with the registrar of titles, if the land is registered, stating that the manufactured home located on the property is encumbered by a perfected security interest and is not an improvement to real property. The notice must state the name and address of the secured party as set forth on the certificate of title, the legal

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description of the real property, and the name and address of the record fee owner of the real property on which the manufactured home is affixed. When the security interest is released or satisfied, the secured party must attach a copy of the release or satisfaction to a notice executed by the secured party containing the county recorder or registrar of titles document number of the notice of security interest. The notice of release or satisfaction must be recorded with the county recorder, or registrar of titles, if the land is registered. Neither the notice described in this subdivision nor the security interest on the certificate of title is deemed to be an encumbrance on the real property. The notices provided for in this subdivision need not be acknowledged.

471.9996 RENT CONTROL PROHIBITED.

Subd. 2. **Exception.** Subdivision 1 does not preclude a statutory or home rule charter city, county, or town from controlling rents on private residential property to the extent that the city, county, or town has the power to adopt an ordinance, charter amendment, or law to control these rents if the ordinance, charter amendment, or law that controls rents is approved in a general election. Subdivision 1 does not limit any power or authority of the voters of a statutory or home rule charter city, county, or town to petition for an ordinance or charter amendment to control rents on private residential property to the extent that the power or authority is otherwise provided for by law, and if the ordinance or charter amendment is approved in a general election. This subdivision does not grant any additional power or authority to the citizens of a statutory or home rule charter city, county, or town to vote on any question beyond that contained in other law.

Subdivision 1 does not apply to any statutory city unless the citizens of the statutory city have the authority to vote on the issue of rent control granted by other law.