### Article 3

#### Housing Appropriations

Section 1. **Appropriations.**

The sums shown in the columns marked "Appropriations" are added to the appropriations in Laws 2021, First Special Session chapter 8, or other law, to specified agencies. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively.

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Sec. 2. **Housing Finance Agency**

Subdivision 1. **Total Appropriation**

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Challenge Program**

(a) This appropriation is for the economic development and housing challenge program under Minnesota Statutes, sections 462A.07, subdivision 14, and 462A.32.

(b) In fiscal years 2024 and 2025, $17,117,000 is added to the agency's base.

### Article 5

#### Housing Appropriations

Section 1. **Appropriations.**

The sums shown in the columns marked "Appropriations" are added to the appropriations in Laws 2021, First Special Session chapter 8, or other law, to specified agencies. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively.

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Subdivision 1. **Total Appropriation**

(a) The amounts that may be spent for each purpose are specified in the following subdivisions.

(b) Unless otherwise specified, this appropriation is for transfer to the housing development fund for the programs specified in this section.

Subd. 2. **Challenge Program**

20,000,000

(a) This appropriation is for the economic development and housing challenge program under Minnesota Statutes, sections 462A.07, subdivision 14, and 462A.32.

(b) In fiscal years 2024 and 2025, $17,117,000 is added to the agency's base.
Subd. 3. **Housing Trust Fund**  

This appropriation is for deposit in the housing trust fund account created under Minnesota Statutes, section 462A.201, and may be used for the purposes provided in that section. In fiscal years 2024 and 2025, $10,000,000 is added to the agency’s base.

Subd. 4. **Homework Starts with Home**  

(a) This appropriation is for the homework starts with home program under Minnesota Statutes, sections 462A.201, subdivision 2, paragraph (a), clause (4), and 462A.204, subdivision 8, to provide assistance to homeless or highly mobile families with minor children or with adult children eligible for enrollment in an academic program through grade 12. Funding must prioritize families with younger children not yet in school who are identified as being at risk of homelessness or experiencing homelessness.  
(b) In fiscal years 2024 and 2025, $10,000,000 is added to the agency’s base.

Subd. 5. **Family Homeless Prevention**  

(a) This appropriation is for the family homeless prevention and assistance programs under Minnesota Statutes, section 462A.204;  
(b) In fiscal years 2024 and 2025, $10,000,000 is added to the agency’s base.

Subd. 6. **Community Stabilization**  

(a) This appropriation is for the community stabilization program under Minnesota Statutes, section 462A.41, to finance improvements for naturally occurring affordable housing.
In fiscal years 2024 and 2025, $40,000,000 is added to the agency’s base.

Subd. 7. Flexible Financing for Capital Costs
This appropriation is to provide gap financing to rental housing developments financed by the agency. This is a onetime appropriation.

Subd. 8. Strengthening Supportive Housing Model
This appropriation is for the strengthening supportive housing model program under Minnesota Statutes, section 462A.42, to provide funding to strengthen supportive housing for individuals and families who are at risk of homelessness or have experienced homelessness. In fiscal years 2024 and 2025, $5,000,000 is added to the agency’s base.

Subd. 9. Lead-Safe Homes
This appropriation is for the lead-safe homes grant program under Minnesota Statutes, section 462A.2095. This is a onetime appropriation.

Subd. 10. Stable Housing Mediation
This appropriation is for the housing mediation grant program for grants to mediation facilities certified by the state under Minnesota Statutes, section 494.015. This is a onetime appropriation.

Subd. 11. Homeownership Education, Counseling, and Training Program
This appropriation is for the homeownership education, counseling, and training program under Minnesota Statutes, section 462A.209. This is a onetime appropriation.
Subd. 12. First-Generation Homebuyers Down Payment Assistance Fund

This appropriation is for a grant to Midwest Minnesota Community Development Corporation (MMCDC) for a first-generation homebuyers down payment assistance fund.

This is a onetime appropriation and is available until June 30, 2025.

Subd. 13. Local Housing Trust Fund Grants

This appropriation is for the local housing trust fund grant program. This is a onetime appropriation.

Subd. 14. Manufactured Home Park Cooperative Purchase Program

This appropriation is for the manufactured home park cooperative purchase program. This is a onetime appropriation.

(a) $10,000,000 of the allocations from the Housing Finance Agency's housing affordability fund, or Pool 3, in fiscal year 2023 shall be for a revolving loan fund under Minnesota Statutes, section 462A.05, subdivision 35, to provide loans with a two percent interest rate for residents of manufactured home parks to purchase the manufactured home park in which they reside for the purpose of conversion of the manufactured home park to cooperative ownership. Repayments of principal and interest from loans issued under this section must be used for the purposes of this section. The commissioner must make a determination regarding the issuance of a loan under this section and disburse the funds within 90 days of receiving a completed application. No money from the allocation under this paragraph may be used to administer this program. The commissioner must not supplant other homeownership programs out of Pool 3 to capitalize this revolving loan fund.

(b) $5,000,000 of the allocations from the Housing Finance Agency's housing affordability fund, or Pool 3, in fiscal year 2023 shall be for grants to nonprofit organizations for the installation of sprinkler systems in eligible residential buildings. "Eligible residential buildings" means an existing building owned by a nonprofit organization that has at least one story used for human occupancy which is 75 feet or more above the lowest level of fire department vehicle access, and at least two-thirds of its units are rented to an individual or family with an annual income of up to 50 percent of the area median income as determined by the United States Department of Housing and Urban Development, adjusted for family size, that is paying no more than 30 percent of annual income on rent. The agency shall develop forms and procedures for soliciting and reviewing applications for grants under this paragraph. The maximum grant per eligible building shall be $250,000, and each grant must have a nonstate match of at least 25 percent of the grant award. An in-kind contribution...
may be used to meet all or a portion of the match requirement. This allocation expires on
June 30, 2025.

(c) Each year on January 15, the commissioner of the Housing Finance Agency shall
report to the legislature the allocation of housing affordability funds under paragraphs (a)
and (b) separately, including the amount issued in loans, the amount of loans repaid, the
remaining balance of the revolving loan fund, the number of projects funded or financed,
the number of residents included in each project, and the location of each project.

(d) Nothing in this section shall impair the obligation of the agency to use funds in Pool
3 to satisfy the agency's obligations to holders of bonds secured by the general obligation
pledge of the agency to suggested use of agency resources.

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

Subd. 2. Workforce Homeownership Program

This appropriation is for the workforce
homeownership program under Minnesota
Statutes, section 462A.38. This is a onetime
appropriation.

Subd. 3. Homeownership Investment Grants

This appropriation is for homeownership
investment grants under section 4. This is a
onetime appropriation.

Subd. 4. Targeted Loan Pool

This appropriation is for a grant to Build
Wealth Minnesota to establish the 9,000
Equities Fund, a targeted loan pool, to provide
affordable first mortgages or equivalent
financing opportunities to households
struggling to access mortgages in underserved
communities of color. The goal for this
appropriation for Build Wealth Minnesota and
the 9,000 Equities Fund is to create at least
4,500 new homeownership opportunities and
to close the homeownership disparity gap by
eight percent in the Twin Cities metropolitan
area in five years. By February 15, 2023, and
for the next eight years, Build Wealth
Minnesota shall report to the Minnesota
Sec. 4. **HOMEOWNERSHIP INVESTMENT GRANTS PROGRAM.**

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

1. "commissioner" means the commissioner of the Housing Finance Agency; and
2. "eligible organization" means a nonprofit organization the commissioner determines to be eligible under subdivision 2.

Subd. 2. **Eligible organization.** To be eligible for a grant under this subdivision, a nonprofit organization must:

1. be an organization defined under section 501(c)(3) of the Internal Revenue Code or an equivalent organization;
2. have primary operations located in the state of Minnesota; and
3. be certified as a community development financial institution by the United States Department of the Treasury and must provide affordable housing lending or financing programs.

Subd. 3. **Eligible services.** (a) Eligible organizations may apply for housing investment grants for affordable owner-occupied housing projects for the following:

1. housing development to increase the supply of affordable owner-occupied homes;
2. financing programs, including revolving loans, for affordable owner-occupied new home construction;
3. acquisition, rehabilitation, and resale of affordable owner-occupied homes or homes to be converted to owner-occupied homes;
4. financing programs, including revolving loans, for affordable owner-occupied manufactured housing;
5. services to increase access to stable, affordable, owner-occupied housing in low-income communities, Indigenous American Indian communities, and communities of color; and
6. residential counseling or housing navigation assistance for homeownership.
(b) No more than five percent of the total amount awarded in this section may be for grants under paragraph (a), clause (3), and no more than five percent of the total amount awarded under this section may be for grants under paragraph (a), clause (6).

Subd. 4. Commissioner duties. (a) The commissioner shall consult with eligible organizations and develop forms, applications, and reporting requirements for use by eligible organizations. All organizations applying for a grant must include as part of their application a plan to create new affordable home ownership and home preservation opportunities for targeted areas. The commissioner shall develop a grant award scoring system that ensures a distribution of awards throughout the state based on population and eligible households and communities.

(b) The commissioner shall complete the requirements under paragraph (a) within 90 days of enactment of this section.

(c) By January 15, 2023, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy detailing the use of funds under this section.

Sec. 3. DEPARTMENT OF HUMAN RIGHTS

(a) $383,000 in fiscal year 2023 is to the commissioner of human rights for increased capacity and associated costs to investigate sources of income discrimination cases in housing.

(b) In fiscal years 2024 and 2025, $383,000 is added to the department's base.

ARTICLE 4

HOUSING FINANCE GRANT PROGRAMS AND POLICY

Subd. 2. Low-income housing. (a) The agency may use money from the housing trust fund account to provide loans or grants for:

(1) projects for the development, construction, acquisition, preservation, and rehabilitation of low-income rental and limited equity cooperative housing units, including temporary and transitional housing;

(2) the costs of operating rental housing, as determined by the agency, that are unique to the operation of low-income rental housing or supportive housing;

(3) rental assistance, either project-based or tenant-based; and
programs to secure stable housing for families with minor children eligible for enrollment in a prekindergarten through grade 12 academic program or with adult children eligible for enrollment in an academic program through grade 12.

For purposes of this section, "transitional housing" has the meaning given by the United States Department of Housing and Urban Development. Loans or grants for residential housing for migrant farmworkers may be made under this section.

(b) The housing trust fund account must be used for the benefit of persons and families whose income, at the time of initial occupancy, does not exceed 60 percent of median income as determined by the United States Department of Housing and Urban Development for the metropolitan area. At least 75 percent of the funds in the housing trust fund account must be used for the benefit of persons and families whose income, at the time of initial occupancy, does not exceed 30 percent of the median family income for the metropolitan area as defined in section 473.121, subdivision 2. For purposes of this section, a household with a housing assistance voucher under Section 8 of the United States Housing Act of 1937, as amended, is deemed to meet the income requirements of this section.

The median family income may be adjusted for families of five or more.

c) Rental assistance under this section must be provided by governmental units which administer housing assistance supplements or by for-profit or nonprofit organizations experienced in housing management. Rental assistance shall be limited to households whose income at the time of initial receipt of rental assistance does not exceed 60 percent of median income, as determined by the United States Department of Housing and Urban Development for the metropolitan area. Priority among comparable applications for tenant-based rental assistance will be given to proposals that will serve households whose income at the time of initial application for rental assistance does not exceed 30 percent of median income, as determined by the United States Department of Housing and Urban Development for the metropolitan area. Rental assistance must be terminated when it is determined that 30 percent of a household's monthly income for four consecutive months equals or exceeds the market rent for the unit in which the household resides plus utilities for which the tenant is responsible. Rental assistance may only be used for rental housing units that meet the housing maintenance code of the local unit of government in which the unit is located, if such a code has been adopted, or the housing quality standards adopted by the United States Department of Housing and Urban Development, if no local housing maintenance code has been adopted.

(d) In making the loans or grants, the agency shall determine the terms and conditions of repayment and the appropriate security, if any, should repayment be required. To promote the geographic distribution of grants and loans, the agency may designate a portion of the grant or loan awards to be set aside for projects located in specified congressional districts or other geographical regions specified by the agency. The agency may adopt rules for awarding grants and loans under this subdivision.
Sec. 2. Minnesota Statutes 2020, section 462A.204, subdivision 8, is amended to read:

Subd. 8. School Stability for learning and development. (a) The agency in consultation with the Interagency Council on Homelessness may establish a school stability for learning and development project under the family homeless prevention and assistance program.

The purpose of the project is to secure stable housing for families with school-age minor children who have moved frequently; for families with adult children eligible for enrollment in an academic program through grade 12 who have moved frequently; and for unaccompanied youth. For purposes of this subdivision, "unaccompanied youth" are minors who are leaving foster care or juvenile correctional facilities, or minors who meet the definition of a child in need of services or protection under section 260C.007, subdivision 6; but for whom no court finding has been made pursuant to that statute.

(b) The agency shall make grants to family homeless prevention and assistance projects in communities with a school or schools that have a significant degree of student mobility or in communities with a significant degree of homelessness among families with minor children.

(c) Each project must be designed to reduce school absenteeism; stabilize children in one home setting or, at a minimum, in one school setting; and reduce shelter usage. Each project must include plans for the following:

(1) targeting of families with minor children who are eligible for a prekindergarten through grade 12 academic program or with adult children eligible for enrollment in an academic program through grade 12 if those families are living in overcrowded conditions in their current housing; are paying more than 50 percent of their income for rent; or who lack a fixed, regular, and adequate nighttime residence;

(2) targeting of unaccompanied youth in need of an alternative residential setting;

(3) connecting families with the social services necessary to maintain the families' stability in their home; including but not limited to housing navigation, legal representation, and family outreach; and

(4) one or more of the following:

(i) provision of rental assistance for a specified period of time, which may exceed 24 months;

(ii) provision of support and case management services to improve housing stability, including but not limited to housing navigation and family outreach;

(d) In selecting projects for funding under this subdivision, preference shall be given to organizations granted funding under section 462A.201, subdivision 2, paragraph (a), clause (4);

(e) No grantee under this subdivision is required to have an advisory committee as described in subdivision 6.
Sec. 3. [462A.2095] LEAD-SAFE HOMES GRANT PROGRAM.

Subdivision 1. Establishment. The Housing Finance Agency shall establish a lead-safe homes grant program to provide grants to increase lead testing and make residential rental units lead safe. The initial pilot program shall provide one grant to a project serving an area in a metropolitan county, as defined in section 473.121, subdivision 4, and one grant to a project serving an area outside a metropolitan county with a priority for targeting grant resources to landlords and tenants where there are high concentrations of lead poisoning in children based on information provided by the commissioner of health.

Subd. 2. Eligibility. (a) Eligible grantees must be a nonprofit or political subdivision capable of providing funding and services to a defined geographic area. The grant programs receiving funding under this section must provide lead risk assessments completed by a lead inspector or a lead risk assessor licensed by the commissioner of health pursuant to section 144.9505 for properties built before 1978 to determine the presence of lead hazards and to provide interim controls to reduce lead health hazards. The grant program must provide funding for testing and lead hazard reduction for:

1. Landlords of residential buildings with 11 units or less where the tenant's income does not exceed 60 percent of area median income;
2. Landlords of residential buildings with 12 units or more where at least 50 percent of the tenants are below 60 percent of the median income; and
3. A tenant with an income that does not exceed 60 percent of area median income;

(b) A landlord or tenant must first access other available state and federal funding related to lead testing and lead hazard reduction for which they are eligible.

(c) Up to ten percent of a grant award to a nonprofit or political subdivision may be used to administer the grant and provide education and outreach about lead health hazards.

Subd. 3. Short title. This section shall be known as the "Dustin Luke Shields Act."

Sec. 4. Minnesota Statutes 2020, section 462A.37, subdivision 2, is amended to read:

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

1. To finance the costs of the construction, acquisition, and rehabilitation of supportive housing for individuals and families who are without a permanent residence;
2. To finance the costs of the acquisition and rehabilitation of foreclosed or abandoned housing to be used for affordable rental housing and the costs of new construction of rental
housing on abandoned or foreclosed property where the existing structures will be demolished or removed;

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

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

(5) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction of senior housing, with up to 20 percent of the units serving low-income individuals of any age;

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

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

(8) to finance the costs of construction, acquisition, and rehabilitation of permanent housing that is affordable to households with incomes at or below 50 percent of the area median income for the applicable county or metropolitan area as published by the Department of Housing and Urban Development, as adjusted for household size;

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

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

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

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

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

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

(3) provide access to services to residents and demonstrate the ability to increase physical supports and support services as residents age and experience increasing levels of disability;
(4) provide a service plan containing the elements of clause (3) reviewed by the housing authority, economic development authority, public housing authority, or community development agency that has an area of operation for the jurisdiction in which the project is located; and

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

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

(e) Among comparable proposals for permanent housing, the agency must give preference to projects that will provide housing that is affordable to households at or below 30 percent of area median income.

(f) If a loan recipient uses the loan for any of the purposes in paragraph (a) on a building containing more than four units, the recipient must construct, convert, or otherwise adapt the building to include:

(1) the greater of at least one unit or at least five percent of units that are accessible units, as defined by section 1002 of the current State Building Code Accessibility Provisions for Dwelling Units in Minnesota, and include at least one roll-in shower; and

(2) the greater of at least one unit or at least five percent of units that are sensory-accessible units that include:

(i) soundproofing between shared walls for first and second floor units;

(ii) no florescent lighting in units and common areas;

(iii) low-fume paint;

(iv) low-chemical carpet; and

(v) low-chemical carpet glue in units and common areas.

Nothing in this paragraph relieves projects being funded by these loans from meeting other applicable accessibility requirements.

EFFECTIVE DATE. This section is effective the day following final enactment.
Sec. 5. Minnesota Statutes 2020, section 462A.37, is amended by adding a subdivision to read:

Subd. 2i. Additional authorization. In addition to the amount authorized in subdivisions 2 to 2h, the agency may issue up to $400,000,000 in housing infrastructure bonds in one or more series to which the payments under this section may be pledged.

EFFECTIVE DATE. This section is effective the day following final enactment. If the authorization in this section is enacted more than once in the 2022 legislative session, the authorization must be given effect only once.

Sec. 6. [462A.41] COMMUNITY STABILIZATION PROGRAM.

Subdivision 1. Establishment. The agency shall establish a community stabilization program for the purpose of providing grants or loans for the preservation of naturally occurring affordable housing through acquisition or rehabilitation.

Subd. 2. Definitions. For the purposes of this section, "naturally occurring affordable housing" means:

(1) multiunit rental housing that:

(i) is at least 20 years old; and

(ii) has rents in a majority of units that are affordable to households at or below 60 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development; or

(2) owner-occupied housing located in communities where market pressures or significant deferred rehabilitation needs, as defined by the agency, are creating opportunities for displacement or the loss of owner-occupied housing affordable to households at or below 115 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development.

Subd. 3. Eligible recipients. (a) Grants or loans may be made to a local unit of government; a federally recognized American Indian tribe located in Minnesota or its Tribally Designated Housing Entity; a private developer; limited equity cooperatives; cooperatives created under chapter 308A or 308B; community land trusts created for the purposes outlined in section 462A.31, subdivision 1; or a nonprofit organization.

(b) The agency shall make a grant to a statewide intermediary to facilitate the acquisition and associated rehabilitation of existing multiunit rental housing and may use an intermediary or intermediaries for the acquisition and associated rehabilitation of owner-occupied housing.

Subd. 4. Eligible uses. The program shall provide grants or loans for the purpose of acquisition, rehabilitation, interest rate reduction, or gap financing of housing to support
the preservation of naturally occurring affordable housing. Priority in funding shall be given
to proposals that serve lower incomes and maintain longer periods of affordability.

Subd. 5. Owner-occupied housing income limits. Households served through grants
or loans related to owner-occupied housing must have, at initial occupancy, income that is
at or below 115 percent of the greater of state or area median income as determined by the
United States Department of Housing and Urban Development.

Subd. 6. Multifamily housing rent limits. Multifamily housing financed through grants
or loans under this section must remain affordable to low-income or moderate-income
households as defined by the agency.

Subd. 7. Application. (a) The agency shall develop forms and procedures for soliciting
and reviewing applications for loans or grants under this section. The agency shall consult
with interested stakeholders when developing the guidelines and procedures for the program.
(b) Notwithstanding any other applicable law, the agency may accept applications on a
noncompetitive, rolling basis in order to provide funds for eligible properties as they become
available.

Subd. 8. Voucher requirement for multifamily properties. Rental properties that
receive funds must accept rental subsidies, including but not limited to vouchers under
Section 8 of the United States Housing Act of 1937, as amended.

Sec. 7. [462A.42] STRENGTHENING SUPPORTIVE HOUSING MODEL.

Subdivision 1. Establishment. The agency shall establish a strengthening supportive
housing model program for the purpose of providing funding to strengthen supportive
housing for individuals and families who are at risk of homelessness or have experienced
homelessness.

Subd. 2. Definition. For the purposes of this section, "supportive housing" means housing
that is not time-limited and provides or coordinates with linkages to services necessary for
residents to maintain housing stability and maximize opportunities for education and
employment.

Subd. 3. Eligible recipients. Funding may be made to a local unit of government, a
federally recognized American Indian Tribe or its Tribally Designated Housing Entity
located in Minnesota, a private developer, or a nonprofit organization.

Subd. 4. Eligible uses. (a) Funds shall be used to cover costs needed for supportive
housing to operate effectively that are not covered by other federal or state resources. Costs
may include but are not limited to building operating expenses such as front desk, tenant
service coordination, revenue shortfall, and security costs.
(b) Funds shall be used to create partnerships with the health care sector and other sectors
to demonstrate sustainable ways to provide services for supportive housing residents, improve
access to health care, and reduce the use of expensive emergency and institutional care.
This may be done in partnership with other state agencies, including the Department of Health and the Department of Human Services.

Subd. 5. Application. The commissioner shall develop forms and procedures for soliciting and reviewing applications for funding under this section. The commissioner shall consult with interested stakeholders when developing the guidelines and procedures for the program.

Sec. 8. Minnesota Statutes 2020, section 500.20, subdivision 2a, is amended to read:

Subd. 2a. Restriction of duration of condition. Except for any right to reenter or to repossess as provided in subdivision 3, all private covenants, conditions, or restrictions created by which the title or use of real property is affected, cease to be valid and operative 30 years after the date of the deed, or other instrument, or the date of the probate of the will, creating them; and may be disregarded.

This subdivision does not apply to covenants, conditions, or restrictions:

1. that were created before August 1, 1959, under which a person who owns or has an interest in real property against which the covenants, conditions, or restrictions have been filed claims a benefit of the covenant, condition, or restriction if the person records in the office of the county recorder or files in the office of the registrar of titles in the county in which the real estate affected is located, on or before March 30, 1989, a notice sworn to by the claimant or the claimant's agent or attorney: setting forth the name of the claimant; describing the real estate affected; describing the deed, instrument, or will creating the covenant, condition, or restriction; and stating that the covenant, condition, or restriction is not nominal and may not be disregarded under subdivision 3;

2. that are created by the declaration, bylaws, floor plans, or condominium plat of a condominium created before August 1, 1980, under chapter 515, or created on or after August 1, 1980, under chapter 515A or 515B, or by any amendments of the declaration, bylaws, floor plans, or condominium plat;

3. that are created by the articles of incorporation, bylaws, or proprietary leases of a cooperative association formed under chapter 308A;

4. that are created by a declaration or other instrument that authorizes and empowers a corporation of which the qualification for being a stockholder or member is ownership of certain parcels of real estate, to hold title to common real estate for the benefit of the parcels;

5. that are created by a deed, declaration, reservation, or other instrument by which one or more portions of a building, set of connecting or adjacent buildings, or complex or project of related buildings and structures share support, structural components, ingress and egress, or utility access with another portion or portions;

6. that were created after July 31, 1959, under which a person who owns or has an interest in real estate against which covenants, conditions, or restrictions have been filed claims a benefit of the covenants, conditions, or restrictions if the person records in the office of the county recorder or files in the office of the registrar of titles in the county in...
which the real estate affected is located during the period commencing on the 28th anniversary of the date of the deed or instrument; or the date of the probate of the will; creating them and ending on the 30th anniversary, a notice as described in clause (1); or

(7) that are created by a declaration or bylaws of a common interest community created under or governed by chapter 515B, or by any amendments thereto; or

(8) that are created by a declaration or other instrument required by a government entity related to affordable housing.

A notice filed in accordance with clause (1) or (6) delays application of this subdivision to the covenants, conditions, or restrictions for a period ending on the later of seven years after the date of filing of the notice, or until final judgment is entered in an action to determine the validity of the covenants, conditions, or restrictions, provided in the case of an action the summons and complaint must be served and a notice of lis pendens must be recorded in the office of the county recorder or in the office of the registrar of titles in each county in which the real estate affected is located within seven years after the date of recording or filing of the notice under clause (1) or (6).

County recorders and registrars of titles shall accept for recording or filing a notice conforming with this subdivision and charge a fee corresponding with the fee charged for filing a notice of lis pendens of similar length. The notice may be discharged in the same manner as a notice of lis pendens and when discharged, together with the information included with it, ceases to constitute either actual or constructive notice.

Sec. 9. MINNESOTA STABLE HOUSING MEDIATION GRANT PROGRAM. The commissioner of the Housing Finance Agency shall establish a housing mediation grant program to increase access to voluntary housing mediation services for renters and homeowners. The grant program shall provide funding to mediation facilities certified by the state under Minnesota Statutes, section 494.015, that can increase access to housing mediation throughout the state, increase the availability of culturally specific dispute resolution programs, reduce the need for court actions, and bring stability in housing. The grant funding must be used to:

(1) provide mediation services to benefit renters, property owners, households, utility providers, and homeowners statewide and increase awareness of access to mediation services and expand statewide mediation services;

(2) provide eviction prevention services including access to mediation services that prevent eviction court costs and reduce negative consequences to families, schools, employers, neighborhoods, and communities;

(3) partner with culturally specific dispute resolution programs to provide training and assist in providing mediation services virtually and in person.
(4) increase mediation services for seniors and tenants with disabilities and illnesses who face housing instability;

(5) increase the diversity of the housing mediator roster;

(6) integrate existing and future housing mediation services with legal assistance and court services programs; and

(7) develop and administer evaluation tools in order to design, modify, and replicate effective program outcomes.

Sec. 10. **FIRST-GENERATION HOMEBuyERS DOWN PAYMENT ASSISTANCE FUND.**

Subdivision 1. Establishment. A first-generation homebuyers down payment assistance fund is established as a pilot project under the administration of the Midwest Minnesota Community Development Corporation (MMCDC), a community development financial institution (CDFI) as defined under the Riegle Community Development and Regulatory Improvement Act of 1994, to provide targeted assistance to eligible first-generation homebuyers.

Subd. 2. Eligible homebuyer. For purposes of this section, "eligible first-generation homebuyer" means an individual:

(1) whose income is at or below 100 percent of the area median income at the time of purchase;

(2) who is a first-time homebuyer as defined under Code of Federal Regulations, title 24, section 92.2;

(3) who is preapproved for a first mortgage loan; and

(4) whose parent or prior legal guardian does not, or did not at the time of their death, own a home.

An eligible homebuyer must complete an approved homebuyer education course prior to signing a purchase agreement and, following the purchase of the home, must occupy it as the homebuyer's primary residence. The home must be purchased within the maximum loan amount established by the federal Housing Finance Agency, and the eligible homebuyer must contribute a minimum of $1,000 to down payment or closing costs.

Subd. 3. Use of funds. Assistance under this section is limited to ten percent of the purchase price of a home, not to exceed $30,000 per eligible first-generation homebuyer. The assistance must be provided in the form of a loan that is forgivable at a rate of 20 percent per year on the day after the anniversary date of the note. The prorated balance due is repayable if the property converts to nonowner occupancy, is sold, is subjected to an ineligible refinance, is subjected to an unauthorized transfer of title, or is subjected to a completed foreclosure action within the five-year loan term. Recapture can be waived in the event of
financial or personal hardship. The loan may be reserved and used for closing costs, down
payment, or principal reduction. The loan must be used in conjunction with a conforming
first mortgage loan that is fully amortizing and meets the standards of a qualified mortgage
or meets the minimum standards for exemption under Code of Federal Regulations, title
12, section 1026.43. The loan may be used in conjunction with funds from other programs
for which the eligible homebuyer may qualify and the loan may be placed in any priority
position.

Subd. 4. Administration. The first-generation homebuyers down payment assistance
fund is available statewide and shall be administered by MMCDC, the designated central
CDFI. MMCDC may originate and service funds and authorize other CDFIs, Tribal entities,
and nonprofit organizations administering down payment assistance to reserve, originate,
fund, and service funds for eligible first-generation homebuyers. Administrative costs must
not exceed $3,000 per loan. Any funds made available due to early resale of a home must
be returned to MMCDC for redistribution to eligible first-generation homebuyers;

Subd. 5. Legislative auditor. The first-generation homebuyers down payment assistance
fund is subject to audit by the legislative auditor. MMCDC and participating CDFIs must
cooperate with the audit;

Subd. 6. Creditor immunity for reliance on borrower self-attestations. No creditor
shall be subject to liability, including monetary penalties or requirements to indemnify a
federal or state agency or repurchase a loan that has been sold or securitized, for the provision
of down payment assistance under this section to a borrower who does not meet the eligibility
requirements if the creditor does so in good faith reliance on borrower attestations of
eligibility required by this section or regulation;

Subd. 7. Report to legislature. By January 15 each year, the fund administrator,
MMCDC, must report to the chairs and ranking minority members of the legislative
committees with jurisdiction over housing with the following information:

(1) the number and amount of loans closed;
(2) the median loan amount;
(3) the number and amount of loans issued by race or ethnic categories;
(4) the median home purchase price;
(5) the type of mortgage;
(6) the total amount returned to the fund; and
(7) the number and amount of loans issued by county;

Subd. 8. Sunset. This section sunsets June 30, 2025;

EFFECTIVE DATE. This section is effective July 1, 2022;
Sec. 11. MANUFACTURED HOME PARK COOPERATIVE PURCHASE PROGRAM.

(a) The Housing Finance Agency shall establish a manufactured home park cooperative purchase program for grants to nonprofit organizations to assist manufactured home park residents in organizing and purchasing manufactured home parks, and for grants to provide down payment assistance to residents to purchase manufactured home parks.

(b) The agency may develop criteria for grant requests under this section. Within 90 days of final enactment, the commissioner shall develop the forms, applications, and reporting requirements for use by eligible organizations. In developing these materials, the commissioner shall consult with manufactured housing cooperatives, resident-owned manufactured home communities, and nonprofit organizations working with manufactured housing cooperatives and resident-owned communities.

(c) Grantees must use funds to assist in the creation and preservation of housing that is affordable to households with incomes at or below 80 percent of the greater of state or area median income.

(d) A deed purchased with a grant under this section must contain a covenant running with the land requiring that the land be used as a manufactured home park for 30 years from the date of purchase.

(e) For purposes of this section, "manufactured home," "manufactured home park," "park owner," "representative acting on behalf of residents," "resident," and "resident association" have the meanings given in Minnesota Statutes, section 327C.01.

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

Sec. 12. LOCAL HOUSING TRUST FUND GRANTS.

(a) As provided in this section, the Housing Finance Agency shall award grants to local housing trust funds established under Minnesota Statutes, section 462C.16, to incentivize local funding.

(b) A grantee is eligible to receive a grant amount equal to 100 percent of the public revenue committed to the local housing trust fund from any source other than the state or federal government, up to $150,000, and in addition, an amount equal to 50 percent of the public revenue committed to the local housing trust fund from any source other than the state or federal government that is more than $150,000 but not more than $300,000.

(c) $100,000 of the appropriation in paragraph (b) is for technical assistance grants to local and regional housing trust funds. A housing trust fund may apply for a technical assistance grant at the time and in the manner and form required by the agency. The agency shall make grants on a first-come, first-served basis. A technical assistance grant must not exceed $5,000.
(d) A grantee must use grant funds within eight years of receipt for purposes (1) authorized under Minnesota Statutes, section 462C.16, subdivision 3, and (2) benefiting households with incomes at or below 115 percent of the state median income. A grantee must return any grant funds not used for these purposes within eight years of receipt to the commissioner of the Housing Finance Agency for deposit into the housing development fund.

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

Section 1. [462.3575] LIMITATION OF POWERS; EVICTION PROCEEDINGS.

Notwithstanding any law to the contrary, an order issued under this chapter prohibiting or delaying eviction proceedings under chapter 504B or 327C is valid for a period not to exceed 30 days. The governor must not extend the order beyond 30 days unless the extension is approved by a majority vote of each house of the legislature. The governor shall not allow the order to expire and issue a new order delaying or prohibiting eviction proceedings under chapter 504B or 327C in an effort to avoid obtaining legislative approval for an extension of the order as provided in this section. An order issued to avoid obtaining legislative approval as required under this section is null and void.

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

Sec. 2. [462.3575] LIMITING REGULATIONS ON RESIDENTIAL DEVELOPMENT.

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

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

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

Subd. 3. Limitation on aesthetic mandates. A municipality shall not condition approval of a building permit, subdivision development, or planned unit development on the use of specific materials, design, or other aesthetic conditions that are not required by the State Building Code under chapter 326B. This subdivision shall not apply within a historic district as determined under section 138.72 that was in existence as of January 1, 2022.
Subd. 4. Exception. This section shall not apply to a proposed residential development that is to be developed by the municipality itself or to multifamily rental, commercial, or industrial properties.

Sec. 5. Minnesota Statutes 2020, section 462A.05, is amended by adding a subdivision to read:

Subd. 14f. Reporting; rehabilitation loans. By January 15 of each year, the agency must report to the legislative committees with jurisdiction over housing the following with respect to the rehabilitation loan programs referenced in subdivisions 14 and 14a:

1. a list of programs, the sources of funding for those programs, and the amounts allocated from each source;

2. the total number of loans and total amount of outstanding rehabilitation loans per program;

3. the total number of loans issued; total dollar amount in loans; the mean and median loan amount, and the number of loans at the maximum loan amount for the prior fiscal year per program;

4. the total number of loans forgiven, the total dollar amount forgiven, and the mean and median loan amount forgiven in the prior fiscal year per program;

5. the total amount of loans issued by county over the prior fiscal year per program; and

6. a history of the maximum loan amount over time and computation of what the maximum loan amount would be if adjusted for inflation.

Sec. 11. Minnesota Statutes 2020, section 462A.2035, is amended by adding a subdivision to read:

Subd. 5. Report. By January 15 of each year, the agency must report to the legislative committees with jurisdiction over housing the following with respect to grants issued under subdivision 1b:

1. grants requested and grants funded during the prior fiscal year; organized by ownership type of the manufactured home park, such as private, cooperative, and municipal ownership; and by county; and

2. the average amounts of grants awarded.

Sec. 14. Minnesota Statutes 2020, section 462A.24, is amended to read:

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

(a) This chapter is necessary for the welfare of the state of Minnesota and its inhabitants; therefore, it shall be liberally construed to effect its purpose.
(b) To the extent practicable, the agency shall award grant and loan amounts with a reasonable balance between nonmetropolitan and metropolitan areas of the state.

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

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

Sec. 15. Minnesota Statutes 2020, section 462A.33, is amended by adding a subdivision to read:

Subd. 9. Report. By January 15 of each year, the agency must report to the legislative committees with jurisdiction over housing the following with respect to activities of the program created by this section during the prior fiscal year:

1) the number of units of new construction and number of rehabilitated units funded by county; and
2) the number of owner-occupied units and number of rental units funded by county.

Sec. 26. Minnesota Statutes 2020, section 462A.39, is amended by adding a subdivision to read:

Subd. 5a. No change in project scope. (a) When a contingency is provided in a grant award under this section, changes to the project made by the developer to meet the contingency shall not be considered a change in project scope and the grant must be funded, provided that:

1) the number of affordable units is not reduced;
2) an increase in the number of affordable units is allowed if required to cover the increased financial costs of meeting the agency contingency; and
3) additional state funds are not solicited for the project.

(b) Additional local matching funds may be solicited for the project under this subdivision, including but not limited to funds from local units of government.

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

Sec. 27. Minnesota Statutes 2020, section 462A.39, subdivision 6, is amended to read:

Subd. 6. Report. Beginning By January 15, 2018, of each year, the commissioner must annually submit a report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over taxes, workforce development, and housing specifying the projects that received grants or deferred loans under this section and the specific purposes for which the grant funds were used. The report must include a
breakdown of the amount issued in loans and the amount issued in grants for the prior fiscal
year, together with the number of new units funded and the number of rehabilitated units
funded in the prior fiscal year.

Sec. 28. [462A.41] PROGRAM FOR MANUFACTURED HOME MORTGAGE
FINANCING AND DOWN PAYMENT ASSISTANCE FOR CERTAIN
MANUFACTURED HOMES.

(a) By August 1, 2023, the agency, in conjunction with Fannie Mae’s HomeReady
program or other federal mortgage programs that may authorize it, must develop and
implement a program that offers mortgage financing and down payment assistance for
purchasers of eligible manufactured homes.

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

(c) The agency may include manufactured homes in private parks as an eligible
manufactured home if allowed under federal law. The commissioner must report to the
chairs and ranking minority members of the legislative committees with jurisdiction over
housing by August 1, 2023, on steps required to set up a similar program for manufactured
homes in private parks if they do not qualify under federal law.

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

Sec. 29. Minnesota Statutes 2020, section 471.9996, subdivision 1, is amended to read:

Subdivision 1. In general Prohibition.
(a) No statutory or home rule charter city, county,
residential area may adopt or renew by ordinance or otherwise any law to control rents on private
residential property except as provided in subdivision 2. This section does not impair the
right of any statutory or home rule charter city, county, or town:
(1) to manage or control property in which it has a financial interest through a housing
authority or similar agency;
(2) to contract with a property owner;
(3) to act as required or authorized by laws or regulations of the United States government
or this state; or
(4) to mediate between property owners and tenants for the purpose of negotiating rents.
(b) Nothing in this section shall be deemed to limit or restrict the classification of
low-income rental property as class 4d under section 273.13, subdivision 25.

EFFECTIVE DATE. This section is effective retroactively from November 1, 2021.
Sec. 30. Minnesota Statutes 2020, section 474A.061, subdivision 2a, is amended to read:

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

1. preservation projects;
2. 30 percent AMI residential rental projects;
3. 50 percent AMI residential rental projects;
4. 100 percent LIHTC projects;
5. 20 percent LIHTC projects; and
6. other residential rental projects for which the amount of bonds requested in their respective applications do not exceed the aggregate bond limitation.

If there are two or more applications for residential rental projects at the same priority level and there is insufficient bonding authority to provide allocations for all the projects in any one allocation period, available bonding authority shall be randomly awarded by giving preference for projects with a lower cost per square foot but only for projects that can receive the full amount of their respective requested allocations. If a residential rental project does not receive any of its requested allocation pursuant to this paragraph and the project applies for an allocation of bonds again in the same calendar year or to the next successive housing pool, the project shall be fully funded up to its original application request for bonding authority before any new project, applying in the same allocation period, that has an equal priority shall receive bonding authority. An issuer that receives an allocation under this paragraph must issue obligations equal to all or a portion of the allocation received on or before 180 days of the allocation. If an issuer that receives an allocation under this paragraph does not issue obligations equal to all or a portion of the allocation received within the time period provided in this paragraph or returns the allocation to the commissioner, the amount of the allocation is canceled and returned for reallocation through the housing pool or to the unified pool after July 1.

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

1. the housing program must meet a locally identified housing need and be economically viable.
(2) the adjusted income of home buyers may not exceed 80 percent of the greater of statewide or area median income as published by the Department of Housing and Urban Development, adjusted for household size;

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

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

Applications by a consortium shall include the name of each member of the consortium and the amount of allocation requested by each member;

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

Any city that received an allocation pursuant to paragraph (f) in the same calendar year that wishes to issue bonds on its own behalf or pursuant to a joint powers agreement for an amount becoming available for single-family housing programs after June 15 shall notify the Minnesota Housing Finance Agency by June 15. The Minnesota Housing Finance Agency shall notify each city making a request of the amount of its allocation within three business days after June 15. The city must comply with paragraph (f);

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

(d) The total amount of allocation for mortgage bonds for one city is limited to the lesser of: (i) the amount requested; or (ii) the product of the total amount available for mortgage bonds from the housing pool, multiplied by the ratio of each applicant's population as determined by the most recent estimate of the city's population released by the state demographer's office to the total of all the applicants' population, except that each applicant shall be allocated a minimum of $100,000 regardless of the amount requested or the amount
67.11 determined under the formula in clause (ii). If a city applying for an allocation is located
67.12 within a county that has also applied for an allocation, the city's population will be deducted
67.13 from the county's population in calculating the amount of allocations under this paragraph.
67.14 Upon determining the amount of each applicant's allocation, the agency shall forward
67.15 to the commissioner a list specifying the amounts allotted to each application with all
67.16 application fees and deposits from applicants who choose to have the agency issue bonds
67.17 on their behalf.
67.18 Total allocations from the housing pool for single-family housing programs may not
67.19 exceed 27 percent of the adjusted allocation to the housing pool until after June 15 in 2020
67.20 and 2021; after which the allocations may not exceed 31 percent of the adjusted allocation
67.21 to the housing pool until after June 15.
67.22 (e) The agency may issue bonds on behalf of participating cities. The agency shall request
67.23 an allocation from the commissioner for all applicants who choose to have the agency issue
67.24 bonds on their behalf and the commissioner shall allocate the requested amount to the
67.25 agency. The agency may request an allocation at any time after the second Tuesday in
67.26 January and through the last Monday in June. After awarding an allocation and receiving
67.27 a notice of issuance for the mortgage bonds issued on behalf of the participating cities, the
67.28 commissioner shall transfer the application deposits to the Minnesota Housing Finance
67.29 Agency to be returned to the participating cities. The Minnesota Housing Finance Agency
67.30 shall return any application deposit to a city that paid an application deposit under paragraph
67.31 (b), clause (4), but was not part of the list forwarded to the commissioner under paragraph
67.32 (d).
67.33 (f) A city may choose to issue bonds on its own behalf or through a joint powers
67.34 agreement and may request an allocation from the commissioner by forwarding an application
68.1 with an application fee pursuant to section 474A.03, subdivision 4, and a one percent
68.2 application deposit to the commissioner no later than the Monday of the week preceding
68.3 an allocation. If the total amount requested by all applicants exceeds the amount available
68.4 in the pool, the city may not receive a greater allocation than the amount it would have
68.5 received under the list forwarded by the Minnesota Housing Finance Agency to the
68.6 commissioner. No city may request or receive an allocation from the commissioner until
68.7 the list under paragraph (d) has been forwarded to the commissioner. A city must request
68.8 an allocation from the commissioner no later than the last Monday in June. No city may
68.9 receive an allocation from the housing pool for mortgage bonds which has not first applied
68.10 to the Minnesota Housing Finance Agency. The commissioner shall allocate the requested
68.11 amount to the city or cities subject to the limitations under this paragraph.
68.12 If a city issues mortgage bonds from an allocation received under this paragraph, the
68.13 issuer must provide for the recycling of funds into new loans. If the issuer is not able to
68.14 provide for recycling, the issuer must notify the commissioner in writing of the reason that
68.15 recycling was not possible and the reason the issuer elected not to have the Minnesota
68.16 Housing Finance Agency issue the bonds. "Recycling" means the use of money generated
from the repayment and prepayment of loans for further eligible loans or for the redemption
of bonds and the issuance of current refunding bonds;

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

(h) A city that does not use at least 50 percent of its allotment by the date applications
are due for the first allocation that is made from the housing pool for single-family housing
programs in the immediately succeeding calendar year may not apply to the housing pool
for a single-family mortgage bond or mortgage credit certificate program allocation that
exceeds the amount of its allotment for the preceding year that was used by the city in the
immediately preceding year or receive an allotment from the housing pool in the succeeding
calendar year that exceeds the amount of its allotment for the preceding year that was used
in the preceding year. The minimum allotment is $100,000 for an allocation made prior to
June 15, regardless of the amount used in the preceding calendar year; except that a city
whose allocation in the preceding year was the minimum amount of $100,000 and who did
not use at least 50 percent of its allocation from the preceding year is ineligible for an
allocation in the immediate succeeding calendar year. Each local government unit in a
consortium must meet the requirements of this paragraph;

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 31. Minnesota Statutes 2020, section 474A.091, subdivision 3, is amended to read:

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

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

(1) applications for residential rental project bonds;

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

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

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

(1) applications for student loan bonds issued by or on behalf of the Minnesota Office
of Higher Education;
applications for mortgage bonds;  
(3) applications for public facility projects funded by public facility bonds;  
(4) applications for small issue bonds for manufacturing projects;  
(5) applications for small issue bonds for agricultural development bond loan projects;  
(6) applications for residential rental project bonds;  
(7) applications for enterprise zone facility bonds;  
(8) applications for governmental bonds; and  
(9) applications for redevelopment bonds.

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

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

(f) If there are two or more applications for residential rental projects from the unified pool and there is insufficient bonding authority to provide allocations for all residential rental projects in any one allocation period, the available bonding authority shall be awarded in the following order of priority: (1) preservation projects; (2) 30 percent AMI residential rental projects; (3) 50 percent AMI residential rental projects for which the amount of bonds requested in their respective applications do not exceed the aggregate bond limitations; (4) 100 percent LIHTC projects; (5) 20 percent LIHTC projects; and (6) other residential rental projects. If there are two or more applications for residential rental projects at the same priority level and there is insufficient bonding authority to provide allocations for all the projects in any one allocation period, available bonding authority shall be randomly awarded by lot giving preference for projects with a lower cost per square foot but only for projects that can receive the full amount of their respective requested allocations. If a residential rental project does not receive any of its requested allocation pursuant to this paragraph and the project applies in the next successive housing pool or the next successive unified pool for an allocation of bonds, the project shall be fully funded up to its original application.  

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request for bonding authority before any new project, applying in the same allocation period, that has an equal priority shall receive bonding authority.

(g) From the first Monday in July through the last Monday in November, $20,000,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the small issue pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the small issue pool for that year, whichever is less, is reserved within the unified pool for small issue bonds to the extent the amounts are available within the unified pool.

(h) The total amount of allocations for mortgage bonds from the housing pool and the unified pool may not exceed:
   (1) $10,000,000 for any one city; or
   (2) $20,000,000 for any number of cities in any one county.

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

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

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

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

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 32. Laws 2021, First Special Session chapter 8, article 6, section 1, subdivision 7, is amended to read:

Subd. 7. Report. (a) No later than February 1, 2022, the task force shall submit an initial report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over housing and preventing homelessness on its findings and recommendations.

(b) No later than December 15, 2022, the task force shall submit a final report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over housing and preventing homelessness on its findings and recommendations.
Sec. 33. **PROHIBITION OF GRANT FUNDS FOR HIRING A LOBBYIST.**

No grant funds awarded by the Housing Finance Agency may be used to hire a lobbyist as defined in Minnesota Statutes, section 10A.01, subdivision 21.

Sec. 34. **REPORT ON HOMEOWNERSHIP OPPORTUNITIES.**

(a) The Housing Finance Agency must complete a report regarding the impact on the housing market and homeownership opportunities of corporate entities, including but not limited to pension funds, investment funds, an employee welfare benefit fund, a mutual fund, life insurance companies, a common trust of a bank or other trustee established for the investment and reinvestment of money contributed to it, a real estate investment trust, or an investment company as defined in United States Code, title 15, section 80a-3, purchasing single-family homes and converting them to rental properties. The report must review the impact corporate entities are having on the availability and the purchase price of single-family homes and the ability of prospective home buyers to purchase owner-occupied homes throughout the United States. The report must also include but is not limited to an examination of the following:

1. the current housing market, including an analysis of supply and demand, in Minnesota, in the Twin Cities metropolitan area, and within the cities of Minneapolis and St. Paul;
2. the impact, both nationally and within Minnesota, on homeownership opportunities, including opportunities for Black, Indigenous, and people of color in cities or regions where corporate entities have purchased 20 or more single-family homes and converted them to single-family rentals as compared to similar communities where corporate entities are not buying single-family homes and converting them to rental properties;
3. the impact of corporate ownership on the maintenance of the residential properties and the impact on nearby property values;
4. whether the purchase of single-family homes by corporate entities has led to increases in regulatory burdens and costs for renters and the local governments where the corporate entities are purchasing homes; and
5. if other states or local governments across the country have proposed any conditions or solutions to mitigate the impact of corporate entities buying single-family homes.

(b) The agency must consult with stakeholders, including renters, realtors, local landlords, financers and lending institutions, home investors, nonprofits supporting renters, and local units of government during the preparation of this report. The agency must also consult relevant academic literature and may consult with academic institutions and the Federal Reserve during the preparation of this report.

(c) The report must be submitted to the chairs and ranking minority members of the legislative committees with jurisdiction over housing by August 1, 2023.
Sec. 35. REPORT ON RENT CONTROL; PROHIBITION ON USE OF FUNDS.

(a) The Housing Finance Agency must complete a report regarding the impact of rent control on housing markets. The report must explore the impact of rent control throughout the United States, and may explore international housing markets. The report must also include but is not limited to an examination of the following:

(1) the current housing market, including an analysis of supply and demand, in Minnesota, in the Twin Cities metropolitan area, and within the cities of Minneapolis and St. Paul;

(2) the impact, both nationally and within Minnesota, on the construction of new housing units within jurisdictions that have enacted rent control policies, as well as on nearby jurisdictions without rent control policies;

(3) the impact of rent control on the maintenance of residential properties;

(4) whether enactment of rent control policies has led to increases in other regulatory burdens related to housing in jurisdictions that have imposed rent control; and

(5) how rent control policies enacted within Minnesota compare to policies in jurisdictions across the United States, including how various jurisdictions define "rent" for the purposes of their policies, whether such policies exempt new construction, whether such policies allow for tenancy decontrol, and how "fair return on investment" policies operate in other jurisdictions with rent control policies, including an examination of how such policies are administered and the criteria used to determine what constitutes a fair return on investment.

(b) The agency must consult with stakeholders, including renters, landlords, developers, tradespeople, financers and lending institutions, and local governments during the preparation of the report. The agency must also consult relevant academic literature and may consult with academic institutions during the preparation of the report.

(c) The report must be submitted to the chairs and ranking minority members of the legislative committees with jurisdiction over housing by August 1, 2023.

(d) Until the report required by this section is delivered, the Housing Finance Agency must not use any funds from any source on multifamily housing projects in cities that have adopted a rent control ordinance.

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

Sec. 36. REPEALER.

Minnesota Statutes 2020, section 471.9996, subdivision 2, is repealed.

EFFECTIVE DATE. This section is effective retroactively from November 1, 2021.
ARTICLE 5

HOUSING FINANCE TECHNICAL CHANGES

Section 1. Minnesota Statutes 2020, section 462A.03, subdivision 13, is amended to read:

 Sec. 4. Minnesota Statutes 2020, section 462A.03, subdivision 13, is amended to read:

 Sec. 3. Minnesota Statutes 2020, section 462A.03, subdivision 13, is amended to read:

 Subd. 13. Eligible mortgagor. "Eligible mortgagor" means a nonprofit or cooperative housing corporation; the Department of Administration for the purpose of developing community-based programs as defined in section 252.50; a limited profit entity or a builder as defined by the agency in its rules, which sponsors or constructs residential housing as defined in subdivision 7; or a natural person of low or moderate income, except that the return to a limited dividend entity shall not exceed 15 percent of the capital contribution of the investors or such lesser percentage as the agency shall establish in its rules, provided that residual receipts funds of a limited dividend entity may be used for agency-approved, housing-related investments owned by the limited dividend entity without regard to the limitation on returns. Owners of existing residential housing occupied by renters shall be eligible for rehabilitation loans, only if, as a condition to the issuance of the loan, the owner agrees to conditions established by the agency in its rules relating to rental or other matters that will ensure that the housing will be occupied by persons and families of low or moderate income. The agency shall require by rules that the owner give preference to those persons of low or moderate income who occupied the residential housing at the time of application for the loan.

 Subd. 14a. Rehabilitation loans; existing owner-occupied residential housing. It may make loans to persons and families of low and moderate income to rehabilitate or to assist in rehabilitating existing residential housing owned and occupied by those persons or families. Rehabilitation may include replacement of manufactured homes. No loan shall be made unless the agency determines that the loan will be used primarily for rehabilitation work necessary for health or safety, essential accessibility improvements, or to improve the energy efficiency of the dwelling. No loan for rehabilitation of owner-occupied residential housing shall be denied solely because the loan will not be used for placing the residential housing in full compliance with all state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing. The amount of any loan shall not exceed the lesser of (a) a maximum loan amount determined under rules adopted by the agency not to exceed $40,000; or (b) the actual cost of the work performed; or (c) that portion of the cost of rehabilitation which the agency determines cannot otherwise be paid by the person or family without the expenditure of an unreasonable portion of the income of the person or family. Loans made in whole or in part with federal funds may exceed the maximum loan amount to the extent necessary to comply with federal lead abatement requirements prescribed by the funding source. In making loans, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion of the loan will be repaid and shall determine the appropriate security for the loan.
Sec. 2. Minnesota Statutes 2021 Supplement; section 462A.05; subdivision 14, is amended to read:

Subd. 14. Rehabilitation loans. It may agree to purchase, make, or otherwise participate in the making; and may enter into commitments for the purchase, making, or participation in the making; of eligible loans for rehabilitation, with terms and conditions as the agency deems advisable, to persons and families of low and moderate income, and to owners of existing residential housing for occupancy by such persons and families, for the rehabilitation of existing residential housing owned by them. Rehabilitation may include the addition or rehabilitation of a detached accessory dwelling unit. The loans may be insured or uninsured and may be made with security, or may be unsecured, as the agency deems advisable. The loans may be in addition to or in combination with long-term eligible mortgage loans under subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness secured by the property, if refinancing is determined by the agency to be necessary to permit the owner to meet the owner's housing cost without expending an unreasonable portion of the owner's income thereon. No loan for rehabilitation shall be made unless the agency determines that the loan will be used primarily to make the housing more desirable to live in, to increase the market value of the housing, for compliance with state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing, or to accomplish energy conservation related improvements. In unincorporated areas and municipalities not having codes and standards, the agency may, solely for the purpose of administering the provisions of this chapter, establish codes and standards. No loan under this subdivision for the rehabilitation of owner-occupied housing shall be denied solely because the loan will not be used for placing the owner-occupied residential housing in full compliance with all state, county, or municipal building, housing maintenance, fire, health, or similar codes and standards applicable to housing. Rehabilitation loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part, from private lenders upon equivalent terms and conditions. Accessibility rehabilitation loans authorized under this subdivision may be made to eligible persons and families without limitations relating to the maximum incomes of the borrowers if:

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

2. home care is appropriate; and

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

EFFICIENT DATE. This section is effective the day following final enactment.
The agency may waive any requirement that the housing units in a residential housing development be rented to persons of low and moderate income if the development consists of four or less dwelling units, one of which is occupied by the owner.

Subd. 10.

Sec. 3. Minnesota Statutes 2020, section 462A.05, is amended by adding a subdivision to read:

Subd. 42. Indian Tribes. Notwithstanding any other provision in this chapter, at its discretion the agency may make any federally recognized Indian Tribe in Minnesota, or their associated Tribally Designated Housing Entity (TDHE) as defined by United States Code, title 25, section 4103(22), eligible for funding authorized under this chapter.

Subd. 43. Housing disparities. The agency must prioritize its use of appropriations for any program under this chapter to serve households most affected by housing disparities.

Sec. 4. Minnesota Statutes 2020, section 462A.05, is amended by adding a subdivision to read:

Subd. 43. Human rights. It may establish and enforce such rules as may be necessary to ensure compliance with chapter 363A, and to ensure that occupancy of housing assisted under this chapter shall be open to all persons, and that contractors and subcontractors engaged in the construction of such housing shall provide an equal opportunity for employment to all persons, without discrimination as to race, color, creed, religion, national origin, sex, marital status, age, and status with regard to public assistance or disability.

Subd. 9. Priority where State Building Code is adopted. It may establish such rules as may be necessary to ensure that priority for assistance by the agency will be given to projects located in municipal jurisdictions or counties, which have adopted the uniform State Building Code.

Sec. 6. Minnesota Statutes 2020, section 462A.07, subdivision 9, is amended to read:

Subd. 9. Priority where State Building Code is adopted. It may establish such rules as may be necessary to ensure compliance with chapter 363A, and to ensure that occupancy of housing assisted under this chapter shall be open to all persons, and that contractors and subcontractors engaged in the construction of such housing shall provide an equal opportunity for employment to all persons, without discrimination as to race, color, creed, religion, national origin, sex, marital status, age, and status with regard to public assistance or disability.

Sec. 6. Minnesota Statutes 2020, section 462A.07, subdivision 14, is amended to read:

Subd. 9. Human rights. It may establish and enforce such rules as may be necessary to ensure compliance with chapter 363A, and to ensure that occupancy of housing assisted under this chapter shall be open to all persons, and that contractors and subcontractors engaged in the construction of such housing shall provide an equal opportunity for employment to all persons, without discrimination as to race, color, creed, religion, national origin, sex, marital status, age, and status with regard to public assistance or disability.

Sec. 9. Minnesota Statutes 2020, section 462A.07, subdivision 10, is amended to read:

Subd. 10. Human rights. It may establish and enforce such rules as may be necessary to ensure compliance with chapter 363A, and to ensure that occupancy of housing assisted under this chapter shall be open to all persons, and that contractors and subcontractors engaged in the construction of such housing shall provide an equal opportunity for employment to all persons, without discrimination as to race, color, creed, religion, national origin, sex, marital status, age, and status with regard to public assistance or disability.

Sec. 10. Minnesota Statutes 2020, section 462A.07, subdivision 14, is amended to read:

Subd. 10. Human rights. It may establish and enforce such rules as may be necessary to ensure compliance with chapter 363A, and to ensure that occupancy of housing assisted under this chapter shall be open to all persons, and that contractors and subcontractors engaged in the construction of such housing shall provide an equal opportunity for employment to all persons, without discrimination as to race, color, creed, religion, national origin, sex, marital status, age, and status with regard to public assistance or disability.
House Language H4366-3

May 02, 2022 07:56 PM

Senate Language UEH4366-1

not exceed an amount equal to 25 percent of the total dollar amount of all loans closed by that lender during the same fiscal year. In developing such housing programs, the tribe, band, or communities shall take into account the housing needs of all American Indians residing both on and off reservations within the state. A plan for each such program, which specifically describes the program content, utilization of funds, administration, operation, implementation and other matter, as determined by the agency, must be submitted to the agency for its review and approval prior to the making of eligible loans pursuant to section 462A.21. Such programs must conform to rules promulgated by the agency concerning program administration, including but not limited to rules concerning costs of administration; the quality of housing; interest rates, fees, and charges in connection with making eligible loans; and other matters determined by the agency to be necessary in order to effectuate the purposes of this subdivision and section 462A.21. Subdivisions 4b and 4c. All such programs must provide for a reasonable balance in the distribution of funds appropriated for the purpose of this subdivision and section 462A.21. Subdivisions 4b and 4c. All such programs must provide for a reasonable balance in the distribution of funds appropriated for the purpose of this section between American Indians residing on and off reservations within the state. Nothing in this section shall preclude such tribe, band, or communities from requesting and receiving cooperation, advice, and assistance from the agency as regards program development, operation, delivery, financing, or administration. As a condition to the making of such eligible loans, the Minnesota Chippewa tribe, the Red Lake band of Chippewa Indians, and the Sioux communities shall:

(1) enter into a loan agreement and other contractual arrangements with the agency for the purpose of transferring the allocated portion of loan funds and to ensure compliance with the provisions of this section and this chapter;

(2) agree that all of their official books and records related to such housing programs shall be subject to audit by the legislative auditor in the manner prescribed for agencies of state government.

The agency shall submit a biennial report concerning the various housing programs for American Indians, and related receipts and expenditures as provided in section 462A.22, subdivision 9, and such tribe, band, or communities to the extent that they administer such programs, shall be responsible for any costs and expenses related to such administration provided, however, they shall be eligible for payment for costs, expenses, and services pursuant to subdivision 12 and section 462A.21. The agency may provide or cause to be provided essential general technical services as set forth in subdivision 2, and general consultative project assistance services, including, but not limited to, management training, and home ownership counseling as set forth in subdivision 3. Members of boards, committees, or other governing bodies of the tribe, band, and communities administering the programs authorized by this subdivision must be compensated for those services as provided in section 15.0575.

(b) The agency may engage in demonstration projects to encourage the participation of financial institutions or other leveraging sources in providing housing opportunities for American Indians. The agency shall consult with the Minnesota Chippewa tribe, the Red Lake band of Chippewa Indians, and the Sioux communities in developing the demonstration projects.
projects. The income limits specified in paragraph (a) do not apply to the demonstration projects.

(c) The agency may make home improvement loans under this subdivision without regard to household income.

Sec. 8. Minnesota Statutes 2020, section 462A.204, subdivision 3, is amended to read:

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

Sec. 9. Minnesota Statutes 2020, section 462A.21, subdivision 4a, is amended to read:

Subd. 4a. Correction of housing defects. It may make rehabilitation grants and expenditures for correction of residential housing defects as provided in section 462A.05, subdivisions 15 and 16. In order to ensure the preservation of the maximum number of housing units with the money appropriated by the legislature, grants shall be recovered by the agency to the extent provided in this section to be used for future grants. Grants made under the terms of this subdivision shall contain a requirement that the grant be recovered by the agency in accordance with the following schedule:

(1) if the property is sold, transferred, or otherwise conveyed within the first three years after the date of a grant, the recipient shall repay the full amount of the grant;

(2) if the property is sold, transferred, or otherwise conveyed within the fourth year after the date of a grant, the recipient shall repay 75 percent of the amount of the grant;

(3) if the property is sold, transferred, or otherwise conveyed within the fifth year after the date of a grant, the recipient shall repay 50 percent of the amount of the grant;

(4) if the property is sold, transferred, or otherwise conveyed within the sixth year after the date of a grant, the recipient shall repay 25 percent of the amount of the grant;

(5) if the property is sold, transferred, or otherwise conveyed within the seventh year after the date of the grant, or thereafter, there is no repayment requirement; provided that no repayment is required to the extent that the grants are made to improve the accessibility of residential housing to a disabled occupant.

Sec. 10. Minnesota Statutes 2020, section 462A.22, subdivision 1, is amended to read:

Subdivision 1. Debt ceiling. The aggregate principal amount of general obligation bonds and notes which are outstanding at any time, excluding the principal amount of any bonds and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of $5,000,000,000.
Sec. 16. Minnesota Statutes 2020, section 462A.36, is amended by adding a subdivision to read:

Subd. 2a. **Refunding bonds.** (a) The agency may issue nonprofit housing bonds in one or more series to refund bonds authorized in subdivision 2. The amount of refunding nonprofit housing bonds that may be issued from time to time will not be subject to the dollar limitation contained in subdivision 2 nor will those bonds be included in computing the amount of bonds that may be issued within that dollar limitation.

(b) In the refunding of nonprofit housing bonds, each bond must be called for redemption prior to its maturity in accordance with its terms no later than the earliest date on which it may be redeemed. No refunding bonds may be issued unless as of the date of the refunding bonds the present value of the dollar amount of the debt service on the refunding bonds, computed to their stated maturity dates, is lower than the present value of the dollar amount of debt service on all nonprofit housing bonds refunded computed to their stated maturity dates. For purposes of this subdivision, "present value of the dollar amount of debt service" means the dollar amount of debt service to be paid, discounted to the nominal date of the refunding bonds at a rate equal to the yield on the refunding bonds.

(c) If as a result of the issuance of refunding bonds the amount of debt service for an annual period is less than the amount transferred by the commissioner of management and budget to pay debt service for that annual period, the agency must deduct the excess amount from the actual amount of debt service on those bonds certified for the next subsequent annual period.

Sec. 17. Minnesota Statutes 2020, section 462A.36, subdivision 4, is amended to read:

Subd. 2a. **Refunding bonds.** (a) The agency may issue nonprofit housing bonds in one or more series to refund bonds authorized in subdivision 2. The amount of refunding nonprofit housing bonds that may be issued from time to time will not be subject to the dollar limitation contained in subdivision 2 nor will those bonds be included in computing the amount of bonds that may be issued within that dollar limitation.

(b) In the refunding of nonprofit housing bonds, each bond must be called for redemption prior to its maturity in accordance with its terms no later than the earliest date on which it may be redeemed. No refunding bonds may be issued unless as of the date of the refunding bonds the present value of the dollar amount of the debt service on the refunding bonds, computed to their stated maturity dates, is lower than the present value of the dollar amount of debt service on all nonprofit housing bonds refunded computed to their stated maturity dates. For purposes of this subdivision, "present value of the dollar amount of debt service" means the dollar amount of debt service to be paid, discounted to the nominal date of the refunding bonds at a rate equal to the yield on the refunding bonds.

(c) If as a result of the issuance of refunding bonds the amount of debt service for an annual period is less than the amount transferred by the commissioner of management and budget to pay debt service for that annual period, the agency must deduct the excess amount from the actual amount of debt service on those bonds certified for the next subsequent annual period.
"Community land trust" means an entity that meets the requirements of section 462A.31, subdivisions 1 and 2.

Debt service means the amount payable in any fiscal year of principal, premium, if any, and interest on housing infrastructure bonds and the fees, charges, and expenses related to the bonds.

Foreclosed property means residential property where foreclosure proceedings have been initiated or have been completed and title transferred or where title is transferred in lieu of foreclosure.

"Housing infrastructure bonds" means bonds issued by the agency under this chapter that:

1. are qualified 501(c)(3) bonds, within the meaning of section 145(a) of the Internal Revenue Code;
2. finance qualified residential rental projects within the meaning of section 142(d) of the Internal Revenue Code; or
3. finance the construction or rehabilitation of single-family houses that qualify for mortgage financing within the meaning of section 133 of the Internal Revenue Code; or
4. are tax-exempt bonds that are not private activity bonds, within the meaning of section 141(a) of the Internal Revenue Code, for the purpose of financing or refinancing affordable housing authorized under this chapter.

Internal Revenue Code means the Internal Revenue Code of 1986, as amended.

"Senior" means a person 55 years of age or older with an annual income not greater than 50 percent of:

1. the metropolitan area median income for persons in the metropolitan area; or
2. the statewide median income for persons outside the metropolitan area.

"Senior household" means a household with one or more senior members and with an annual combined income not greater than 50 percent of:

1. the metropolitan area median income for persons in the metropolitan area; or
2. the statewide median income for persons outside the metropolitan area.

"Senior housing" means housing intended and operated for occupancy by at least one senior per unit senior households with at least 80 percent of the units occupied by at least one senior per unit senior households, and for which there is publication of, and adherence to, policies and procedures that demonstrate an intent by the owner or manager to provide housing for seniors. Senior housing may be developed in conjunction with and as a distinct portion of mixed-income senior housing developments that use a variety of public or private financing sources.
"Supportive housing" means housing that is not time-limited and provides or coordinates with linkages to services necessary for residents to maintain housing stability and maximize opportunities for education and employment.

Sec. 14. Minnesota Statutes 2020, section 462A.37, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

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

(2) are at significant risk of lacking a permanent residence for 12 months or at least four times in the last three years.
Among comparable proposals for senior housing, the agency must give priority to requests for projects that:

1. Demonstrate a commitment to maintaining the housing financed as affordable to senior households;
2. Leverage other sources of funding to finance the project, including the use of low-income housing tax credits;
3. Provide access to services to residents and demonstrate the ability to increase physical supports and support services as residents age and experience increasing levels of disability;
4. Provide a service plan containing the elements of clause (3) reviewed by the housing authority, economic development authority, public housing authority, or community development agency that has an area of operation for the jurisdiction in which the project is located; and
5. Include households with incomes that do not exceed 30 percent of the median household income for the metropolitan area.

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

Sec. 15. Minnesota Statutes 2020, section 462A.37, is amended by adding a subdivision to read:

Subd. 2i. Refunding bonds. (a) The agency may issue housing infrastructure bonds in one or more series to refund bonds authorized in this section. The amount of refunding housing infrastructure bonds that may be issued from time to time will not be subject to the dollar limitation contained in any of the authorizations in this section nor will those bonds be included in computing the amount of bonds that may be issued within those dollar limitations.

(b) In the refunding of housing infrastructure bonds, each bond must be called for redemption prior to its maturity in accordance with its terms no later than the earliest date on which it may be redeemed. No refunding bonds may be issued unless as of the date of the refunding bonds the present value of the dollar amount of the debt service on the refunding bonds, computed to their stated maturity dates, is lower than the present value of the dollar amount of debt service on all housing infrastructure bonds refunded computed to their stated maturity dates. For purposes of this subdivision, "present value of the dollar..."
amount of debt service" means the dollar amount of debt service to be paid, discounted to
the nominal date of the refunding bonds at a rate equal to the yield on the refunding bonds.

(c) If as a result of the issuance of refunding bonds the amount of debt service for an
annual period is less than the amount transferred by the commissioner of management and
budget to pay debt service for that annual period, the agency must deduct the excess amount
from the actual amount of debt service on those bonds certified for the next subsequent
annual period.

Sec. 16. Minnesota Statutes 2020, section 462A.37, subdivision 4, is amended to read:

Subd. 4. Appropriation; payment to agency or trustee. (a) The agency must certify
annually to the commissioner of management and budget the actual amount of annual debt
service on each series of bonds issued under subdivision 2.

(b) Each July 15, beginning in 2013 and through 2035, if any housing infrastructure
bonds issued under subdivision 2, or housing infrastructure bonds issued to refund those
bonds, remain outstanding, the commissioner of management and budget must transfer to
the affordable housing infrastructure bond account established under section 462A.21,
subdivision 33, the amount certified under paragraph (a), not to exceed $2,200,000 annually.
The amounts necessary to make the transfers are appropriated from the general fund to the
commissioner of management and budget.

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

Sec. 17. Minnesota Statutes 2021 Supplement, section 462A.37, subdivision 5, is amended
to read:

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

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

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

Sec. 19. Minnesota Statutes 2020, section 462A.37, subdivision 4, is amended to read:

Subd. 4. Appropriation; payment to agency or trustee. (a) The agency must certify
annually to the commissioner of management and budget the actual amount of annual debt
service on each series of bonds issued under subdivision 2.

(b) Each July 15, beginning in 2013 and through 2035, if any housing infrastructure
bonds issued under subdivision 2, or housing infrastructure bonds issued to refund those
bonds, remain outstanding, the commissioner of management and budget must transfer to
the affordable housing infrastructure bond account established under section 462A.21,
subdivision 33, the amount certified under paragraph (a), not to exceed $2,200,000 annually.
The amounts necessary to make the transfers are appropriated from the general fund to the
commissioner of management and budget.

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

Sec. 20. Minnesota Statutes 2021 Supplement, section 462A.37, subdivision 5, is amended
to read:

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

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

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

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necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

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

The amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

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

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

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

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

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

Sec. 21. Minnesota Statutes 2020, section 462A.38, subdivision 1, is amended to read:

Subdivision 1. Establishment. A workforce and affordable homeownership development program is established to award homeownership development grants to cities, counties, Tribal governments, nonprofit organizations, cooperatives created under chapter 308A or 308B, and community land trusts created for the purposes outlined in section 462A.31, subdivision 1, for development of workforce and affordable homeownership projects. The purpose of the program is to increase the supply of workforce and affordable, owner-occupied multifamily or single-family housing throughout Minnesota.

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

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

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

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

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

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

Sec. 22. Minnesota Statutes 2020, section 462A.39, subdivision 1, is amended to read:

Subdivision 1. Establishment. The commissioner of Minnesota housing finance shall establish a workforce housing development program to award grants to communities with a population exceeding 500; a community that has a combined population of 1,500 residents located within 15 miles of a home rule charter or statutory city located outside the metropolitan area as defined in section 473.121, subdivision 2, or an area served by a joint county-city economic development authority.

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

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

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

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

(e) "Qualified expenditure" means expenditures for owner-occupied housing or market rate residential rental properties including acquisition of property; construction of improvements; and provisions of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing costs.
Sec. 24. Minnesota Statutes 2020, section 462A.39, subdivision 4, is amended to read:

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

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

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

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

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

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

Sec. 25. Minnesota Statutes 2020, section 462A.39, subdivision 5, is amended to read:

Subd. 5. Allocation. The amount of a grant or deferred loans may not exceed 25 percent of the rental housing development project cost. The commissioner shall not award a grant or deferred loans to an eligible project area without certification by a local unit of government, business, or nonprofit organization, or federally recognized Tribe, with $1 for every $2 provided in grant or deferred loans funds.

(a) This appropriation is for the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b, to finance the acquisition, rehabilitation, replacement, and debt restructuring of federally assisted rental property and for making equity take-out loans.
81.20 under Minnesota Statutes, section 462A.05, subdivision 39;
81.22 (b) The owner of federally assisted rental property must agree to participate in the applicable federally assisted housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted;
81.28 (c) The appropriation also may be used to finance the acquisition, rehabilitation, and debt restructuring of existing supportive housing properties and naturally occurring affordable housing as determined by the commissioner.
82.5 For purposes of this paragraph, "supportive housing" means affordable rental housing with links to services necessary for individuals, youth, and families with children to maintain housing stability.

ARTICLE 6

LANDLORD-TENANT LAW

Section 1. Minnesota Statutes 2020, section 363A.09, subdivision 1, is amended to read:

Subdivision 1. Real property interest; action by owner, lessee, and others. It is an unfair discriminatory practice for an owner, lessee, sublessee, assignee, or managing agent of, or other person having the right to sell, rent or lease any real property, or any agent of any of these:

(1) to refuse to sell, rent, or lease otherwise deny to or withhold from any person or group of persons any real property because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, participation in or requirements of a public assistance program, disability, sexual orientation, or familial status; or

(2) to discriminate against any person or group of persons because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, participation in or requirements of a public assistance program, disability, sexual orientation, or familial status in the terms, conditions or privileges of the sale, rental or lease of any real property or in the furnishing of facilities or services in connection therewith, except that nothing in this clause shall be construed to prohibit the adoption of reasonable rules intended to protect the safety of minors in their use of the real property or any facilities or services furnished in connection therewith; or
82.24  (3) in any transaction involving real property, to print, circulate or post or cause to be
82.25  printed, circulated, or posted any advertisement or sign, or use any form of application for
82.26  the purchase, rental or lease of real property, or make any record or inquiry in connection
82.27  with the prospective purchase, rental, or lease of real property which expresses, directly or
82.28  indirectly, any limitation; specification; or discrimination as to race; color; creed; religion;
82.29  national origin, sex, marital status, status with regard to public assistance; participation in
82.30  or requirements of a public assistance program; disability, sexual orientation, or familial
82.31  status, or any intent to make any such limitation; specification; or discrimination except that
82.32  nothing in this clause shall be construed to prohibit the advertisement of a dwelling unit as
82.33  available to adults-only if the person placing the advertisement reasonably believes that the
82.34  provisions of this section prohibiting discrimination because of familial status do not apply
82.35  to the dwelling unit:
83.3  Sec. 2. Minnesota Statutes 2020, section 363A.09, subdivision 2, is amended to read:
83.4  Subd. 2. Real property interest; action by brokers, agents, and others. It is an unfair
83.5  discriminatory practice for a real estate broker, real estate salesperson, or employee, or agent
83.6  thereof:
83.7  (1) to refuse to sell, rent, or lease or to offer for sale, rental, or lease any real property
83.8  to any person or group of persons or to negotiate for the sale, rental, or lease of any real
83.9  property to any person or group of persons because of race; color; creed; religion; national
83.10  origin, sex, marital status; status with regard to public assistance; participation in or
83.11  requirements of a public assistance program; disability; sexual orientation; or familial status
83.12  or represent that real property is not available for inspection, sale; rental; or lease when in
83.13  fact it is so available, or otherwise deny or withhold any real property or any facilities of
83.14  real property to or from any person or group of persons because of race; color; creed; religion;
83.15  national origin; sex; marital status; status with regard to public assistance; participation in
83.16  or requirements of a public assistance program; disability; sexual orientation, or familial
83.17  status; or
83.18  (2) to discriminate against any person because of race; color; creed; religion; national
83.19  origin, sex; marital status; status with regard to public assistance; participation in or
83.20  requirements of a public assistance program; disability; sexual orientation, or familial status
83.21  in the terms, conditions or privileges of the sale; rental or lease of any real property or in the
83.22  furnishing of facilities or services in connection therewith; or
83.23  (3) to print, circulate, or post or cause to be printed, circulated, or posted any
83.24  advertisement or sign, or use any form of application for the purchase, rental, or lease of
83.25  any real property or make any record or inquiry in connection with the prospective purchase,
83.26  rental or lease of any real property, which expresses directly or indirectly, any limitation;
83.27  specification or discrimination as to race; color; creed; religion; national origin; sex; marital
83.28  status; status with regard to public assistance; participation in or requirements of a public
83.29  assistance program; disability; sexual orientation; or familial status or any intent to make
83.30  any such limitation; specification; or discrimination except that nothing in this clause shall
83.31  be construed to prohibit the advertisement of a dwelling unit as available to adults-only if
the person placing the advertisement reasonably believes that the provisions of this section
prohibiting discrimination because of familial status do not apply to the dwelling unit.

Sec. 3. Minnesota Statutes 2020, section 363A.09, is amended by adding a subdivision to
read:

Subd. 2a. Definition; public assistance program. For purposes of this section, "public
assistance program" means federal, state, or local assistance, including but not limited to
rental assistance, rent supplements, and housing choice vouchers.

Sec. 4. Minnesota Statutes 2020, section 484.014, subdivision 2, is amended to read:

Subd. 2. Discretionary expungement. The court may order expungement of an eviction
case court file only upon motion of a defendant and decision by the court, if the court finds
that the plaintiff's case is sufficiently without basis in fact or law, which may include lack
of jurisdiction over the case, that if the court makes the following findings: (1) the eviction
case court file is no longer a reasonable predictor of future tenant behavior; and (2) the
expungement is clearly in the interests of justice and those interests are not outweighed by
the public's interest in knowing about the record.

Sec. 5. Minnesota Statutes 2020, section 484.014, subdivision 3, is amended to read:

Subd. 3. Mandatory expungement. The court shall order expungement of an eviction
case:

1. if the court finds that the defendant occupied real property that was subject to
contract for deed cancellation or mortgage foreclosure and:
   (i) the time for contract cancellation or foreclosure redemption has expired and the
defendant vacated the property prior to commencement of the eviction action; or
   (ii) the defendant was a tenant during the contract cancellation or foreclosure
redemption period and did not receive a notice under section 504B.285, subdivision 1a, 1b,
or 1c, to vacate on a date prior to commencement of the eviction case;

2. if the defendant prevailed on the merits;

3. if the court dismissed the plaintiff's complaint for any reason;

4. if the parties to the action have agreed to an expungement;

5. if the court finds an eviction was ordered at least three years before the date the
expungement was filed; or

6. upon motion of a defendant, if the case is settled and the defendant fulfills the terms
of the settlement.
Sec. 6. [504B.120] PROHIBITED FEES.

Subd. 1. Prohibited fees. Except for actual services rendered for an optional service offered by the landlord, a landlord shall not charge a tenant any nonrefundable fee in relation to a residential tenancy.

Subd. 2. Penalties. A landlord who violates this section is liable to the residential tenant for each unenforceable fee for three times the amount of each fee imposed that was not for an actual optional service or $500, whichever is greater, and the court may award the tenant reasonable attorney fees.

EFFECTIVE DATE. This section applies to leases signed before, on, or after August 1, 2022.

Sec. 7. Minnesota Statutes 2020, section 504B.135, is amended to read:

504B.135 TERMINATING TENANCY AT WILL.

(a) A tenancy at will may be terminated by either party by giving notice in writing. The time of the notice must be at least as long as the interval between the time rent is due or three months, whichever is less.

(b) If a tenant neglects or refuses to pay rent due on a tenancy at will, the landlord may terminate the tenancy by giving the tenant 14 days notice to quit in writing.

Sec. 8. Minnesota Statutes 2020, section 504B.161, subdivision 1, is amended to read:

Subdivision 1. Requirements. (a) In every lease or license of residential premises, the landlord or licensor covenants:

(1) that the premises and all common areas are fit for the use intended by the parties;

(2) to keep the premises in reasonable repair during the term of the lease or license, except when the disrepair has been caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a person under the direction or control of the tenant or licensee;

(3) to make the premises reasonably energy efficient by installing weatherstripping, caulking, storm windows, and storm doors when any such measure will result in energy procurement cost savings, based on current and projected average residential energy costs in Minnesota; that will exceed the cost of implementing that measure, including interest, amortized over the ten-year period following the incurring of the cost; and

(4) to maintain the premises in compliance with the applicable health and safety laws of the state, and of the local units of government where the premises are located during the term of the lease or license, except when violation of the health and safety laws has been caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a person under the direction or control of the tenant or licensee; and
(5) to supply or furnish heat at a minimum temperature of at least 68 degrees Fahrenheit;
measured at a distance of 36 inches above floor level, and not closer than 36 inches from
any wall, from October 1 through April 30.

(b) The parties to a lease or license of residential premises may not waive or modify the
covenants imposed by this section.

Sec. 9. Minnesota Statutes 2020, section 504B.211, subdivision 2, is amended to read:

Subd. 2. Entry by landlord. Except as provided in subdivision 4, a landlord may enter
the premises rented by a residential tenant without the residential tenant's permission
only for a reasonable business purpose and after making a good faith effort to give the residential
tenant reasonable notice under the circumstances of not less than 24 hours in advance of
the intent to enter. The notice must specify a time of entry that does not exceed four hours
and the landlord may only enter between the hours of 8:00 a.m. and 8:00 p.m.; A tenant may
withdraw the tenant's permission at any time; A residential tenant may not waive and the
landlord may not require the residential tenant to waive the residential tenant's right to prior
notice of entry under this section as a condition of entering into or maintaining the lease;

Sec. 10. Minnesota Statutes 2020, section 504B.211, subdivision 6, is amended to read:

Subd. 6. Penalty. If a landlord substantially violates subdivision 2 this section, the
residential tenant is entitled to a penalty which may include a rent reduction up to full
rescission of the lease; recovery of any damage deposit less any amount retained under
section 504B.178; and up to a $100 civil penalty for each violation. If a landlord violates
subdivision 5, the residential tenant is entitled to up to a $100 civil penalty for each violation
damages not less than an amount equal to one month's rent and reasonable attorney fees. A
residential tenant shall follow the procedures in sections 504B.381, 504B.385, and
504B.395 to 504B.471 to enforce the provisions of this section. A violation of this section
by the landlord is a violation of section 504B.161.

EFFECTIVE DATE. This section applies to matters commenced on or after August
1, 2022.

Sec. 11. [504B.266] TERMINATION OF LEASE UPON INFIRMITY OF TENANT.

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

(b) "Authorized representative" means a person acting as an attorney-in-fact under a
power of attorney under section 523.24 or a court-appointed conservator or guardian under
chapter 524.

c) "Disability" means any condition or characteristic that is a physical, sensory, or
mental impairment that materially limits one or more major life activity.

d) "Medical care facility" means:
(1) a nursing home, as defined in section 144A.01; subdivision 5;
(2) hospice care, as defined in section 144A.75; subdivision 8;
(3) a residential hospice facility, as defined in section 144A.75; subdivision 13;
(4) a boarding care home, as licensed under chapter 144 and regulated by the Department of Health under Minnesota Rules, chapter 4655;
(5) a supervised living facility, as licensed under chapter 144;
(6) a facility providing assisted living, as defined in section 144G.08, subdivision 7;
(7) an accessible unit, as defined in section 363A.40, subdivision 1; paragraph (b);
(8) a state facility, as defined in section 246.50; subdivision 3;
(9) a facility providing a foster care for adults program, as defined in section 245A.02; subdivision 6c; or
(10) a facility providing intensive residential treatment services, as defined in section 245I.23;

(2) as advanced practice registered nurse, as defined in section 148.171, subdivision 3;

(3) a mental health professional, as defined in section 245I.04, subdivision 2.

87.10 (e) "Medical professional" means:
87.11 (1) a physician who is currently licensed to practice medicine under section 147.02, subdivision 1;
87.12 (2) an advanced practice registered nurse, as defined in section 148.171, subdivision 3; or
87.13 (3) a mental health professional, as defined in section 245I.04, subdivision 2;

Subd. 2. Termination of lease upon infirmity of tenant. (a) A tenant or the authorized representative of the tenant may terminate the lease before the expiration of the lease in the manner provided in subdivision 3 if the tenant has, or if there is more than one tenant, all the tenants have, been found by a medical professional to need to move into a medical care facility and:

(1) require assistance with instrumental activities of daily living or personal activities of daily living due to medical reasons or a disability;

(2) meet one of the nursing facility level of care criteria under section 144.0724, subdivision 11; or

(3) have a disability or functional impairment in three or more of the areas listed in section 245.462, subdivision 11a, so that self-sufficiency is markedly reduced because of a mental illness;

(b) If a tenant requires an accessible unit as defined in section 363A.40, subdivision 1; and the landlord can provide an accessible unit in the same complex where the tenant

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88.13 currently resides that is available within two months of the request; then the provisions of
88.14 this section do not apply and the tenant may not terminate the lease.
88.15 Subd. 3. Notice. If the conditions in subdivision 2 have been met, the tenant or the
88.16 tenant's authorized representative may terminate the lease by providing at least two months' 
88.17 written notice to be effective on the last day of a calendar month. The notice must be either
88.18 hand delivered or mailed by postage prepaid, first class United States mail. The notice must
88.19 include: (1) a copy of the medical professional's written documentation of the infirmity;
88.20 and (2) documentation showing that the tenant has been accepted as a resident or has a
88.21 pending application at a location where the medical professional has indicated that the tenant
88.22 needs to move. The termination of a lease under this section shall not relieve the eligible
88.23 tenant from liability either for the payment of rent or other sums owed prior to or during
88.24 the notice period, or for the payment of amounts necessary to restore the premises to the
88.25 condition at the beginning of the tenancy, ordinary wear and tear excepted.
88.26 Subd. 4. Waiver prohibited. Any waiver of the rights of termination provided by this
88.27 section, including lease provisions or other agreements that require a longer notice period
88.28 than those provided for in this section, shall be void and unenforceable.
88.29 Subd. 5. Other laws. Nothing in this section affects the rights or remedies available in
88.30 this chapter or other law, including but not limited to chapter 363A.
88.31 EFFECTIVE DATE. This section is effective January 1, 2023, and applies to leases
88.32 entered into or renewed on or after January 1, 2023. For purposes of this section, estates at
88.33 will shall be deemed to be renewed at the beginning of each rental period.
89.1 Sec. 12. Minnesota Statutes 2020, section 504B.291, is amended to read:
89.2 504B.291 EVICTION ACTION FOR NONPAYMENT; REDEMPTION; OTHER
89.3 RIGHTS.
89.4 Subdivision 1. Action to recover. (a) Subject to subdivision 1a, a landlord may bring
89.5 an eviction action for nonpayment of rent irrespective of whether the lease contains a right
89.6 of reentry clause. Such an eviction action is equivalent to a demand for the rent. There is a
89.7 rebuttable presumption that the rent has been paid if the tenant produces a copy or copies
89.8 of one or more money orders or produces one or more original receipt stubs evidencing the
89.9 purchase of a money order, if the documents: (i) total the amount of the rent; (ii) include a
89.10 date or dates approximately corresponding with the date rent was due; and (iii) in the case
89.11 of copies of money orders, are made payable to the landlord. This presumption is rebutted
89.12 if the landlord produces a business record that shows that the tenant has not paid the rent.
89.13 The landlord is not precluded from introducing other evidence that rebuts this presumption.
89.14 In such an action, unless the landlord has also sought to evict the tenant by alleging a material
89.15 violation of the lease under section 504B.285; subdivision 5, the tenant may, at any time
89.16 before possession has been delivered, redeem the tenancy and be restored to possession by
89.17 paying to the landlord or bringing to court the amount of the rent that is in arrears, with
interest, costs of the action, and an attorney's fee not to exceed $5, and by performing any
other covenants of the lease;

(b) If the tenant has paid to the landlord or brought into court the amount of rent in
arrears but is unable to pay the interest, costs of the action, and attorney's fees required by
paragraph (a), the court may permit the tenant to pay these amounts into court and be restored
to possession within the same period of time, if any, for which the court stays the issuance
of the order to vacate under section 504B.345;

(c) Prior to or after commencement of an action to recover possession for nonpayment
of rent, the parties may agree only in writing that partial payment of rent in arrears which
is accepted by the landlord prior to issuance of the order granting restitution of the premises
pursuant to section 504B.345 may be applied to the balance due and does not waive the
landlord's action to recover possession of the premises for nonpayment of rent;

(d) Rental payments under this subdivision must first be applied to rent claimed as due
in the complaint from prior rental periods before applying any payment toward rent claimed
in the complaint for the current rental period, unless the court finds that under the
circumstances the claim for rent from prior rental periods has been waived;

Subd. 1a. Eviction prohibited pending rental assistance application determination. A
landlord may not bring an eviction action for the nonpayment of rent against a tenant, or
proceed with an eviction action for nonpayment of rent if one has already been filed, if the
tenant demonstrates the tenant has a pending application for rental assistance with a federal
agency, state agency, local unit of government, or nonprofit corporation incorporated under
chapter 317A. A landlord may bring an eviction action or proceed on a previously filed
eviction action if the tenant has been denied rental assistance, or within 45 days of notice
by the tenant of a pending application for rental assistance, whichever comes first. A landlord
who is notified that rental assistance for the tenant has been approved shall not file or proceed
with an eviction action for 15 business days pending distribution of the funds awarded. For
purposes of this section, "rental assistance" means funds distributed to provide direct
assistance for the payment of rent:

1. under chapters 256D, 256I, and 256J;

2. under sections 116L.17, 245.99, 256.484, 256k.45, 462A.204, 462C.16, and 477A.30;

3. distributed by or through a county or municipal government;

4. provided by a federal agency to be administered and distributed by the state or local
government; or

5. distributed by a nonprofit that has been funded by the federal, state, or local
government when the funding was provided for the purpose of providing rental assistance;

Subd. 2. Lease greater than 20 years. (a) If the lease under which an action is brought
under subdivision 1 is for a term of more than 20 years, the action may not begin until the
landlord serves a written notice on the tenant and on all creditors with legal or equitable
interest, costs of the action, and an attorney's fee not to exceed $5, and by performing any
other covenants of the lease;
recorded liens on the property. The notice must state: (1) the lease will be canceled unless the amounts, agreements, and legal obligations in default are paid or performed within 30 days, or a longer specified period; and (2) if the amounts, agreements, and legal obligations are not paid or performed within that period, then the landlord may evict the tenant at the expiration of the period.

(b) If the lease provides that the landlord must give more than the 30 days' notice provided in paragraph (a), then notice must be the same as that provided in the lease;

(c) The tenant may be restored to possession of the property under the terms of the original lease if, before the expiration of six months after the landlord obtains possession due to the tenant's abandonment or surrender of the property or the landlord prevails in the action, the tenant or a creditor holding a legal or equitable lien on the property: (1) pays to the landlord or brings into court the amount of rent then in arrears, with interest and the costs of the action; and (2) performs the other agreements or legal obligations that are in default;

Subd. 3. Recording of eviction or ejectment actions. Upon recovery of possession by the landlord in the action, a certified copy of the judgment shall, upon presentation, be recorded in the office of the county recorder of the county where the land is situated if unregistered land or in the office of the registrar of titles of the county if registered land and upon recovery of possession by the landlord by abandonment or surrender by the tenant an affidavit by the landlord or the landlord's attorney setting forth the fact shall be recorded in a like manner and the recorded certified copy of the judgment or the recorded affidavit shall be prima facie evidence of the facts stated therein in reference to the recovery of possession by the landlord.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to evictions filed on or after that date and evictions pending but not yet adjudicated on the date of final enactment.

Sec. 13. Minnesota Statutes 2020, section 504B.321, is amended to read:

504B.321 COMPLAINT AND SUMMONS;

Subdivision 1. Procedure. (a) To bring an eviction action, the person complaining shall file a complaint with the court, stating the full name and date of birth of the person against whom the complaint is made, unless it is not known, describing the premises of which possession is claimed, stating the facts which authorize the recovery of possession, and asking for recovery thereof;

(b) The lack of the full name and date of birth of the person against whom the complaint is made does not deprive the court of jurisdiction or make the complaint invalid;

(c) The court shall issue a summons, commanding the person against whom the complaint is made to appear before the court on a day and at a place stated in the summons.
(d) The appearance shall be not less than seven nor more than 14 days from the day of
issuing the summons, except as provided by subdivision 2;

(e) A copy of the complaint shall be attached to the summons, which shall state that the
copy is attached and that the original has been filed;

(f) If applicable, the person filing a complaint must attach a copy of the written notice
described in subdivision 1a. The court shall dismiss an action without prejudice for failure
to provide a notice as described in subdivision 1a and grant an expungement of the eviction
case court file;

Subd. 1a. Written notice: (a) Before bringing an eviction action alleging nonpayment
of rent, a landlord must provide written notice to the residential tenant specifying the basis
for a future eviction action;

(b) For an allegation of nonpayment of rent or other unpaid financial obligations in
violation of the lease, the landlord must include the following in a written notice:

(1) the total amount due;

(2) a specific accounting of the amount of the total due that is comprised of unpaid rents,
late fees, or other charges under the lease; and

(3) the name and address of the person authorized to receive rent and fees on behalf of
the landlord;

(c) A notice provided under this section must:

(1) provide a disclaimer that a low-income tenant may be eligible for financial assistance
from the county;

(2) provide a description on how to access legal and financial assistance through the
"Law Help" website at www.lawhelpmn.org and "Minnesota 211" through its website
www.211unitedway.org or by calling 211; and

(3) state that the landlord may bring an eviction action following expiration of the 14-day
notice period if the tenant fails to pay the total amount due or fails to vacate;

(d) The landlord or an agent of the landlord must deliver the notice personally or by first
class mail to the residential tenant at the address of the leased premises;

(e) If the tenant fails to correct the rent delinquency within 14 days of the delivery or
mailing of the notice or fails to vacate, the landlord may bring an eviction action under
subdivision 1 based on the nonpayment of rent;

(f) Receipt of a notice under this section is an emergency situation under section 256D.06,
subdivision 2, and Minnesota Rules, chapter 9500. For purposes of chapter 256J and
Minnesota Rules, chapter 9500, a county agency verifies an emergency situation by receiving
and reviewing a notice under this section. If a residential tenant applies for financial assistance from the county, the landlord must cooperate with the application process by:

1. supplying all information and documentation requested by the tenant or the county;
2. accepting or placing into escrow partial rent payments where necessary to establish a tenant's eligibility for assistance;

Subd. 2. Expedited procedure. (a) In an eviction action brought under section 504B.171 or on the basis that the residential tenant is causing a nuisance or other illegal behavior that seriously endangers the safety of other residents, their property, or the landlord's property, the person filing the complaint shall file an affidavit stating specific facts and instances in support of why an expedited hearing is required.

(b) The complaint and affidavit shall be reviewed by a referee or judge and scheduled for an expedited hearing only if sufficient supporting facts are stated and they meet the requirements of this paragraph.

(c) The appearance in an expedited hearing shall be not less than five days nor more than seven days from the date the summons is issued. The summons, in an expedited hearing, shall be served upon the residential tenant within 24 hours of issuance unless the court orders otherwise for good cause shown.

(d) If the court determines that the person seeking an expedited hearing did so without sufficient basis under the requirements of this subdivision, the court shall impose a civil penalty of up to $500 for abuse of the expedited hearing process.

Subd. 3. Nonpublic record. An eviction action is not accessible to the public until the court enters a final judgment.

Sec. 14. Minnesota Statutes 2020, section 504B.375, subdivision 1, is amended to read:

Subdivision 1. Unlawful exclusion or removal. (a) This section applies to actual or constructive removal or exclusion of a residential tenant which may include the termination of utilities or the removal of doors, windows, or locks. A residential tenant to whom this section applies may recover possession of the premises as described in paragraphs (b) to (e);

(b) The residential tenant shall present a verified petition to the district court of the judicial district of the county in which the premises are located that:

1. describes the premises and the landlord;
2. specifically states the facts and grounds that demonstrate that the exclusion or removal was unlawful, including a statement that no writ of recovery of the premises and order to vacate has been issued under section 504B.345 in favor of the landlord and against the residential tenant and executed in accordance with section 504B.365; and
(3) asks for possession;

(c) If it clearly appears from the specific grounds and facts stated in the verified petition or by separate affidavit of the residential tenant or the residential tenant's attorney or agent that the exclusion or removal was unlawful, the court shall immediately order that the residential tenant have possession of the premises;

(d) The residential tenant shall furnish security, if any, that the court finds is appropriate under the circumstances for payment of all costs and damages the landlord may sustain if the order is subsequently found to have been obtained wrongfully. In determining the appropriateness of security, the court shall consider the residential tenant's ability to afford monetary security;

(e) The court shall direct the order to the sheriff of the county in which the premises are located and the sheriff shall execute the order immediately by making a demand for possession on the landlord, if found, or the landlord's agent or other person in charge of the premises. If the landlord fails to comply with the demand, the officer shall take whatever assistance may be necessary and immediately place the residential tenant in possession of the premises. If the landlord, the landlord's agent, or other person in control of the premises cannot be found and if there is no person in charge, the officer shall immediately enter into and place the residential tenant in possession of the premises. The officer shall also serve the order and verified petition or affidavit immediately upon the landlord or agent, in the same manner as a summons is required to be served in a civil action in district court;

(f) The court administrator may charge a filing fee in the amount set for complaints and counterclaims in conciliation court, subject to the filing of an inability to pay affidavit; Sec. 15. Minnesota Statutes 2020, section 504B.381, subdivision 1, is amended to read:

Subdivision 1. Petition. A person authorized to bring an action under section 504B.395, subdivision 1, may petition the court for relief in cases of emergency involving the loss of running water, hot water, heat, electricity, sanitary facilities, or other essential services or facilities that the landlord is responsible for providing;

(1) when a unit of government has issued a condemnation order or a notice of intent to condemn; or

(2) in cases of emergency involving the following services and facilities when the landlord is responsible for providing them:

(i) a serious infestation;

(ii) the loss of running water;

(iii) the loss of hot water;

(iv) the loss of heat;
(v) the loss of electricity;

(vi) the loss of sanitary facilities;

(vii) a nonfunctioning refrigerator;

(viii) if included in the lease, a nonfunctioning air conditioner;

(iv) if included in the lease, no functioning elevator;

(x) any conditions, services, or facilities that pose a serious and negative impact on health or safety; or

(xi) other essential services or facilities.

Sec. 16. Minnesota Statutes 2020, section 504B.381, subdivision 5, is amended to read:

Subd. 5. Relief; service of petition and order. Provided proof that the petitioner has given the notice required in subdivision 4 to the landlord, if the court finds based on the petitioner's emergency ex parte motion for relief, affidavit, and other evidence presented that the landlord violated subdivision 1, then the court shall order that the landlord immediately begin to remedy the violation and may order relief as provided in section 504B.425. The court and petitioner shall serve the petition and order on the landlord personally or by mail as soon as practicable. The court shall include notice of a hearing and, at the hearing, shall consider evidence of alleged violations, defenses, compliance with the order, and any additional relief available under section 504B.425. The court and petitioner shall serve the notice of hearing on the ex parte petition and emergency order personally or by mail as soon as practicable.

Sec. 17. Minnesota Statutes 2020, section 504B.381, is amended by adding a subdivision to read:

Subd. 8. Filing fee. The court administrator may charge a filing fee in the amount set for complaints and counterclaims in conciliation court, subject to the filing of an inability to pay affidavit.