

S.F. No. 3994 – Article 2, Housing Policy

Author: Senator Rich Draheim

Prepared by: Christopher B. Stang, Senate Counsel (651/296-0539)

Date: March 28, 2022

Article 2 – Housing Policy

Section 1 prohibits an executive order that delays eviction proceedings under chapter 504B for more than 30 days. Extensions must be approved by the legislature.

Section 2 is a new section of law that limits regulations on residential development.

Subdivision 1 provides that these restrictions are applicable to zoning ordinances, subdivision regulations, and conditional use permits.

Subdivision 2 relates to planned unit developments (PUD).

Paragraph (a) prohibits a municipality from requiring a planned unit development agreement in lieu of a proposed residential development if the proposed residential development complies with existing ordinances.

Paragraph (b) requires a PUD agreement to be made available to the public at least seven days prior to the governing body's review of the agreement.

Subdivision 3 prohibits a municipality from conditioning approval of a building permit, subdivision development, or planned unit development on the use of specific materials, design, or other aesthetic conditions not required by the State Building Code.

Subdivision 4 exempts from this section a proposed residential development that is to be developed by the municipality or to multifamily rental, commercial, or industrial properties.

Sections 3 to 4 and 16 to 20 authorize the issuance of bonds for refunding previously issued nonprofit housing bonds and housing infrastructure bonds.

Section 5 requires an annual report from MHFA with respect to rehabilitation loan programs.

Section 6 allows the agency to make any federally recognized Indian tribe or associated TDHE eligible for funding under MHFA programs.

Section 7 requires MHFA to prioritize funding for homeownership programs to narrow the racial disparity gap.

Sections 8 to 10 and 13 fixes grammatical errors in statute.

Section 11 requires an annual report from MHFA with respect to manufactured home park infrastructure grants.

Section 12 eliminates the need for a sponsoring resolution for certain family homeless prevention program grants awarded outside the metro area.

Section 14 requires MHFA to award points in the agency's decision making criteria for all programs based on how quickly a project can be constructed.

Section 15 requires an annual report from MHFA with respect to the Challenge program.

Section 21 adds counties to the list of entities that may receive grants under the workforce and affordable homeownership development program.

Section 22 to 25 expand the scope of the workforce housing development program to owner-occupied housing and add federally recognized tribal reservations to the list of "eligible project area" for purposes of the program.

Section 26 provides that when a contingency is included in a grant awarded under the workforce housing program, 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 under specified conditions.

Section 27 requires additional information in an annual report prepared by MHFA under the workforce development program.

Section 28 requires the agency to develop and implement a program that offers mortgage financing and down payment assistance for purchasers of eligible manufactured homes by August 1, 2022.

Section 29 is a conforming change to the repealer in **section 35** which repeals an exception to the rent control prohibition that allows local units of government to impose rent control if approved by voters.

Sections 30 and 31 require that if there are two or more applications for residential rental projects at the same priority level and there is insufficient bonding authority, that available bonding authority be awarded by giving preference to projects with a lower cost per unit instead of randomly.

Section 32 extends until December 15, 2022, the due date of the final report of the task force on shelter.

Section 33 prohibits any grant funds awarded by MHFA to be used to hire a lobbyist.

Section 34 requires MHFA to complete a report by August 1, 2023, regarding the impact of rent control and prohibits the agency from funding multifamily projects in cities that have adopted rent control until the report is delivered.

Section 35 repeals an exception to rent control prohibition that allows local units of government to impose rent control if approved by voters in an election.