

2.1 (b) Of this amount, \$6,292,500 each year shall
 2.2 be made available during the first 11 months
 2.3 of the fiscal year exclusively for housing
 2.4 projects for American Indians. Any funds not
 2.5 committed to housing projects for American
 2.6 Indians within the annual consolidated request
 2.7 for funding processes may be available for
 2.8 any eligible activity under Minnesota Statutes,
 2.9 sections 462A.33 and 462A.07, subdivision
 2.10 14.

2.11 (c) Of the amount in the first year,
 2.12 \$10,000,000 is for a grant to Urban
 2.13 Homeworks to fund homeownership
 2.14 opportunities for households whose income
 2.15 is between 50 and 60 percent of area median
 2.16 income. This appropriation is onetime and
 2.17 available until June 30, 2026.

2.18 (cd) The base for this program in fiscal year
 2.19 2026 and beyond is \$12,925,000.

2.20 <u>Subd. 3. Workforce Housing Development</u>	<u>22,000,000</u>	<u>22,000,000</u>
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2.21 (a) This appropriation is for the Greater
 2.22 Minnesota workforce housing development
 2.23 program under Minnesota Statutes, section
 2.24 462A.39. If requested by the applicant and
 2.25 approved by the agency, funded properties
 2.26 may include a portion of income and rent
 2.27 restricted units. Funded properties may include
 2.28 owner-occupied homes.

2.29 (b) The base for this program in fiscal year
 2.30 2026 and beyond is \$2,000,000.

2.31 <u>Subd. 4. Manufactured Home Park</u>		
2.32 <u>Infrastructure Grants</u>	<u>13,500,000</u>	<u>13,500,000</u>

2.33 (a) This appropriation is for manufactured
 2.34 home park infrastructure grants under

3.1 Minnesota Statutes, section 462A.2035,
 3.2 subdivision 1b.

3.3 (b) The base for this program in fiscal year
 3.4 2026 and beyond is \$1,000,000.

3.5 **Subd. 5. Workforce Homeownership Program** 17,750,000 17,750,000

3.6 (a) This appropriation is for the workforce
 3.7 homeownership program under Minnesota
 3.8 Statutes, section 462A.38.

3.9 (b) The base for this program in fiscal year
 3.10 2026 and beyond is \$250,000.

3.11 **Subd. 6. Housing Trust Fund** 26,646,000 16,646,000

3.12 (a) This appropriation is for deposit in the
 3.13 housing trust fund account created under
 3.14 Minnesota Statutes, section 462A.201, and
 3.15 may be used for the purposes provided in that
 3.16 section.

3.17 (b) \$10,000,000 in the first year is for grants
 3.18 to low-income persons eligible under
 3.19 Minnesota Statutes, section 462A.201,
 3.20 subdivision 2, to purchase shares in limited
 3.21 equity cooperative housing units. Grants are
 3.22 limited to \$20,000 or 25 percent of the cost of
 3.23 a share, whichever is less. This paragraph
 3.24 expires on June 30, 2027, and any money
 3.25 remaining on June 30, 2027, shall be returned
 3.26 to the housing trust fund account.

3.27 (c) The base for this program for fiscal year
 3.28 2026 and beyond is \$11,646,000.

3.29 **Subd. 7. Homework Starts with Home** 4,250,000 4,250,000

3.30 (a) This appropriation is for the homework
 3.31 starts with home program under Minnesota
 3.32 Statutes, sections 462A.201, subdivision 2,
 3.33 paragraph (a), clause (4), and 462A.204,

4.1 subdivision 8, to provide assistance to
 4.2 homeless families, those at risk of
 4.3 homelessness, or highly mobile families.

4.4 (b) The base for this program in fiscal year
 4.5 2026 and beyond is \$1,750,000.

4.6 **Subd. 8. Rental Assistance for Mentally III** 9,338,000 9,338,000

4.7 (a) This appropriation is for the rental housing
 4.8 assistance program for persons with a mental
 4.9 illness or families with an adult member with
 4.10 a mental illness under Minnesota Statutes,
 4.11 section 462A.2097. Among comparable
 4.12 proposals, the agency shall prioritize those
 4.13 proposals that target, in part, eligible persons
 4.14 who desire to move to more integrated,
 4.15 community-based settings.

4.16 (b) Notwithstanding any law to the contrary,
 4.17 this appropriation may be used for risk
 4.18 mitigation funds, landlord incentives, or other
 4.19 costs necessary to decrease the risk of
 4.20 homelessness, as determined by the agency.

4.21 (c) The base for this program in fiscal year
 4.22 2026 and beyond is \$4,338,000.

4.23 **Subd. 9. Family Homeless Prevention** 60,269,000 10,269,000

4.24 (a) This appropriation is for the family
 4.25 homeless prevention and assistance program
 4.26 under Minnesota Statutes, section 462A.204.

4.27 (b) Up to \$5,000,000 in fiscal year 2024 is for
 4.28 grants to eligible applicants to create or expand
 4.29 risk mitigation programs to reduce landlord
 4.30 financial risks for renting to persons eligible
 4.31 under Minnesota Statutes, section 462A.204.
 4.32 Eligible programs may use funds for
 4.33 administrative costs, outreach and coordination

5.1 staff, and to reimburse landlords for costs
5.2 including but not limited to nonpayment of
5.3 rent, or damage costs above those costs
5.4 covered by security deposits. This
5.5 appropriation may be used for staffing costs
5.6 necessary to implement the program. The
5.7 agency may give priority to applicants that
5.8 demonstrate a matching amount of money by
5.9 a local unit of government, business, or
5.10 nonprofit organization. Grantees must
5.11 establish a procedure to review and validate
5.12 claims and reimbursements under this
5.13 program. This is a onetime appropriation.

5.14 (c) For fiscal year 2024 and fiscal year 2025,
5.15 qualified families may receive more than 24
5.16 months of rental assistance.

5.17 (d) If the agency determines that the
5.18 metropolitan area needs additional support to
5.19 serve homeless households or those at risk of
5.20 homelessness, the agency is authorized to
5.21 grant funds to entities other than counties in
5.22 the metropolitan area, including but not limited
5.23 to nonprofit organizations.

5.24 (e) When a new grantee works with a current
5.25 or former grantee in a given geographic area,
5.26 a new grantee may work with either an
5.27 advisory committee as required under
5.28 Minnesota Statutes, section 462A.204,
5.29 subdivision 6, or the local continuum of care
5.30 and is not required to meet the requirements
5.31 of Minnesota Statutes, section 462A.204,
5.32 subdivision 4.

5.33 (f) Notwithstanding any law to the contrary,
5.34 \$10,000,000 of this appropriation is allocated
5.35 to federally recognized American Indian

6.1 Tribes located in Minnesota. The funds shall
 6.2 be divided proportionally among the Tribes
 6.3 and shall be used for the purposes allowed
 6.4 under this section.

6.5 (g) \$2,400,000 in fiscal year 2024 is for a
 6.6 grant to Neighborhood House, a Ramsey
 6.7 County-based nonprofit organization, to
 6.8 provide administrative costs for families facing
 6.9 eviction, rental assistance, delinquent utility
 6.10 fees, mortgage assistance, and damage deposit
 6.11 assistance. This is a onetime appropriation.

6.12 (h) The base for this program in fiscal year
 6.13 2026 and beyond is \$10,269,000.

6.14 <u>Subd. 10. Home Ownership Assistance Fund</u>	<u>13,385,000</u>	<u>13,385,000</u>
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6.15 (a) This appropriation is for the home
 6.16 ownership assistance program under
 6.17 Minnesota Statutes, section 462A.21,
 6.18 subdivision 8. The agency shall continue to
 6.19 strengthen its efforts to address the disparity
 6.20 gap in the homeownership rate between white
 6.21 households and indigenous American Indians
 6.22 and communities of color. To better
 6.23 understand and address the disparity gap, the
 6.24 agency is required to collect, on a voluntary
 6.25 basis, demographic information regarding
 6.26 race, color, national origin, and sex of
 6.27 applicants for agency programs intended to
 6.28 benefit homeowners and homebuyers.

6.29 (b) The base for this program in fiscal year
 6.30 2026 and beyond is \$885,000.

6.31 <u>Subd. 11. Affordable Rental Investment Fund</u>	<u>4,218,000</u>	<u>4,218,000</u>
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6.32 (a) This appropriation is for the affordable
 6.33 rental investment fund program under
 6.34 Minnesota Statutes, section 462A.21,

7.1 subdivision 8b, to finance the acquisition,
 7.2 rehabilitation, and debt restructuring of
 7.3 federally assisted rental property and for
 7.4 making equity take-out loans under Minnesota
 7.5 Statutes, section 462A.05, subdivision 39.

7.6 (b) The owner of federally assisted rental
 7.7 property must agree to participate in the
 7.8 applicable federally assisted housing program
 7.9 and to extend any existing low-income
 7.10 affordability restrictions on the housing for
 7.11 the maximum term permitted.

7.12 (c) The appropriation also may be used to
 7.13 finance the acquisition, rehabilitation, and debt
 7.14 restructuring of existing supportive housing
 7.15 properties and naturally occurring affordable
 7.16 housing as determined by the commissioner.

7.17 For purposes of this paragraph, "supportive
 7.18 housing" means affordable rental housing with
 7.19 links to services necessary for individuals,
 7.20 youth, and families with children to maintain
 7.21 housing stability.

7.22 **Subd. 12. Owner-Occupied Housing**
 7.23 **Rehabilitation**

2,772,000

2,772,000

7.24 (a) This appropriation is for the rehabilitation
 7.25 of owner-occupied housing under Minnesota
 7.26 Statutes, section 462A.05, subdivisions 14 and
 7.27 14a.

7.28 (b) Notwithstanding any law to the contrary,
 7.29 grants or loans under this subdivision may be
 7.30 made without rent or income restrictions of
 7.31 owners or tenants. To the extent practicable,
 7.32 grants or loans must be made available
 7.33 statewide.

7.34 **Subd. 13. Rental Housing Rehabilitation**

3,743,000

3,743,000

8.1 (a) This appropriation is for the rehabilitation
 8.2 of eligible rental housing under Minnesota
 8.3 Statutes, section 462A.05, subdivision 14. In
 8.4 administering a rehabilitation program for
 8.5 rental housing, the agency may apply the
 8.6 processes and priorities adopted for
 8.7 administration of the economic development
 8.8 and housing challenge program under
 8.9 Minnesota Statutes, section 462A.33, and may
 8.10 provide grants or forgivable loans if approved
 8.11 by the agency.

8.12 (b) Notwithstanding any law to the contrary,
 8.13 grants or loans under this subdivision may be
 8.14 made without rent or income restrictions of
 8.15 owners or tenants. To the extent practicable,
 8.16 grants or loans must be made available
 8.17 statewide.

8.18 **Subd. 14. Homeownership Education,**
 8.19 **Counseling, and Training** 2,357,000 2,357,000

8.20 (a) This appropriation is for the
 8.21 homeownership education, counseling, and
 8.22 training program under Minnesota Statutes,
 8.23 section 462A.209.

8.24 (b) The base for this program in fiscal year
 8.25 2026 and beyond is \$857,000.

8.26 **Subd. 15. Capacity-Building Grants** 5,230,000 5,230,000

8.27 (a) This appropriation is for capacity-building
 8.28 grants under Minnesota Statutes, section
 8.29 462A.21, subdivision 3b. Of this amount, up
 8.30 to \$125,000 each year is for support of the
 8.31 Homeless Management Information System
 8.32 (HMIS), and \$85,000 in fiscal year 2024 and
 8.33 \$85,000 in fiscal year 2025 are for Open
 8.34 Access Connections. The appropriations for
 8.35 Open Access Connections are onetime.

9.1 (b) \$445,000 in fiscal year 2024 is for a grant
 9.2 to the Community Stabilization Project to: (1)
 9.3 deliver services and curriculum to renters and
 9.4 property owners in order to preserve deeply
 9.5 affordable rental units in underrepresented
 9.6 communities; (2) help create entry level
 9.7 employment opportunities for renters; and (3)
 9.8 construct a secure space for documents and
 9.9 identification for those experiencing
 9.10 homelessness. This is a onetime appropriation.

9.11 (c) The base for this program in fiscal year
 9.12 2026 and beyond is \$645,000.

9.13 **Subd. 16. Build Wealth Minnesota** 5,500,000 500,000

9.14 (a) \$500,000 each year is for a grant to Build
 9.15 Wealth Minnesota to provide a family
 9.16 stabilization plan program.

9.17 (b) \$5,000,000 the first year is for a grant to
 9.18 Build Wealth Minnesota for the 9,000 Equities
 9.19 Fund, a targeted loan pool, to provide
 9.20 affordable first mortgages or equivalent
 9.21 financing opportunities to households
 9.22 struggling to access mortgages in underserved
 9.23 communities of color. Of this amount, up to
 9.24 \$1,000,000 may be used for a grant to
 9.25 Stairstep Foundation to support completion of
 9.26 the Family Stabilization Plan program
 9.27 developed by Build Wealth Minnesota. This
 9.28 is a onetime appropriation.

9.29 **Subd. 17. Housing Infrastructure** 100,000,000 0

9.30 This appropriation is for the housing
 9.31 infrastructure program for the eligible
 9.32 purposes under Minnesota Statutes, section
 9.33 462A.37, subdivision 2. This is a onetime
 9.34 appropriation.

10.1	<u>Subd. 18. Community Stabilization</u>	<u>100,000,000</u>	<u>-0-</u>
10.2	<u>This appropriation is for the community</u>		
10.3	<u>stabilization program under Minnesota</u>		
10.4	<u>Statutes, section 462A.43. Of this amount,</u>		
10.5	<u>\$30,000,000 is for a grant to the Minneapolis</u>		
10.6	<u>Public Housing Authority for the city of</u>		
10.7	<u>Minneapolis and its affiliated entities,</u>		
10.8	<u>including but not limited to its wholly</u>		
10.9	<u>controlled nonprofit corporation, Community</u>		
10.10	<u>Housing Resources, to rehabilitate, preserve,</u>		
10.11	<u>equip, and repair its deeply affordable family</u>		
10.12	<u>housing units. This a onetime appropriation.</u>		
10.13	<u>Subd. 19. Supportive Housing</u>	<u>40,000,000</u>	<u>0</u>
10.14	<u>This appropriation is for the supportive</u>		
10.15	<u>housing program under Minnesota Statutes,</u>		
10.16	<u>section 462A.42. This is a onetime</u>		
10.17	<u>appropriation.</u>		
10.18	<u>Subd. 20. First Generation Homebuyer</u>	<u>100,000,000</u>	<u>0</u>
10.19	<u>This appropriation is for the first generation</u>		
10.20	<u>homebuyer program down payment assistance</u>		
10.21	<u>fund. This is a onetime appropriation.</u>		
10.22	<u>Subd. 21. Local Housing Trust Fund Grants</u>	<u>10,000,000</u>	<u>0</u>
10.23	<u>(a) \$8,000,000 in fiscal year 2024 is for</u>		
10.24	<u>deposit in the housing development fund for</u>		
10.25	<u>grants to local housing trust funds established</u>		
10.26	<u>under Minnesota Statutes, section 462C.16,</u>		
10.27	<u>to incentivize local funding. This is a onetime</u>		
10.28	<u>appropriation.</u>		
10.29	<u>(b) A grantee is eligible to receive a grant</u>		
10.30	<u>amount equal to 100 percent of the public</u>		
10.31	<u>revenue committed to the local housing trust</u>		
10.32	<u>fund from any source other than the state or</u>		
10.33	<u>federal government, up to \$150,000, and in</u>		
10.34	<u>addition, an amount equal to 50 percent of the</u>		

11.1 public revenue committed to the local housing
11.2 trust fund from any source other than the state
11.3 or federal government that is more than
11.4 \$150,000 but not more than \$300,000.

11.5 (c) \$100,000 of the amount appropriated in
11.6 paragraph (a) is for technical assistance grants
11.7 to local and regional housing trust funds. A
11.8 housing trust fund may apply for a technical
11.9 assistance grant at the time and in the manner
11.10 and form required by the agency. The agency
11.11 shall make grants on a first-come, first-served
11.12 basis. A technical assistance grant must not
11.13 exceed \$5,000.

11.14 (d) A grantee must use grant funds within
11.15 eight years of receipt for purposes (1)
11.16 authorized under Minnesota Statutes, section
11.17 462C.16, subdivision 3, and (2) benefiting
11.18 households with incomes at or below 115
11.19 percent of the state median income. A grantee
11.20 must return any grant funds not used for these
11.21 purposes within eight years of receipt to the
11.22 commissioner of the Minnesota Housing
11.23 Finance Agency for deposit into the housing
11.24 development fund.

11.25 (e) \$2,000,000 in fiscal year 2024 is for a grant
11.26 to Northland Foundation. Northland
11.27 Foundation may use the funds on expenditures
11.28 authorized under Minnesota Statutes, section
11.29 462C.16, subdivision 3, and on assisting local
11.30 governments to establish local or regional
11.31 housing trust funds. Northland Foundation
11.32 may award grants and loans to other entities
11.33 to expend on authorized expenditures under
11.34 this section. This is a onetime appropriation
11.35 and is available until June 30, 2025.

12.1	<u>Subd. 22. Greater Minnesota Housing</u>		
12.2	<u>Infrastructure Grant Program</u>	<u>5,000,000</u>	<u>0</u>
12.3	<u>This appropriation is for a pilot program to</u>		
12.4	<u>provide grants to municipalities for up to 50</u>		
12.5	<u>percent of the costs of infrastructure that</u>		
12.6	<u>would otherwise be required to be paid by the</u>		
12.7	<u>developer for new housing developments. The</u>		
12.8	<u>grants shall be limited to 16 housing units in</u>		
12.9	<u>the municipality and a maximum of \$12,000</u>		
12.10	<u>per housing unit. This is a onetime</u>		
12.11	<u>appropriation.</u>		
12.12	<u>Subd. 23. Stable Rental Housing Mediation</u>	<u>4,000,000</u>	<u>0</u>
12.13	<u>This appropriation is for housing mediation</u>		
12.14	<u>grants under Minnesota Statutes, section</u>		
12.15	<u>462A.2098. This is a onetime appropriation.</u>		
12.16	<u>Of this amount, up to \$300,000 may be used</u>		
12.17	<u>for administrative costs under Minnesota</u>		
12.18	<u>Statutes, section 462A.2098, subdivision 3.</u>		
12.19	<u>Subd. 24. Manufactured Home Park Cooperative</u>		
12.20	<u>Purchase Program</u>	<u>10,000,000</u>	<u>0</u>
12.21	<u>(a) This appropriation is for grants under this</u>		
12.22	<u>subdivision.</u>		
12.23	<u>(b) The funding under this subdivision may</u>		
12.24	<u>be used for grants to nonprofit organizations</u>		
12.25	<u>to assist manufactured home park residents in</u>		
12.26	<u>organizing and purchasing manufactured home</u>		
12.27	<u>parks, and for grants to provide down payment</u>		
12.28	<u>assistance to residents to purchase</u>		
12.29	<u>manufactured home parks.</u>		
12.30	<u>(c) The agency may develop criteria for grant</u>		
12.31	<u>requests under this subdivision. Within 90</u>		
12.32	<u>days of final enactment, the commissioner</u>		
12.33	<u>shall develop the forms, applications, and</u>		
12.34	<u>reporting requirements for use by eligible</u>		
12.35	<u>organizations. In developing these materials,</u>		

13.1 the commissioner shall consult with
 13.2 manufactured housing cooperatives,
 13.3 resident-owned manufactured home
 13.4 communities, and nonprofit organizations
 13.5 working with manufactured housing
 13.6 cooperatives and resident-owned communities.

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

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

13.17 (f) For the purposes of this subdivision, the
 13.18 terms "manufactured home," "manufactured
 13.19 home park," and "resident" have the meanings
 13.20 given in Minnesota Statutes, section 327C.015.

13.21 **Subd. 25. Manufactured Home Lending Grants** 25,000,000 0

13.22 This appropriation is for the manufactured
 13.23 home lending grant program. This is a onetime
 13.24 appropriation.

13.25 **Subd. 26. Lead Safe Homes Grant Program** 5,000,000 0

13.26 This appropriation is for the lead safe homes
 13.27 grant program under Minnesota Statutes,
 13.28 section 462A.2096. This is a onetime
 13.29 appropriation.

13.30 **Subd. 27. High-Rise Sprinkler System Grant**
 13.31 **Program** 10,000,000 0

13.32 This appropriation is for the high-rise sprinkler
 13.33 grant program. Of this amount, up to
 13.34 \$4,000,000 must be for a grant to

14.1	<u>CommonBond Communities for installation</u>		
14.2	<u>of sprinkler systems at two buildings known</u>		
14.3	<u>as Seward Tower West located at 2515 South</u>		
14.4	<u>9th Street in Minneapolis and Seward Tower</u>		
14.5	<u>East located at 2910 East Franklin Avenue in</u>		
14.6	<u>Minneapolis. This is a onetime appropriation.</u>		
14.7	<u>Subd. 28. Rent Assistance Program</u>	<u>65,665,000</u>	<u>65,665,000</u>
14.8	<u>(a) This appropriation is for the rent assistance</u>		
14.9	<u>program under Minnesota Statutes, section</u>		
14.10	<u>462A.2095. This appropriation is available</u>		
14.11	<u>until June 30, 2027. Up to five percent of the</u>		
14.12	<u>amount may be used in the first year to set up</u>		
14.13	<u>the program.</u>		
14.14	<u>(b) The base for this program in fiscal year</u>		
14.15	<u>2026 and beyond is \$10,000,000.</u>		
14.16	<u>Subd. 29. Homeownership Investment Grants</u>		
14.17	<u>Program</u>	<u>80,000,000</u>	<u>0</u>
14.18	<u>This appropriation is for the homeownership</u>		
14.19	<u>grants program. This is a onetime</u>		
14.20	<u>appropriation.</u>		
14.21	<u>Subd. 30. Housing Cost Reduction Incentive</u>		
14.22	<u>Program</u>	<u>2,500,000</u>	<u>0</u>
14.23	<u>This appropriation is for the housing cost</u>		
14.24	<u>reduction incentive program under Minnesota</u>		
14.25	<u>Statutes, section 462A.41. This is a onetime</u>		
14.26	<u>appropriation.</u>		
14.27	<u>Subd. 31. Availability and Transfer of Funds</u>		
14.28	<u>Money appropriated in the first year in this</u>		
14.29	<u>article is available the second year. The</u>		
14.30	<u>commissioner may shift or transfer money in</u>		
14.31	<u>the second year in subdivisions 2, 3, 4, 5, 11,</u>		
14.32	<u>12, and 13 to address high-priority housing</u>		
14.33	<u>needs.</u>		

15.1 **Subd.31. Report to Legislature**

15.2 Each entity that receives funding in this act
15.3 must submit a report by January 15 each year
15.4 to the chairs and ranking minority members
15.5 of the legislative committees having
15.6 jurisdiction over housing finance and policy.
15.7 The report must include information about
15.8 grant awards, geographic distribution of
15.9 projects, recipients of funds, and the housing
15.10 units that were provided.

15.11 **ARTICLE 2**

15.12 **HOUSING POLICY**

15.13 Section 1. Minnesota Statutes 2022, section 462A.05, subdivision 14, is amended to read:

15.14 Subd. 14. **Rehabilitation loans.** It may agree to purchase, make, or otherwise participate
15.15 in the making, and may enter into commitments for the purchase, making, or participation
15.16 in the making, of eligible loans for rehabilitation, with terms and conditions as the agency
15.17 deems advisable, to persons and families of low and moderate income, and to owners of
15.18 existing residential housing for occupancy by such persons and families, for the rehabilitation
15.19 of existing residential housing owned by them. Rehabilitation may include the addition or
15.20 rehabilitation of a detached accessory dwelling unit. The loans may be insured or uninsured
15.21 and may be made with security, or may be unsecured, as the agency deems advisable. The
15.22 loans may be in addition to or in combination with long-term eligible mortgage loans under
15.23 subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness
15.24 secured by the property, if refinancing is determined by the agency to be necessary to permit
15.25 the owner to meet the owner's housing cost without expending an unreasonable portion of
15.26 the owner's income thereon. No loan for rehabilitation shall be made unless the agency
15.27 determines that the loan will be used primarily to make the housing more desirable to live
15.28 in, to increase the market value of the housing, for compliance with state, county or municipal
15.29 building, housing maintenance, fire, health or similar codes and standards applicable to
15.30 housing, or to accomplish energy conservation related improvements. In unincorporated
15.31 areas and municipalities not having codes and standards, the agency may, solely for the
15.32 purpose of administering the provisions of this chapter, establish codes and standards. No
15.33 loan under this subdivision for the rehabilitation of owner-occupied housing shall be denied
15.34 solely because the loan will not be used for placing the owner-occupied residential housing

16.1 in full compliance with all state, county, or municipal building, housing maintenance, fire,
16.2 health, or similar codes and standards applicable to housing. Rehabilitation loans shall be
16.3 made only when the agency determines that financing is not otherwise available, in whole
16.4 or in part, from private lenders upon equivalent terms and conditions. Accessibility
16.5 rehabilitation loans authorized under this subdivision may be made to eligible persons and
16.6 families without limitations relating to the maximum incomes of the borrowers if:

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

16.10 (2) home care is appropriate; and

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

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

16.16 Sec. 2. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to
16.17 read:

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

16.22 Sec. 3. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to
16.23 read:

16.24 Subd. 43. **Rent assistance program.** The agency may administer the rent assistance
16.25 program established in section 462A.2095.

16.26 Sec. 4. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to
16.27 read:

16.28 Subd. 44. **Housing disparities.** The agency must prioritize its use of appropriations for
16.29 any program under this chapter to serve households most affected by housing disparities.

17.1 Sec. 5. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to
17.2 read:

17.3 Subd. 45. **Special purpose credit program.** The agency may establish special purpose
17.4 credit programs to assist one or more economically disadvantaged classes of persons in
17.5 order to address the effects of historic and current discrimination which resulted in limiting
17.6 access to housing credit by persons on the basis of race, color, ethnicity, or national origin.
17.7 A special purpose credit program may include a wide variety of remedies, including but
17.8 not limited to loans or other financial assistance, based on current, documented need as
17.9 determined by the agency.

17.10 Sec. 6. Minnesota Statutes 2022, section 462A.2035, subdivision 1b, is amended to read:

17.11 Subd. 1b. **Manufactured home park infrastructure grants and loans.** Eligible
17.12 recipients may use manufactured home park infrastructure grants and loans under this
17.13 program for:

- 17.14 (1) acquisition of and improvements in manufactured home parks; and
17.15 (2) infrastructure, including storm shelters and community facilities.

17.16 Sec. 7. Minnesota Statutes 2022, section 462A.204, subdivision 3, is amended to read:

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

17.22 Sec. 8. **[462A.2095] RENT ASSISTANCE PROGRAM.**

17.23 Subdivision 1. **Program established.** The state rent assistance account is established
17.24 as a separate account in the housing development fund. Money in the account is appropriated
17.25 to the agency for grants to program administrators for the purposes specified in this section.

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

17.28 (b) "Eligible household" means a household with an annual income of up to 50 percent
17.29 of the area median income as determined by the United States Department of Housing and
17.30 Urban Development, adjusted for family size, that is paying more than 30 percent of the
17.31 household's annual income on rent. Eligibility is determined at the time a household first

18.1 receives rent assistance under this section. Eligibility shall be recertified every year thereafter.
18.2 Eligible household does not include a household receiving federal tenant-based or
18.3 project-based assistance under Section 8 of the United States Housing Act of 1937, as
18.4 amended.

18.5 (c) "Program administrator" means:

18.6 (1) a housing and redevelopment authority or other local government agency or authority
18.7 that administers federal tenant-based or project-based assistance under Section 8 of the
18.8 United States Housing Act of 1937, as amended;

18.9 (2) a tribal government or tribally designated housing entity; or

18.10 (3) if the local housing authority, tribal government, or tribally designated housing entity
18.11 declines to administer the program established in this section, a nongovernmental organization
18.12 determined by the agency to have the capacity to administer the program.

18.13 Subd. 3. **Grants to program administrators.** (a) The agency may make grants to
18.14 program administrators to provide rental assistance for eligible households. For both
18.15 tenant-based and project-based assistance, program administrators shall pay assistance
18.16 directly to housing providers. Rental assistance may be provided in the form of tenant-based
18.17 assistance or project-based assistance. To the extent practicable, the agency must make
18.18 grants statewide in proportion to the number of households eligible for assistance in each
18.19 county according to the most recent American Community Survey of the United States
18.20 Census Bureau.

18.21 (b) The program administrator may use its existing procedures to administer the rent
18.22 assistance program or may develop alternative procedures with the goals of reaching
18.23 households most in need and incentivizing landlord participation. The agency must approve
18.24 a program administrator's alternative procedures.

18.25 Subd. 4. **Amount of rent assistance.** A program administrator may provide tenant-based
18.26 or project-based vouchers in amounts equal to the difference between 30 percent of household
18.27 income and the rent charged, plus an allowance for utilities if not included in rent. A program
18.28 administrator may not provide assistance that is more than the difference between 30 percent
18.29 of the tenant's gross income and 120 percent of the payment standard, plus utilities, as
18.30 established by the local public housing authority, unless otherwise authorized by the agency.

18.31 Subd. 5. **Administrative fees.** The agency shall consult with public housing authorities
18.32 to determine the amount of administrative fees to pay to program administrators.

19.1 Subd. 6. **Rent assistance not income.** (a) Rent assistance grant money under this section
19.2 is excluded from income as defined in sections 290.0674, subdivision 2a, and 290A.03,
19.3 subdivision 3.

19.4 (b) Notwithstanding any law to the contrary, payments under this section must not be
19.5 considered income, assets, or personal property for purposes of determining eligibility or
19.6 recertifying eligibility for state public assistance, including but not limited to:

19.7 (1) child care assistance programs under chapter 119B;

19.8 (2) general assistance, Minnesota supplemental aid, and food support under chapter
19.9 256D;

19.10 (3) housing support under chapter 256I;

19.11 (4) Minnesota family investment program and diversionary work program under chapter
19.12 256J; and

19.13 (5) economic assistance programs under chapter 256P.

19.14 (c) The commissioner of human services must not consider rent assistance grant money
19.15 under this section as income or assets under section 256B.056, subdivision 1a, paragraph
19.16 (a); subdivision 3; or subdivision 3c, or for persons with eligibility determined under section
19.17 256B.057, subdivision 3, 3a, or 3b.

19.18 Subd. 7. **Oversight.** The agency may direct program administrators to comply with
19.19 applicable sections of Code of Federal Regulations, title 24, part 982.

19.20 Sec. 9. **[462A.2096] LEAD SAFE HOMES GRANT PROGRAM.**

19.21 Subdivision 1. **Establishment.** The commissioner of the Minnesota Housing Finance
19.22 Agency must establish and administer a grant program to support making homes safer
19.23 through lead testing and hazard reduction.

19.24 Subd. 2. **Eligible projects.** (a) The commissioner may award a grant under this section
19.25 for any project that will:

19.26 (1) provide lead risk assessments completed by a lead inspector or a lead risk assessor
19.27 licensed by the commissioner of health pursuant to section 144.9505 for properties built
19.28 before 1978 to determine the presence of lead hazards;

19.29 (2) provide interim controls to reduce lead health hazards; and

19.30 (3) serve low income residents. For multifamily rental properties, at least 50 percent of
19.31 the tenants must have an income below 60 percent of the area median income.

20.1 (b) The commissioner must give priority to funding projects that serve areas where there
20.2 are high concentrations of lead poisoning in children based on information provided by the
20.3 commissioner of health.

20.4 (c) The commissioner must not award a grant unless all other available state and federal
20.5 funding sources related to lead testing and hazard reduction for which an applicant is eligible
20.6 are used.

20.7 (d) The commissioner must balance grant awards so that projects occur within and
20.8 outside metropolitan counties as defined in section 473.121, subdivision 4.

20.9 (e) Up to ten percent of a grant award may be used to administer the grant and provide
20.10 education and outreach about lead health hazards.

20.11 Subd. 3. **Grant eligibility.** A nonprofit organization or unit of local government may
20.12 apply for a grant under this section.

20.13 Subd. 4. **Short title.** This section shall be known as the "Dustin Luke Shields Act."

20.14 **Sec. 10. [462A.2098] MINNESOTA HOUSING MEDIATION GRANT PROGRAM.**

20.15 Subdivision 1. **Establishment; purpose.** The agency shall establish a housing mediation
20.16 program to reduce negative consequences to renters, rental property owners, families,
20.17 schools, employers, neighborhoods, and communities by providing support to renters and
20.18 residential rental property owners.

20.19 Subd. 2. **Selection criteria.** The agency shall award grants to community dispute
20.20 resolution programs certified under section 494.015. The agency shall develop forms and
20.21 procedures for soliciting and reviewing applications for grants under this section.

20.22 Subd. 3. **Administration.** The agency shall award a grant to Community Mediation
20.23 Minnesota to administrate the housing mediation program to ensure effective statewide
20.24 management, program design, and outreach among the grantees.

20.25 Subd. 4. **Authorized uses of grant.** The grant funding must be used to:

20.26 (1) provide housing dispute resolution services;

20.27 (2) increase awareness of and access to housing dispute resolution services statewide;

20.28 (3) provide alternative dispute resolution services, including but not limited to eviction
20.29 prevention, mediation, and navigation services;

20.30 (4) partner with culturally specific dispute resolution programs to provide training and
20.31 assistance with virtual and in-person mediation services;

21.1 (5) increase mediation services for seniors and renters with disabilities and illnesses that
 21.2 face housing instability;

21.3 (6) increase the diversity and cultural competency of the housing mediator roster;

21.4 (7) integrate housing mediation services with navigation and resource connection services,
 21.5 legal assistance, and court services programs; and

21.6 (8) develop and administer evaluation tools to design, modify, and replicate effective
 21.7 program outcomes.

21.8 Sec. 11. Minnesota Statutes 2022, section 462A.201, subdivision 2, is amended to read:

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

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

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

21.16 (3) rental assistance, either project-based or tenant-based; and

21.17 (4) programs to secure stable housing for families with minor children or with children
 21.18 eligible for enrollment in a prekindergarten through grade 12 academic program.

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

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

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

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

22.17 (d) In making the loans or grants, the agency shall determine the terms and conditions
22.18 of repayment and the appropriate security, if any, should repayment be required. To promote
22.19 the geographic distribution of grants and loans, the agency may designate a portion of the
22.20 grant or loan awards to be set aside for projects located in specified congressional districts
22.21 or other geographical regions specified by the agency. The agency may adopt rules for
22.22 awarding grants and loans under this subdivision.

22.23 Sec. 12. Minnesota Statutes 2022, section 462A.204, subdivision 8, is amended to read:

22.24 Subd. 8. ~~School~~ **Childhood housing stability**. (a) The agency in consultation with the
22.25 Interagency Council on Homelessness may establish a ~~school~~ childhood housing stability
22.26 project under the family homeless prevention and assistance program. The purpose of the
22.27 project is to secure stable housing for families with ~~school-age~~ minor children or with
22.28 children eligible for enrollment in a prekindergarten through grade 12 academic program
22.29 who have moved frequently and for unaccompanied youth. For purposes of this subdivision,
22.30 "unaccompanied youth" are minors who are leaving foster care or juvenile correctional
22.31 facilities, or minors who meet the definition of a child in need of services or protection
22.32 under section 260C.007, subdivision 6, but for whom no court finding has been made
22.33 pursuant to that statute.

23.1 (b) The agency shall make grants to family homeless prevention and assistance projects
 23.2 in communities with: (1) a school or schools that have a significant degree of student
 23.3 mobility; (2) a significant degree of homelessness among families with minor children; or
 23.4 (3) children eligible for enrollment in a prekindergarten through grade 12 academic program.

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

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

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

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

23.16 (4) one or more of the following:

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

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

23.21 (d) In selecting projects for funding under this subdivision, preference shall be given to
 23.22 organizations granted funding under section 462A.201, subdivision 2, paragraph (a), clause
 23.23 (4).

23.24 (e) No grantee under this subdivision is required to have an advisory committee as
 23.25 described in subdivision 6.

23.26 Sec. 13. Minnesota Statutes 2022, section 462A.21, subdivision 3b, is amended to read:

23.27 Subd. 3b. **Capacity building grants.** It may make capacity building grants to nonprofit
 23.28 organizations, local government units, Indian tribes, and Indian tribal organizations to
 23.29 expand their capacity to provide affordable housing and housing-related services. The grants
 23.30 may be used to assess housing needs and to develop and implement strategies to meet those
 23.31 needs, including but not limited to the creation or preservation of affordable housing,
 23.32 prepurchase and postpurchase counseling and associated administrative costs, and the linking

24.1 of supportive services to the housing. The agency shall adopt rules, policies, and procedures
24.2 specifying the eligible uses of grant money. Funding priority ~~must~~ may be given to those
24.3 applicants that include low-income persons in their membership, have provided
24.4 housing-related services to low-income people, and demonstrate a local commitment of
24.5 local resources, which may include in-kind contributions. ~~Grants under this subdivision~~
24.6 ~~may be made only with specific appropriations by the legislature.~~

24.7 Sec. 14. Minnesota Statutes 2022, section 462A.22, subdivision 1, is amended to read:

24.8 Subdivision 1. **Debt ceiling.** The aggregate principal amount of bonds and notes that
24.9 are general obligations of the agency and secured by its full faith and credit, as described
24.10 in section 462A.08, subdivision 3, and which are outstanding at any time, excluding the
24.11 principal amount of any bonds and notes refunded by the issuance of new bonds or notes,
24.12 shall not exceed the sum of \$5,000,000,000.

24.13 Sec. 15. Minnesota Statutes 2022, section 462A.36, is amended by adding a subdivision
24.14 to read:

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

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

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

25.1 Sec. 16. Minnesota Statutes 2022, section 462A.36, subdivision 4, is amended to read:

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

25.5 (b) Each July 15, beginning in 2009 and through 2031, if any nonprofit housing bonds
25.6 issued under subdivision 2, or nonprofit housing bonds issued to refund those bonds, remain
25.7 outstanding, the commissioner of management and budget must transfer to the nonprofit
25.8 housing bond account established under section 462A.21, subdivision 32, the amount
25.9 certified under paragraph (a), not to exceed \$2,400,000 annually. The amounts necessary
25.10 to make the transfers are appropriated from the general fund to the commissioner of
25.11 management and budget.

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

25.14 Sec. 17. Minnesota Statutes 2022, section 462A.37, subdivision 1, is amended to read:

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

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

25.18 (c) "Community land trust" means an entity that meets the requirements of section
25.19 462A.31, subdivisions 1 and 2.

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

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

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

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

25.30 (2) finance qualified residential rental projects within the meaning of section 142(d) of
25.31 the Internal Revenue Code; or

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

26.3 ~~(4)~~ (3) are tax-exempt bonds that are not private activity bonds, within the meaning of
 26.4 section 141(a) of the Internal Revenue Code, for the purpose of financing or refinancing
 26.5 affordable housing authorized under this chapter.

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

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

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

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

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

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

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

26.15 ~~(j)~~ (j) "Senior housing" means housing intended and operated for occupancy by ~~at least~~
 26.16 ~~one senior per unit~~ senior households with at least 80 percent of the units occupied by at
 26.17 ~~least one senior per unit~~ senior households, and for which there is publication of, and
 26.18 adherence to, policies and procedures that demonstrate an intent by the owner or manager
 26.19 to provide housing for seniors. Senior housing may be developed in conjunction with and
 26.20 as a distinct portion of mixed-income senior housing developments that use a variety of
 26.21 public or private financing sources.

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

26.25 Sec. 18. Minnesota Statutes 2022, section 462A.37, subdivision 2, is amended to read:

26.26 Subd. 2. **Authorization.** (a) The agency may issue up to \$30,000,000 in aggregate
 26.27 principal amount of housing infrastructure bonds in one or more series to which the payment
 26.28 made under this section may be pledged. The housing infrastructure bonds authorized in
 26.29 this subdivision may be issued to fund loans, or grants for the purposes of ~~elause~~ clauses
 26.30 ~~(4) and (7)~~, on terms and conditions the agency deems appropriate, made for one or more
 26.31 of the following purposes:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28.32 (B) no florescent lighting in units and common areas;

29.1 (C) low-fume paint;

29.2 (D) low-chemical carpet; and

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

29.4 Nothing in this paragraph will relieve a project funded by the agency from meeting other
29.5 applicable accessibility requirements.

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

29.7 Sec. 19. Minnesota Statutes 2022, section 462A.37, is amended by adding a subdivision
29.8 to read:

29.9 Subd. 2i. **Additional authorization.** In addition to the amounts authorized in subdivisions
29.10 2 to 2h, the agency may issue up to \$250,000,000 in housing infrastructure bonds in one or
29.11 more series to which the payments under this section may be pledged.

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

29.13 Sec. 20. Minnesota Statutes 2022, section 462A.37, is amended by adding a subdivision
29.14 to read:

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

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

29.30 (c) If as a result of the issuance of refunding bonds the amount of debt service for an
29.31 annual period is less than the amount transferred by the commissioner of management and

30.1 budget to pay debt service for that annual period, the agency must deduct the excess amount
30.2 from the actual amount of debt service on those bonds certified for the next subsequent
30.3 annual period.

30.4 Sec. 21. Minnesota Statutes 2022, section 462A.37, subdivision 4, is amended to read:

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

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

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

30.17 Sec. 22. Minnesota Statutes 2022, section 462A.37, subdivision 5, is amended to read:

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

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

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

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

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

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

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

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

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

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

32.7 (j) Each July 15, beginning in 2024 and through 2045, if any housing infrastructure
 32.8 bonds issued under subdivision 2i remain outstanding, the commissioner of management
 32.9 and budget must transfer to the housing infrastructure bond account established under section
 32.10 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary
 32.11 to make the transfers are appropriated from the general fund to the commissioner of
 32.12 management and budget.

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

32.15 Sec. 23. Minnesota Statutes 2022, section 462A.38, subdivision 1, is amended to read:

32.16 Subdivision 1. **Establishment.** A workforce and affordable homeownership development
 32.17 program is established to award homeownership development grants to cities, counties,
 32.18 Tribal governments, nonprofit organizations, cooperatives created under chapter 308A or
 32.19 308B, and community land trusts created for the purposes outlined in section 462A.31,
 32.20 subdivision 1, for development of workforce and affordable homeownership projects. The
 32.21 purpose of the program is to increase the supply of workforce and affordable, owner-occupied
 32.22 multifamily or single-family housing throughout Minnesota.

32.23 Sec. 24. Minnesota Statutes 2022, section 462A.39, subdivision 2, is amended to read:

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

32.26 (b) "Eligible project area" means a home rule charter or statutory city located outside
 32.27 of ~~the~~ a metropolitan area county as defined in section 473.121, subdivision ~~2~~ 4, with a
 32.28 population exceeding 500; a community that has a combined population of 1,500 residents
 32.29 located within 15 miles of a home rule charter or statutory city located outside ~~the~~ a
 32.30 metropolitan ~~area~~ county as defined in section 473.121, subdivision ~~2~~ 4; federally recognized
 32.31 Tribal reservations; or an area served by a joint county-city economic development authority.

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

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

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

33.12 Sec. 25. Minnesota Statutes 2022, section 462A.39, subdivision 5, is amended to read:

33.13 Subd. 5. **Allocation.** The amount of a grant or deferred loans may not exceed 25 50
 33.14 percent of the rental housing development project cost. The commissioner shall not award
 33.15 a grant or deferred loans to ~~a city~~ an eligible project area without certification by the ~~city~~
 33.16 eligible project area that the amount of the grant or deferred loans shall be matched by a
 33.17 local unit of government, business, ~~or nonprofit organization,~~ or federally recognized Tribe,
 33.18 with \$1 for every \$2 provided in grant or deferred loans funds.

33.19 Sec. 26. **[462A.41] HOUSING COST REDUCTION INCENTIVE PROGRAM.**

33.20 Subdivision 1. Grant program established. The agency must establish and administer
 33.21 the housing cost reduction incentive program for the purpose of reimbursing cities for fee
 33.22 waivers or reductions provided to qualified multifamily housing developments and
 33.23 single-family, owner-occupied housing developments through local fee waiver and
 33.24 inclusionary housing programs.

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

33.27 (b) "Applicant" means any statutory or home rule charter city or county.

33.28 (c) "Inclusionary housing program" means a program that requires at least 25 percent
 33.29 of new construction to be affordable to households with incomes at or below 80 percent of
 33.30 the area median income for multifamily housing developments or 115 percent of the area
 33.31 median income for single-family, owner-occupied housing developments.

34.1 (d) "Local fee waiver program" means a program established by a statutory or home
34.2 rule charter city that waives or reduces fees for developers of qualified multifamily housing
34.3 developments and single-family, owner-occupied housing developments.

34.4 (e) "Multifamily housing development" has the meaning given in section 462C.02,
34.5 subdivision 5, except that only new construction qualifies.

34.6 (f) "Program" means the housing cost reduction incentive program established in this
34.7 section.

34.8 (g) "Single-family housing" has the meaning given in section 462C.02, subdivision 4,
34.9 except that only new construction qualifies.

34.10 Subd. 3. **Application.** (a) The agency must develop forms and procedures for soliciting
34.11 and reviewing applications for grants under this section. An application of a city must
34.12 include, at a minimum, information about the local fee waiver and inclusionary housing
34.13 programs under which the city issued fee waivers or reductions.

34.14 (b) The agency must evaluate complete applications for funding for reimbursement for
34.15 eligible fee waivers or reductions to determine whether the fee waiver or reduction is
34.16 necessary to increase the number of multifamily housing developments and single-family,
34.17 owner-occupied housing developments within the applicant's boundaries.

34.18 (c) The determination of whether to award a grant for reimbursement of fee waivers or
34.19 reductions is within the discretion of the agency, subject to this section. The agency's decision
34.20 and application of the criteria are not subject to judicial review, except for abuse of discretion.

34.21 Subd. 4. **Grant amount.** The commissioner may award grants to applicants in an amount
34.22 up to 50 percent of the amount of the development impact fee waived or reduced by a city
34.23 for a qualified rental housing development. A city may receive no more than \$250,000 per
34.24 multifamily housing development or single-family housing project.

34.25 Sec. 27. **[462A.42] SUPPORTIVE HOUSING PROGRAM.**

34.26 Subdivision 1. **Establishment.** The agency shall establish a supportive housing program
34.27 to provide funding to support the operations of supportive housing for individuals and
34.28 families who are at risk of homelessness or have experienced homelessness.

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

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

35.4 Subd. 4. **Eligible uses.** (a) Funds shall be used to cover costs needed for supportive
35.5 housing to operate effectively. Costs may include, but are not limited to, building operating
35.6 expenses such as front desk, tenant service coordination, revenue shortfall, and security
35.7 costs. These funds may be capitalized as part of development costs. Funds can be provided
35.8 to support existing permanent supportive housing units or to cover costs associated with
35.9 new permanent supportive housing units.

35.10 (b) Funds may be used to create partnerships with the health care sector and other sectors
35.11 to demonstrate sustainable ways to provide services for supportive housing residents, improve
35.12 access to health care, and reduce the use of expensive emergency and institutional care.
35.13 This may be done in partnership with other state agencies, including the Department of
35.14 Health and the Department of Human Services.

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

35.18 Sec. 28. [462A.43] **COMMUNITY STABILIZATION PROGRAM.**

35.19 Subdivision 1. **Establishment.** The agency shall establish a community stabilization
35.20 program to provide grants or loans to preserve naturally occurring affordable housing through
35.21 acquisition, acquisition and rehabilitation, or rehabilitation.

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

35.24 (1) multiunit rental housing that:

35.25 (i) is at least 20 years old; and

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

35.29 (2) owner-occupied housing located in communities where market pressures or significant
35.30 deferred rehabilitation needs, as defined by the agency, are creating opportunities for
35.31 displacement or the loss of owner-occupied housing affordable to households at or below

36.1 115 percent of the greater of state or area median income as determined by the United States
36.2 Department of Housing and Urban Development.

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

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

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

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

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

36.22 Subd. 7. **Application.** (a) The agency shall develop forms and procedures for soliciting
36.23 and reviewing applications for loans or grants under this section. The agency shall consult
36.24 with interested stakeholders when developing the guidelines and procedures for the program.

36.25 (b) Notwithstanding any other applicable law, the agency may accept applications on a
36.26 noncompetitive, rolling basis in order to provide funds for eligible properties as they become
36.27 available.

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

37.1 Sec. 29. Laws 2021, First Special Session chapter 8, article 1, section 3, subdivision 11,
37.2 is amended to read:

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

37.4 (a) This appropriation is for the affordable
37.5 rental investment fund program under
37.6 Minnesota Statutes, section 462A.21,
37.7 subdivision 8b, to finance the acquisition,
37.8 rehabilitation, replacement, and debt
37.9 restructuring of federally assisted rental
37.10 property and for making equity take-out loans
37.11 under Minnesota Statutes, section 462A.05,
37.12 subdivision 39.

37.13 (b) The owner of federally assisted rental
37.14 property must agree to participate in the
37.15 applicable federally assisted housing program
37.16 and to extend any existing low-income
37.17 affordability restrictions on the housing for
37.18 the maximum term permitted.

37.19 (c) The appropriation also may be used to
37.20 finance the acquisition, rehabilitation, and debt
37.21 restructuring of existing supportive housing
37.22 properties and naturally occurring affordable
37.23 housing as determined by the commissioner.
37.24 For purposes of this paragraph, "supportive
37.25 housing" means affordable rental housing with
37.26 links to services necessary for individuals,
37.27 youth, and families with children to maintain
37.28 housing stability.

37.29 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2021.

37.30 Sec. 30. **FIRST-GENERATION HOMEBUYERS DOWN PAYMENT ASSISTANCE**
37.31 **FUND.**

37.32 **Subdivision 1. Establishment.** A first-generation homebuyers down payment assistance
37.33 **fund is established as a pilot project under the administration of the MMCDC, a community**

38.1 development financial institution (CDFI) as defined under the Riegle Community
38.2 Development and Regulatory Improvement Act of 1994, to provide targeted assistance to
38.3 eligible first-generation homebuyers.

38.4 Subd. 2. **Eligible homebuyer.** For purposes of this section, "eligible homebuyer" means
38.5 a borrower:

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

38.8 (2) who either never owned a home or who owned a home but lost it due to foreclosure;

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

38.10 (4) whose parent or prior legal guardian either never owned a home or owned a home
38.11 but lost it due to foreclosure.

38.12 For joint borrowers, the combined income of all borrowers must be at or below 100 percent
38.13 of the area median income at the time of purchase. One borrower must be an eligible
38.14 homebuyer. An eligible homebuyer must complete an approved homebuyer education course
38.15 prior to signing a purchase agreement and, following the purchase of the home, must occupy
38.16 it as their primary residence.

38.17 Subd. 3. **Use of funds.** Assistance under this section is limited to ten percent of the
38.18 purchase price of a one or two unit home, not to exceed \$32,000. Funds are reserved at the
38.19 issuance of preapproval. Reservation of funds is not contingent on having an executed
38.20 purchase agreement. The assistance must be provided in the form of a loan that is forgivable
38.21 at a rate of 20 percent per year on the day after the anniversary date of the note. The prorated
38.22 balance due is repayable if the property converts to nonowner occupancy, is sold, is subjected
38.23 to an ineligible refinance, is subjected to an unauthorized transfer of title, or is subjected to
38.24 a completed foreclosure action within the five-year loan term. Recapture can be waived in
38.25 the event of financial or personal hardship. Funds may be used for closing costs, down
38.26 payment, or principal reduction. The funds must be used in conjunction with a conforming
38.27 first mortgage loan that is fully amortizing and meets the standards of a qualified mortgage
38.28 or meets the minimum standards for exemption under Code of Federal Regulations, title
38.29 12, section 1026.43. Funds may be used in conjunction with other programs the eligible
38.30 homebuyer may qualify for and the loan placed in any priority position.

38.31 Subd. 4. **Administration.** The first-generation homebuyers down payment assistance
38.32 fund is available statewide and shall be administered by MMCDC, the designated central
38.33 CDFI. MMCDC may originate and service funds and authorize other CDFIs, Tribal entities,

39.1 and nonprofit organizations administering down payment assistance to reserve, originate,
39.2 fund, and service funds for eligible homebuyers. Administrative costs must not exceed
39.3 \$3,200 per loan. Any funds recaptured prior to June 30, 2026 are deposited in the fund
39.4 established in subdivision 1 and are to be redistributed to eligible homebuyers.

39.5 Subd. 5. **Report to legislature.** By January 15 each year, the fund administrator,
39.6 MMCDC, must report to the chairs and ranking minority members of the legislative
39.7 committees having jurisdiction over housing the following information:

39.8 (1) the number and amount of loans closed;

39.9 (2) the median loan amount;

39.10 (3) the number and amount of loans issued by race or ethnic categories;

39.11 (4) the median home purchase price;

39.12 (5) the interest rates and types of mortgages;

39.13 (6) the total amount returned to the fund; and

39.14 (7) the number and amount of loans issued by county.

39.15 **Sec. 31. GREATER MINNESOTA HOUSING INFRASTRUCTURE GRANT**
39.16 **PROGRAM.**

39.17 Subdivision 1. **Grant program established.** The commissioner of the Minnesota Housing
39.18 Finance Agency may make grants to cities to provide up to 50 percent of the capital costs
39.19 of public infrastructure necessary for an eligible workforce housing development project.
39.20 The commissioner may make a grant award only after determining that nonstate resources
39.21 are committed to complete the project. The nonstate contribution may be either cash or in
39.22 kind. In-kind contributions may include the value of the site, whether the site is prepared
39.23 before or after the law appropriating money for the grant is enacted.

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

39.26 (b) "City" means a statutory or home rule charter city located outside the metropolitan
39.27 area, as defined in section 473.121, subdivision 2.

39.28 (c) "Housing infrastructure" means publicly owned physical infrastructure necessary to
39.29 support housing development projects, including but not limited to sewers, water supply
39.30 systems, utility extensions, streets, wastewater treatment systems, stormwater management
39.31 systems, and facilities for pretreatment of wastewater to remove phosphorus.

40.1 Subd. 3. **Eligible projects.** Housing projects eligible for a grant under this section may
40.2 be a single-family or multifamily housing development, and either owner-occupied or rental.

40.3 Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for
40.4 soliciting and reviewing applications for grants under this section. At a minimum, a city
40.5 must include in its application a resolution of the city council certifying that the required
40.6 nonstate match is available. The commissioner must evaluate complete applications for
40.7 funding for eligible projects to determine that:

40.8 (1) the project is necessary to increase sites available for housing development that will
40.9 provide adequate housing stock for the current or future workforce; and

40.10 (2) the increase in workforce housing will result in substantial public and private capital
40.11 investment in the city in which the project would be located.

40.12 (b) The determination of whether to make a grant for a site is within the discretion of
40.13 the commissioner, subject to this section. The commissioner's decisions and application of
40.14 the criteria are not subject to judicial review, except for abuse of discretion.

40.15 Subd. 5. **Maximum grant amount.** A city may receive no more than \$30,000 per lot
40.16 for single-family, duplex, triplex, or fourplex housing developed and no more than \$60,000
40.17 per lot for multifamily housing with more than four units per building. A city may receive
40.18 no more than \$500,000 in two years for one or more housing developments.

40.19 Subd. 6. **Cancellation of grant; return of grant money.** If, after five years, the
40.20 commissioner determines that a project has not proceeded in a timely manner and is unlikely
40.21 to be completed, the commissioner must cancel the grant and require the grantee to return
40.22 all grant money awarded for that project.

40.23 Sec. 32. **HIGH-RISE SPRINKLER SYSTEM GRANT PROGRAM.**

40.24 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

40.25 (b) "Eligible building" means an existing residential building in which:

40.26 (1) at least one story used for human occupancy is 75 feet or more above the lowest
40.27 level of fire department vehicle access; and

40.28 (2) at least two-thirds of its units are rented to an individual or family with an annual
40.29 income of up to 50 percent of the area median income as determined by the United States
40.30 Department of Housing and Urban Development, adjusted for family size, that is paying
40.31 no more than 30 percent of annual income on rent.

41.1 (c) "Sprinkler system" means the same as the term "fire protection system" as defined
41.2 in Minnesota Statutes, section 299M.01.

41.3 Subd. 2. **Grant program.** The commissioner of the Housing Finance Agency must make
41.4 grants to owners of eligible buildings for installation of sprinkler systems. Priority shall be
41.5 given to nonprofit applicants. The maximum grant per eligible building shall be \$2,000,000.
41.6 Each grant to a nonprofit organization shall require a 25 percent match. Each grant to a
41.7 for-profit organization shall require a 50 percent match.

41.8 Sec. 33. **REQUIRING CITIES TO REPORT BUILDINGS THAT DO NOT HAVE**
41.9 **SPRINKLER SYSTEMS.**

41.10 (a) A city of the first or second class shall provide to the state fire marshal a list by June
41.11 20, 2024, and an updated list by June 30, 2027, and June 30, 2032, of each residential
41.12 building in the city that:

41.13 (1) has at least one story used for human occupancy that is 75 feet or more above the
41.14 lowest level of fire department vehicle access;

41.15 (2) was not subject to a requirement to include a sprinkler system at the time the building
41.16 was constructed; and

41.17 (3) has not been retrofitted with a sprinkler system.

41.18 (b) The state fire marshal shall submit the lists within 60 days of the due dates under
41.19 paragraph (a) to the chairs and ranking minority members of the legislative committees with
41.20 jurisdiction over the State Building Code and the State Fire Code and the Minnesota Housing
41.21 Finance Agency.

41.22 Sec. 34. **EXPEDITING RENTAL ASSISTANCE ADVISORY GROUP.**

41.23 The commissioner shall convene stakeholders to evaluate methods of processing
41.24 applications for rental assistance and emergency rental assistance, methods of distributing
41.25 rental assistance funds, and ways to expedite these processes. The advisory group shall have
41.26 a range of stakeholder representation as determined by the commissioner. By January 31,
41.27 2024, the commissioner must report to the legislative committees with jurisdiction over
41.28 housing with the findings of the advisory group, including recommendations to improve
41.29 rental assistance procedures.

42.1 **Sec. 35. HOMEOWNERSHIP INVESTMENT GRANTS PROGRAM.**

42.2 **Subdivision 1. Grant program established.** The commissioner of the Minnesota Housing
42.3 Finance Agency must establish and administer a program to support projects that encourage
42.4 affordable homeownership in accordance with this section.

42.5 **Subd. 2. Eligible projects.** The commissioner may award a grant under this section for
42.6 a project that invests in the following:

42.7 (1) housing development to increase the supply of affordable owner-occupied homes;

42.8 (2) financing programs for affordable owner-occupied new home construction;

42.9 (3) acquisition, rehabilitation, and resale of affordable owner-occupied homes or homes
42.10 to be converted to owner-occupied homes;

42.11 (4) financing programs for affordable owner-occupied manufactured housing; or

42.12 (5) services to increase access to stable, affordable, owner-occupied housing in
42.13 low-income communities, American Indian communities, and communities of color.

42.14 The commissioner must ensure grant awards are distributed throughout the state based on
42.15 population.

42.16 **Subd. 3. Eligible organization.** To be eligible for a grant under this section, a nonprofit
42.17 organization must:

42.18 (1) qualify for tax exempt status under United States Code, title 26, section 501(c)(3);

42.19 (2) have primary operations located in Minnesota;

42.20 (3) be certified as a community development financial institution by the United States
42.21 Department of the Treasury; and

42.22 (4) provide affordable housing lending or financing programs.

42.23 **Subd. 4. Application.** An organization applying for a grant must include as part of their
42.24 application a plan to create new affordable home ownership and home preservation
42.25 opportunities for targeted areas.

42.26 **Subd. 5. Report.** By January 15, 2024, the commissioner must submit a report to the
42.27 chairs and ranking minority members of the legislative committees with jurisdiction over
42.28 housing finance and policy detailing the use of funds under this section.

43.1 Sec. 36. **MANUFACTURED HOME LENDING GRANTS; APPROPRIATION.**

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

43.4 (1) "commissioner" means the commissioner of the Minnesota Housing Finance Agency;
43.5 and

43.6 (2) "eligible organization" means a nonprofit organization the commissioner determines
43.7 to be eligible under subdivision 2.

43.8 **Subd. 2. Eligible organizations.** To be eligible for a grant under this section, a nonprofit
43.9 must:

43.10 (1) be an organization defined under section 501(c)(3) of the Internal Revenue Code, or
43.11 an equivalent organization;

43.12 (2) have primary operations located in the state of Minnesota;

43.13 (3) be a qualified nonprofit lender or be certified as a community development financial
43.14 institution by the United States Department of the Treasury and must provide affordable
43.15 housing lending or financing programs; and

43.16 (4) serve low-income populations in manufactured home communities owned by residents,
43.17 cooperatives, nonprofits, or municipalities.

43.18 **Subd. 3. Eligible services.** Eligible organizations may apply for manufactured home
43.19 lending funds for the following services:

43.20 (1) new manufactured home financing programs;

43.21 (2) manufactured home down payment assistance; and

43.22 (3) manufactured home repair, renovation, removal, and site preparation financing
43.23 programs.

43.24 **Subd. 4. Commissioner duties.** (a) Within 90 days of final enactment, the commissioner
43.25 shall develop the forms, applications, and reporting requirements for use by eligible
43.26 organizations. In developing these materials, the commissioner shall consult with
43.27 manufactured housing cooperatives, resident-owned manufactured home communities, and
43.28 nonprofit organizations working with manufactured housing cooperatives and resident-owned
43.29 communities.

44.1 (b) By January 15 each year, the commissioner must report to the chairs and ranking
44.2 minority members of the legislative committees having jurisdiction over housing the
44.3 following information:

44.4 (1) the number and amount of loans issued;

44.5 (2) the amount of loans that have been repaid;

44.6 (3) the amount of interest earned within the fund and the remaining balance of the
44.7 revolving loan fund;

44.8 (4) the number of residents included in each project; and

44.9 (5) the location of each project.

44.10 **ARTICLE 3**

44.11 **SALES TAX**

44.12 Section 1. **[297A.9925] METROPOLITAN REGION SALES AND USE TAX.**

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

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

44.16 (c) "Metropolitan Council" or "council" means the Metropolitan Council established by
44.17 section 473.123.

44.18 (d) "Metropolitan sales tax" means the metropolitan region sales and use tax imposed
44.19 under this section.

44.20 Subd. 2. **Sales tax imposition; rate.** The Metropolitan Council must impose a
44.21 metropolitan region sales and use tax at a rate of 0.25 percent on retail sales and uses taxable
44.22 under this chapter occurring within the metropolitan area.

44.23 Subd. 3. **Administration; collection; enforcement.** Except as otherwise provided in
44.24 this section, the provisions of section 297A.99, subdivisions 4, and 6 to 12a, govern the
44.25 administration, collection, and enforcement of the metropolitan sales tax.

44.26 Subd. 4. **Distribution.** Proceeds of the metropolitan sales tax are distributed:

44.27 (1) 25 percent to the state rent assistance account under section 462A.2096; and

44.28 (2) 75 percent to the metropolitan county aid account in the housing assistance fund
44.29 under section 477A.37.

45.1 Sec. 2. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to
45.2 read:

45.3 Subd. 42. **Rent assistance program.** The agency may administer the rent assistance
45.4 program established in section 462A.2096.

45.5 Sec. 3. [462A.2096] **RENT ASSISTANCE PROGRAM.**

45.6 Subdivision 1. **Program established.** (a) The state rent assistance account is established
45.7 as a separate account in the housing development fund. Money in the account is appropriated
45.8 to the agency for grants to program administrators for the purposes specified in this section.

45.9 (b) Money deposited in the account under section 297A.9925 is for grants to program
45.10 administrators in the metropolitan area.

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

45.13 (b) "Eligible household" means a household with an annual income of up to 50 percent
45.14 of the area median income as determined by the United States Department of Housing and
45.15 Urban Development, adjusted for family size, that is paying more than 30 percent of the
45.16 household's annual income on rent. Eligibility is determined at the time a household first
45.17 receives rent assistance under this section. Eligibility shall be recertified every year thereafter.
45.18 Eligible household does not include a household receiving federal tenant-based or
45.19 project-based assistance under Section 8 of the United States Housing Act of 1937, as
45.20 amended.

45.21 (c) "Program administrator" means:

45.22 (1) a housing and redevelopment authority or other local government agency or authority
45.23 that administers federal tenant-based or project-based assistance under Section 8 of the
45.24 United States Housing Act of 1937, as amended;

45.25 (2) a tribal government or tribal housing authority; or

45.26 (3) if the local housing authority, tribal government, or tribal housing authority declines
45.27 to administer the program established in this section, a nongovernmental organization
45.28 determined by the agency to have the capacity to administer the program.

45.29 Subd. 3. **Grants to program administrators.** (a) The agency may make grants to
45.30 program administrators to provide rental assistance for eligible households. For both
45.31 tenant-based and project-based assistance, program administrators shall pay assistance
45.32 directly to housing providers. Rental assistance may be provided in the form of tenant-based

46.1 assistance or project-based assistance. Notwithstanding the amounts awarded under
46.2 subdivision 1, paragraph (b), and to the extent practicable, the agency must make grants
46.3 statewide in proportion to the number of households eligible for assistance in each county
46.4 according to the most recent American Community Survey of the United States Census
46.5 Bureau.

46.6 (b) The program administrator may use its existing procedures to administer the rent
46.7 assistance program or may develop alternative procedures with the goals of reaching
46.8 households most in need and incentivizing landlord participation. The agency must approve
46.9 a program administrator's alternative procedures.

46.10 Subd. 4. **Amount of rent assistance.** A program administrator may provide tenant-based
46.11 or project-based vouchers in amounts equal to the difference between 30 percent of household
46.12 income and the rent charged, plus an allowance for utilities if not included in rent. A program
46.13 administrator may not provide assistance that is more than the difference between 30 percent
46.14 of the tenant's gross income and 120 percent of the payment standard, plus utilities, as
46.15 established by the local public housing authority, unless otherwise authorized by the agency.

46.16 Subd. 5. **Administrative fees.** The agency shall consult with public housing authorities
46.17 to determine the amount of administrative fees to pay to program administrators.

46.18 Subd. 6. **Rent assistance not income.** (a) Rent assistance grant money under this section
46.19 is excluded from income as defined in sections 290.0674, subdivision 2a, and 290A.03,
46.20 subdivision 2.

46.21 (b) Notwithstanding any law to the contrary, payments under this section must not be
46.22 considered income, assets, or personal property for purposes of determining eligibility or
46.23 recertifying eligibility for state public assistance, including but not limited to:

46.24 (1) child care assistance programs under chapter 119B;

46.25 (2) general assistance, Minnesota supplemental aid, and food support under chapter
46.26 256D;

46.27 (3) housing support under chapter 256I;

46.28 (4) Minnesota family investment program and diversionary work program under chapter
46.29 256J; and

46.30 (5) economic assistance programs under chapter 256P.

46.31 (c) The commissioner of human services must not consider rent assistance grant money
46.32 under this section as income or assets under section 256B.056, subdivision 1a, paragraph

47.1 (a); subdivision 3; or subdivision 3c, or for persons with eligibility determined under section
47.2 256B.057, subdivision 3, 3a, or 3b.

47.3 Subd. 7. **Oversight.** The agency may direct program administrators to comply with
47.4 applicable sections of Code of Federal Regulations, title 24, part 982.

47.5 Sec. 4. **[477A.35] LOCAL AFFORDABLE HOUSING AID.**

47.6 Subdivision 1. **Purpose.** The purpose of this section is to help metropolitan local
47.7 governments to develop and preserve affordable housing within their jurisdictions in order
47.8 to keep families from losing housing and to help those experiencing homelessness find
47.9 housing.

47.10 Subd. 2. **Definitions.** For the purposes of this section, the following terms have the
47.11 meanings given:

47.12 (1) "city distribution factor" means the number of households in a tier I city that are
47.13 cost-burdened divided by the total number of households that are cost-burdened in tier I
47.14 cities. The number of cost-burdened households shall be determined using the most recent
47.15 estimates or experimental estimates provided by the American Community Survey of the
47.16 United States Census Bureau as of May 1 of the aid calculation year;

47.17 (2) "cost-burdened household" means a household in which gross rent is 30 percent or
47.18 more of household income or in which homeownership costs are 30 percent or more of
47.19 household income;

47.20 (3) "county distribution factor" means the number of households in a county that are
47.21 cost-burdened divided by the total number of households in metropolitan counties that are
47.22 cost-burdened. The number of cost-burdened households shall be determined using the most
47.23 recent estimates or experimental estimates provided by the American Community Survey
47.24 of the United States Census Bureau as of May 1 of the aid calculation year;

47.25 (4) "metropolitan county" has the meaning given in section 473.121, subdivision 4;

47.26 (5) "population" has the meaning given in section 477A.011, subdivision 3;

47.27 (6) "tier I city" means a statutory or home rule charter city that is a city of the first,
47.28 second, or third class and is located in a metropolitan county; and

47.29 (7) "tier II city" means a statutory or home rule charter city that is a city of the fourth
47.30 class and is located in a metropolitan county.

47.31 Subd. 3. **Distribution.** (a) The commissioner of revenue shall calculate the amount of
47.32 aid to distribute to each county under this section as the sum of:

48.1 (1) three percent of the total amount available to counties under this section; plus

48.2 (2) 79 percent of the total amount available to counties under this section, multiplied by
48.3 the county distribution factor.

48.4 (b) The commissioner of revenue shall calculate the amount of aid to distribute to each
48.5 tier I city under this section as:

48.6 (1) the tier I city's city distribution factor; multiplied by

48.7 (2) the total amount available to cities under this section.

48.8 Subd. 4. **Grants to tier II cities.** (a) The commissioner of the Minnesota Housing Finance
48.9 Agency shall establish a program to award grants of at least \$25,000 to tier II cities. The
48.10 agency shall develop program guidelines and criteria in consultation with the League of
48.11 Minnesota Cities.

48.12 (b) Among comparable proposals, the agency shall prioritize grants to local governments
48.13 that have a higher proportion of cost-burdened households.

48.14 (c) A grantee must use its grant on a qualifying project.

48.15 (d) In making grants, the agency shall determine the circumstances, terms, and conditions
48.16 under which all or any portion thereof will be repaid and shall determine the appropriate
48.17 security should repayment be required. Any repaid funds shall be returned to the account
48.18 or accounts established pursuant to paragraph (e).

48.19 (e) The agency shall establish a bookkeeping account or accounts in the housing
48.20 development fund for money distributed to the agency for grants under this subdivision. By
48.21 May 1 of each year, the Minnesota Housing Finance Agency shall report to the Department
48.22 of Revenue on the amount in the account or accounts.

48.23 Subd. 5. **Qualifying projects.** (a) Qualifying projects shall include rental assistance for
48.24 households earning less than 80 percent of area median income as determined by the United
48.25 States Department of Housing and Urban Development and projects designed for the purpose
48.26 of construction, acquisition, rehabilitation, demolition or removal of existing structures,
48.27 construction financing, permanent financing, interest rate reduction, refinancing, and gap
48.28 financing of housing to provide affordable housing to households that have incomes which
48.29 do not exceed, for homeownership projects, 115 percent of the greater of state or area median
48.30 income as determined by the United States Department of Housing and Urban Development,
48.31 and for rental housing projects, 80 percent of the greater of state or area median income as
48.32 determined by the United States Department of Housing and Urban Development, except

49.1 that the housing developed or rehabilitated with funds under this section must be affordable
49.2 to the local work force.

49.3 (b) Gap financing is either:

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

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

49.8 (c) If a grant under this section is used for demolition or removal of existing structures,
49.9 the cleared land must be used for the construction of housing to be owned or rented by
49.10 persons who meet the income limits of paragraph (a).

49.11 Subd. 6. Use of proceeds. (a) Any funds distributed under this section must be spent on
49.12 a qualifying project. Funds are considered spent on a qualifying project if:

49.13 (1) a tier I city or county demonstrates to the Minnesota Housing Finance Agency that
49.14 the city or county cannot expend funds on a qualifying project by the deadline imposed by
49.15 paragraph (b) due to factors outside the control of the city or county; and

49.16 (2) the funds are transferred to a local housing trust fund.

49.17 Funds transferred to a local housing trust fund under this paragraph must be spent on a
49.18 project or household that meets the affordability requirements of subdivision 5, paragraph
49.19 (a).

49.20 (b) Any unspent funds must be returned to the commissioner of revenue by December
49.21 31 in the third year following the year after the aid was received.

49.22 Subd. 7. Administration. (a) The commissioner of revenue must compute the amount
49.23 of aid payable to each tier I city and county under this section. Before computing the amount
49.24 of aid for counties and after receiving the report required by subdivision 4, paragraph (e),
49.25 the commissioner shall transfer from the funds available to counties to the Minnesota
49.26 Housing Finance Agency a sum such that the amount in the account or accounts established
49.27 under that paragraph equals ten percent of the total aid paid to tier I cities and counties under
49.28 this section in the previous year. By August 1 of each year, the commissioner must certify
49.29 the amount to be paid to each tier I city and county in the following year. The commissioner
49.30 must pay local affordable housing aid annually at the times provided in section 477A.015.

49.31 (b) Beginning in 2025, tier I cities and counties shall submit a report annually, no later
49.32 than December 1 of each year, to the Minnesota Housing Finance Agency. The report must

50.1 include documentation of the location of any unspent funds distributed under this section
 50.2 and of qualifying projects completed or planned with funds under this section. If a tier I
 50.3 city or county fails to submit a report, if a tier I city or county failed to spend funds within
 50.4 the timeline imposed under subdivision 6, paragraph (b), or if a tier I city or county uses
 50.5 funds for a project that does not qualify under this section, the Minnesota Housing Finance
 50.6 Agency shall notify the Department of Revenue and the cities and counties that must repay
 50.7 funds under paragraph (c) by February 15 of the following year.

50.8 (c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, a
 50.9 tier I city or county must repay to the commissioner of revenue funds the city or county
 50.10 received under this section if the city or county:

50.11 (1) fails to spend the funds within the time allowed under subdivision 6, paragraph (b);

50.12 (2) spends the funds on anything other than a qualifying project; or

50.13 (3) fails to submit a report documenting use of the funds.

50.14 (d) The commissioner of revenue must stop distributing funds to a tier I city or county
 50.15 that the Minnesota Housing Finance Agency reports to have, in three consecutive years,
 50.16 failed to use funds, misused funds, or failed to report on its use of funds.

50.17 (e) The commissioner may resume distributing funds to a tier I city or county to which
 50.18 the commissioner has stopped payments once the Minnesota Housing Finance Agency
 50.19 certifies that the city or county has submitted documentation of plans for a qualifying project.

50.20 (f) By May 1, any funds repaid to the commissioner of revenue by cities under paragraph
 50.21 (c) must be added to the overall distribution of aids certified under this section for tier I
 50.22 cities in the following year. By May 1, any funds repaid to the commissioner of revenue by
 50.23 counties under paragraph (c) must be added to the overall distribution of aids certified under
 50.24 this section for counties in the following year.

50.25 Subd. 8. **County consultation with local governments.** A county that receives funding
 50.26 under this section shall regularly consult with the local governments in the jurisdictions of
 50.27 which its qualifying projects are planned or located.

50.28 **Sec. 5. [477A.37] HOUSING ASSISTANCE FUND.**

50.29 Subdivision 1. **Fund established.** A housing assistance fund is established in the state
 50.30 treasury. The fund consist of money as provided under section 297A.9925, and any other
 50.31 money donated, allotted, transferred, or otherwise provided to the fund.

51.1 Subd. 2. Metropolitan county aid account; appropriation. (a) A metropolitan county
51.2 aid account is established in the housing assistance fund. The account consists of money as
51.3 provided under section 297A.9925, and any other money donated, allotted, transferred, or
51.4 otherwise provided to the account.

51.5 (b) Money in the metropolitan county aid account is annually appropriated to the
51.6 commissioner of revenue for payments to counties as provided under Minnesota Statutes,
51.7 section 477A.35.

51.8 Subd. 3. Metropolitan city aid account; appropriation. (a) A metropolitan city aid
51.9 account is established in the housing assistance fund. The account consists of money as
51.10 provided under section 297A.9925, and any other money donated, allotted, transferred, or
51.11 otherwise provided to the account.

51.12 (b) Money in the metropolitan city aid account is annually appropriated to the
51.13 commissioner of revenue for payments to cities as provided under Minnesota Statutes,
51.14 section 477A.35."

51.15 Amend the title accordingly