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S.F. No. 4254 - Authorizing housing and redevelopment authorities to create public corporations

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S.F. 4254 creates a type of public corporation for housing and redevelopment authorities that participate in the federal Housing and Urban Development [Rental Assistance Demonstration](#) (RAD) program. The program allows public housing authorities to convert properties to project-based Section 8 properties.

Section 1. (15.082) adds the public corporations created under section 3 of this bill to the exceptions in section 15.082, relating to the obligations of public corporations. This exception would make the state liable for obligations of a public corporation created under section 3 of this bill.

Section 2. (469.012, subdivision 2j) includes public corporations created under section 3 of this bill in the statute relating to the powers and duties of housing and redevelopment authorities.

Section 3. [469.0121] introduces a new section of statutes that would allow housing and redevelopment authorities to create a public corporation based on participation in the federal RAD program.

Subdivision 1 defines the terms authority, board, corporation, and RAD.

Subdivision 2 allows a housing and redevelopment authority to create a public corporation to purchase, own, and operate real property that has been converted to RAD.

Subdivision 3 describes the powers of the public corporation, including (1) to have succession; (2) to sue and be sued; (3) to have a corporate seal; (4) to receive gifts and bequests, and to use the funds for the purposes of the corporation; (5) to enter into contracts; (6) to hire employees and compensate them; (7) to purchase materials necessary for the

purposes of the corporation; (8) to accept money from the state and federal government; (9) to enter into contracts with federal, state, and municipal agencies; and (10) to acquire properties converted under RAD.

Subdivision 4 describes the membership and operations of the board of directors.

Subdivision 5 requires the board to adopt bylaws and rules.

Subdivision 6 requires the corporation's place of business to be in the same city as the authority that created the corporation.

Subdivision 7 states that board meetings are subject to the open meeting law in chapter 13D.

Subdivision 8 requires that the corporation comply with all laws, rules, ordinances, and other regulations required for project-based rental assistance properties.

Subdivision 9 states that upon dissolution of the corporation, the assets it owned become the property of the authority that created it.

Section 4 states that the act is effective July 1, 2024.