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BILL SUMMARY

S.F. No. 1913 – Establishing a locally controlled housing fund

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Section 1 [462A.44] Locally controlled housing fund

Subdivision 1 establishes a locally controlled housing fund and allows the housing finance agency to use money from the fund to assist specified entities with housing projects.

Subdivision 2 defines the terms approved partner, city, community land trust, eligible household, eligible recipient, and locally controlled housing. An "eligible recipient" means a city county, tribal government, tribal housing corporation, community land trust, or local housing authority. "Locally controlled housing" means a property where the eligible recipient has at least a 75 percent controlling stake or the eligible recipient owns the land where an approved partner owns the residential property.

Subdivision 3 allows eligible recipients to operate and manage locally controlled housing. Once an award has been repaid to the fund, an eligible recipient may retain, reinvest, or otherwise use the proceeds to produce or acquire additional affordable housing.

Subdivision 4 requires the agency to award an equal amount of funds in the metropolitan area and nonmetropolitan area and fund projects that include accessible units. For multifamily housing projects, at least 30 percent of units must be occupied by families at or below 50% of the area median income, and at least 30 percent of the units must be occupied by families between 50% and 100% of the area median income.

Subdivision 5 states that the funds are to be used for revolving loans for acquiring, rehabilitating, adaptively reusing, or constructing locally controlled housing, and specifies certain requirements for the projects.

Subdivision 6 states that eligible recipients must not sell their ownership stake without approval from the agency, and if a sale occurs, any loan balance must be repaid.

Subdivision 7 requires the agency to have at least one staff member serve the program.

Subdivision 8 requires the commissioner to submit an annual report.

Section 2 is an appropriation in fiscal year 2026.

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