

**SENATE
STATE OF MINNESOTA
SPECIAL SESSION**

S.F. No. 14

(SENATE AUTHORS: WEBER, Westrom and Draheim)

DATE
06/12/2020

D-PG

Introduction and first reading

OFFICIAL STATUS

1.1 A bill for an act

1.2 relating to housing; allowing mortgage financing for manufactured home park

1.3 cooperatives; modifying adoption of new model building codes and new energy

1.4 codes; exempting single-family homes from window fall prevention device code;

1.5 extending the use of rehabilitation loans to manufactured homes; modifying criteria

1.6 for housing grants and loans; authorizing the issuance of housing infrastructure

1.7 bonds; prescribing penalties for false statements; appropriating money for

1.8 emergency housing assistance grants; amending Minnesota Statutes 2018, sections

1.9 273.125, subdivision 8; 326B.106, subdivisions 1, 7; 326B.145; 462.352,

1.10 subdivision 5; 462A.05, subdivisions 14, 14a; 462A.37, subdivision 1, by adding

1.11 a subdivision; 462C.14, by adding a subdivision; Minnesota Statutes 2019

1.12 Supplement, sections 462A.24; 462A.37, subdivisions 2, 5; 474A.061, subdivision

1.13 2a; 474A.091, subdivision 3; proposing coding for new law in Minnesota Statutes,

1.14 chapters 168A; 462.

1.15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.16 Section 1. **[168A.1411] MANUFACTURED HOME AFFIXED TO REAL PROPERTY**

1.17 **OWNED BY COOPERATIVE.**

1.18 **Subdivision 1. Certificates surrendered for cancellation; cooperatives. (a) When a**

1.19 **manufactured home is to be affixed or is affixed, as defined in section 273.125, subdivision**

1.20 **8, paragraph (b), to real property owned by a Minnesota nonprofit corporation or a Minnesota**

1.21 **cooperative, the owner of the manufactured home may surrender the manufacturer's certificate**

1.22 **of origin or certificate of title to the department for cancellation so that the manufactured**

1.23 **home becomes an improvement to real property and is no longer titled as personal property.**

1.24 **The department must not issue a certificate of title for a manufactured home under chapter**

1.25 **168A if the manufacturer's certificate of origin is or has been surrendered under this**

1.26 **subdivision, except as provided in section 168A.142. Upon surrender of the manufacturer's**

1.27 **certificate of origin or the certificate of title, the department must issue notice of surrender**

2.1 to the owner, and upon recording an affidavit of affixation, which the county recorder or
 2.2 registrar of titles, as applicable, must accept, the manufactured home is deemed to be an
 2.3 improvement to real property. An affidavit of affixation by the owner of the manufactured
 2.4 home must include the following information:

2.5 (1) the name, residence address, and mailing address of owner or owners of the
 2.6 manufactured home;

2.7 (2) the legal description of the real property in which the manufactured home is, or will
 2.8 be, located;

2.9 (3) a copy of the surrendered manufacturer's certificate of origin or certificate of title
 2.10 and the notice of surrender;

2.11 (4) a written statement from the county auditor or county treasurer of the county where
 2.12 the manufactured home is located stating that all property taxes payable in the current year,
 2.13 as provided under section 273.125, subdivision 8, paragraph (b), have been paid, or are not
 2.14 applicable; and

2.15 (5) the signature of the person who executes the affidavit, properly executed before a
 2.16 person authorized to authenticate an affidavit in this state.

2.17 (b) A certified copy of the affidavit must be delivered to the county auditor of the county
 2.18 in which the real property to which the manufactured home was affixed is located.

2.19 (c) The department is not liable for any errors, omissions, misstatements, or other
 2.20 deficiencies or inaccuracies in documents presented to the department under this section,
 2.21 if the documents presented appear to satisfy the requirements of this section. The department
 2.22 has no obligation to investigate the accuracy of statements contained in the documents.

2.23 Subd. 2. **Affidavit form; cooperatives.** An affidavit of affixation must be in substantially
 2.24 the following form and must contain the following information.

2.25 **MANUFACTURED HOME AFFIDAVIT OF AFFIXATION IN A COOPERATIVE**

2.26 PURSUANT TO MINNESOTA STATUTES, SECTION 168A.1411

2.27 Homeowner, being duly sworn, on his or her oath, states as follows:

2.28 1. Homeowner owns the manufactured home ("home") described as follows:

2.29

2.30			<u>Manufacturer's</u>	<u>Model Name or</u>	<u>Manufacturer's</u>	
2.31	<u>New/Used</u>	<u>Year</u>	<u>Name</u>	<u>Model No.</u>	<u>Serial No.</u>	<u>Length/Width</u>

3.1 2. A copy of the surrendered manufacturer's certificate of origin or certificate of title is
3.2 attached.

3.3 3. A copy of the notice of surrender issued from the Minnesota Department of Public Safety
3.4 Driver and Vehicle Services is attached.

3.5 4. The home is or will be located at the following "Property Address":

3.6
3.7 Street or Route City County State Zip Code

3.8 5. The legal description of the property address ("land") is as follows or as attached hereto:

3.9
3.10
3.11

3.12 6. The owner of the land is a Minnesota nonprofit corporation or Minnesota cooperative
3.13 that owns the land and whose membership entitles the homeowner to occupy a specific
3.14 portion of the land.

3.15 7. The home is, or will be promptly upon delivery, anchored to the land by
3.16 attachment to a permanent foundation and connected to appropriate residential utilities (e.g.,
3.17 water, gas, electricity, sewer).

3.18 8. The homeowner intends that the home be an immovable permanent improvement to the
3.19 land, free of any personal property security interest.

3.20 9. A copy of the written statement from the county auditor or county treasurer of the county
3.21 in which the manufactured home is then located, stating that all property taxes payable in
3.22 the current year (pursuant to Minnesota Statutes, section 273.125, subdivision 8, paragraph
3.23 (b)), have been paid, or are not applicable, is attached.

3.24 10. The home is intended to be assessed and taxed as an improvement to the land.

3.25 Signed and sworn to (or affirmed) before me on (date) by (names of homeowner(s))

3.26

3.27 Homeowner Signature Address

3.28

3.29 Printed Name City, State

3.30

3.31 Homeowner Signature (if applicable)

3.32

3.33 Printed Name

4.1 This instrument was drafted by, and when recorded return to:

4.2

4.3

4.4

4.5 Subscribed and sworn to before me this day of,

4.6

4.7 Signature of Notary Public or Other Official

4.8 Notary Stamp or Seal

4.9 (optional)

4.10 Lender's Statement of Intent:

4.11 The undersigned ("lender") intends that the home be immovable and a permanent

4.12 improvement to the land free of any personal property security interest.

4.13

4.14 Lender

4.15 By:

4.16 Authorized Signature

4.17 STATE OF)

4.18) ss:

4.19 COUNTY OF)

4.20 On the day of in the year before me, the undersigned, a Notary Public in and

4.21 for said state, personally appeared

4.22

4.23 personally known to me or proved to me on the basis of satisfactory evidence to be the

4.24 individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged

4.25 to me that he/she/they executed the same in his/her/their capacity(ies), and that by

4.26 his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of

4.27 which the individual(s) acted, executed the instrument.

4.28

4.29 Notary Signature

4.30

4.31 Notary Printed Name

4.32 Notary Public, State of

5.1 Qualified in the County of

5.2 My commission expires

5.3 Official seal:

5.4 [only if the owner of the land is a Minnesota nonprofit corporation or cooperative]:

5.5 The undersigned is the of, a Minnesota [nonprofit
5.6 corporation or cooperative], which owns the land described above. I hereby certify that the
5.7 homeowner described above is a member of the [nonprofit corporation or cooperative]
5.8 whose membership entitles the homeowner to occupy [insert legal description of the
5.9 homeowner's lot or, if the corporation or cooperative has filed a scaled drawing as permitted
5.10 by subdivision 5, below, Lot shown on such scaled drawing].

5.11

5.12 Signature block for nonprofit or cooperative

5.13

5.14 Acknowledgment of officer of nonprofit or
5.15 cooperative

5.16 Subd. 3. **Perfected security interest prevents surrender.** The department may not
5.17 cancel a certificate of title if, under this chapter, a security interest has been perfected on
5.18 the manufactured home. If a security interest has been perfected, the department must notify
5.19 the owner that each secured party must release or satisfy the security interest prior to
5.20 proceeding with surrender of the manufacturer's certificate of origin or certificate of title to
5.21 the department for cancellation. Permanent attachment to real property or the recording of
5.22 an affidavit of affixation does not extinguish an otherwise valid security interest in or tax
5.23 lien on the manufactured home, unless the requirements of subdivisions 1 to 3, including
5.24 the release of any security interest, have been satisfied.

5.25 Subd. 4. **Notice of security interest.** When a perfected security interest exists, or will
5.26 exist, on the manufactured home at the time the manufactured home is affixed to real
5.27 property, and the owner has not satisfied the requirements of subdivision 1, the owner of
5.28 the manufactured home, or its secured party, may record a notice with the county recorder,
5.29 or with the registrar of titles, if the land is registered, stating that the manufactured home
5.30 located on the property is encumbered by a perfected security interest and is not an
5.31 improvement to real property. The notice must state the name and address of the secured
5.32 party as set forth on the certificate of title, the legal description of the real property, and the
5.33 name and address of the record fee owner of the real property on which the manufactured
5.34 home is affixed. When the security interest is released or satisfied, the secured party must
5.35 attach a copy of the release or satisfaction to a notice executed by the secured party containing

6.1 the county recorder or registrar of titles document number of the notice of security interest.
6.2 The notice of release or satisfaction must be recorded with the county recorder, or registrar
6.3 of titles, if the land is registered. Neither the notice described in this subdivision nor the
6.4 security interest on the certificate of title is deemed to be an encumbrance on the real
6.5 property. The notices provided for in this subdivision need not be acknowledged.

6.6 Subd. 5. **Scaled drawing.** (a) If the portion of the land occupied by the homeowner has
6.7 not been subdivided, the nonprofit or cooperative owner shall have prepared and recorded
6.8 against the land a scaled drawing prepared by a licensed professional land surveyor, who
6.9 shall certify that:

6.10 (1) the scaled drawing accurately depicts all information required by this subdivision;
6.11 and

6.12 (2) the work was undertaken by, or reviewed and approved by, the certifying land
6.13 surveyor.

6.14 (b) The scaled drawing shall show:

6.15 (1) the dimensions and location of all existing material structural improvements and
6.16 roadways;

6.17 (2) the extent of any encroachments by or upon any portion of the land;

6.18 (3) the location and dimensions of all recorded easements within the land burdening any
6.19 portion of the land;

6.20 (4) the distance and direction between noncontiguous parcels of real estate;

6.21 (5) the location and dimensions of the front, rear, and side boundaries of each lot that a
6.22 member of the cooperative or nonprofit corporation has a right to occupy and that lot's
6.23 unique lot number; and

6.24 (6) the legal description of the land.

6.25 Sec. 2. Minnesota Statutes 2018, section 273.125, subdivision 8, is amended to read:

6.26 Subd. 8. **Manufactured homes; sectional structures.** (a) In this section, "manufactured
6.27 home" means a structure transportable in one or more sections, which is built on a permanent
6.28 chassis, and designed to be used as a dwelling with or without a permanent foundation when
6.29 connected to the required utilities, and contains the plumbing, heating, air conditioning, and
6.30 electrical systems in it. Manufactured home includes any accessory structure that is an
6.31 addition or supplement to the manufactured home and, when installed, becomes a part of
6.32 the manufactured home.

7.1 (b) Except as provided in paragraph (c), a manufactured home that meets each of the
7.2 following criteria must be valued and assessed as an improvement to real property, the
7.3 appropriate real property classification applies, and the valuation is subject to review and
7.4 the taxes payable in the manner provided for real property:

7.5 (1) ~~the owner of the unit holds~~ title to the land on which it is situated is held by: (i) the
7.6 owner of the unit; or (ii) a Minnesota nonprofit corporation or a Minnesota cooperative to
7.7 which the owner is a member;

7.8 (2) the unit is affixed to the land by a permanent foundation or is installed at its location
7.9 in accordance with the Manufactured Home Building Code in sections 327.31 to 327.34,
7.10 and rules adopted under those sections, or is affixed to the land like other real property in
7.11 the taxing district; and

7.12 (3) the unit is connected to public utilities, has a well and septic tank system, or is serviced
7.13 by water and sewer facilities comparable to other real property in the taxing district.

7.14 (c) A manufactured home that meets each of the following criteria must be assessed at
7.15 the rate provided by the appropriate real property classification but must be treated as
7.16 personal property, and the valuation is subject to review and the taxes payable in the manner
7.17 provided in this section:

7.18 (1) the owner of the unit is a lessee of the land under the terms of a lease, or the unit is
7.19 located in a manufactured home park but is not the homestead of the park owner;

7.20 (2) the unit is affixed to the land by a permanent foundation or is installed at its location
7.21 in accordance with the Manufactured Home Building Code contained in sections 327.31 to
7.22 327.34, and the rules adopted under those sections, or is affixed to the land like other real
7.23 property in the taxing district; and

7.24 (3) the unit is connected to public utilities, has a well and septic tank system, or is serviced
7.25 by water and sewer facilities comparable to other real property in the taxing district.

7.26 (d) Sectional structures must be valued and assessed as an improvement to real property
7.27 if the owner of the structure holds title to the land on which it is located or is a qualifying
7.28 lessee of the land under section 273.19. In this paragraph "sectional structure" means a
7.29 building or structural unit that has been in whole or substantial part manufactured or
7.30 constructed at an off-site location to be wholly or partially assembled on site alone or with
7.31 other units and attached to a permanent foundation.

8.1 (e) The commissioner of revenue may adopt rules under the Administrative Procedure
8.2 Act to establish additional criteria for the classification of manufactured homes and sectional
8.3 structures under this subdivision.

8.4 (f) A storage shed, deck, or similar improvement constructed on property that is leased
8.5 or rented as a site for a manufactured home, sectional structure, park trailer, or travel trailer
8.6 is taxable as provided in this section. In the case of property that is leased or rented as a site
8.7 for a travel trailer, a storage shed, deck, or similar improvement on the site that is considered
8.8 personal property under this paragraph is taxable only if its total estimated market value is
8.9 over \$10,000. The property is taxable as personal property to the lessee of the site if it is
8.10 not owned by the owner of the site. The property is taxable as real estate if it is owned by
8.11 the owner of the site. As a condition of permitting the owner of the manufactured home,
8.12 sectional structure, park trailer, or travel trailer to construct improvements on the leased or
8.13 rented site, the owner of the site must obtain the permanent home address of the lessee or
8.14 user of the site. The site owner must provide the name and address to the assessor upon
8.15 request.

8.16 Sec. 3. Minnesota Statutes 2018, section 326B.106, subdivision 1, is amended to read:

8.17 Subdivision 1. **Adoption of code.** (a) Subject to paragraphs (c) and (d) and sections
8.18 326B.101 to 326B.194, the commissioner shall by rule and in consultation with the
8.19 Construction Codes Advisory Council establish a code of standards for the construction,
8.20 reconstruction, alteration, and repair of buildings, governing matters of structural materials,
8.21 design and construction, fire protection, health, sanitation, and safety, including design and
8.22 construction standards regarding heat loss control, illumination, and climate control. The
8.23 code must also include duties and responsibilities for code administration, including
8.24 procedures for administrative action, penalties, and suspension and revocation of certification.
8.25 The code must conform insofar as practicable to model building codes generally accepted
8.26 and in use throughout the United States, including a code for building conservation. In the
8.27 preparation of the code, consideration must be given to the existing statewide specialty
8.28 codes presently in use in the state. Model codes with necessary modifications and statewide
8.29 specialty codes may be adopted by reference. The code must be based on the application
8.30 of scientific principles, approved tests, and professional judgment. To the extent possible,
8.31 the code must be adopted in terms of desired results instead of the means of achieving those
8.32 results, avoiding wherever possible the incorporation of specifications of particular methods
8.33 or materials. To that end the code must encourage the use of new methods and new materials.
8.34 Except as otherwise provided in sections 326B.101 to 326B.194, the commissioner shall
8.35 administer and enforce the provisions of those sections.

9.1 (b) The commissioner shall develop rules addressing the plan review fee assessed to
 9.2 similar buildings without significant modifications including provisions for use of building
 9.3 systems as specified in the industrial/modular program specified in section 326B.194.
 9.4 Additional plan review fees associated with similar plans must be based on costs
 9.5 commensurate with the direct and indirect costs of the service.

9.6 (c) ~~Beginning with the 2018 edition of the model building codes and in 2026 and every~~
 9.7 ~~six years thereafter, the commissioner shall review the new model building codes and adopt~~
 9.8 ~~the model codes as amended for use in Minnesota, within two years of the published edition~~
 9.9 ~~date. The commissioner may not adopt new model building codes or amendments to the~~
 9.10 ~~building codes prior to the adoption of the new building codes to advance construction~~
 9.11 ~~methods, technology, or materials, or, where necessary to protect the health, safety, and~~
 9.12 ~~welfare of the public, or to improve the efficiency or the use of a building 2026, unless~~
 9.13 approved by law.

9.14 (d) Notwithstanding paragraph (c), the commissioner shall act on each new model
 9.15 residential energy code and the new model commercial energy code in accordance with
 9.16 federal law for which the United States Department of Energy has issued an affirmative
 9.17 determination in compliance with United States Code, title 42, section 6833. The
 9.18 commissioner may not adopt new energy codes or amendments prior to adoption of the
 9.19 new energy codes, as amended for use in Minnesota, to advance construction methods,
 9.20 technology, or materials, or, where necessary to protect the health, safety, and welfare of
 9.21 the public, or to improve the efficiency or use of a building unless the commissioner has
 9.22 determined that any increased cost to residential construction or remodeling per unit due to
 9.23 implementation of the proposed changes to the energy codes will be offset within five years
 9.24 by savings resulting from the change.

9.25 (e) The limitations on adoption of new or amended codes under paragraphs (c) and (d)
 9.26 do not apply to new or amended code changes necessary to protect the immediate health,
 9.27 safety, and welfare of the public.

9.28 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2020, and
 9.29 applies to rules proposed or adopted but not yet effective as of January 1, 2020.

9.30 Sec. 4. Minnesota Statutes 2018, section 326B.106, subdivision 7, is amended to read:

9.31 Subd. 7. **Window fall prevention device code.** The commissioner of labor and industry
 9.32 shall adopt rules for window fall prevention devices as part of the State Building Code.
 9.33 Window fall prevention devices include, but are not limited to, safety screens, hardware,
 9.34 guards, and other devices that comply with the standards established by the commissioner

10.1 of labor and industry. The rules shall require compliance with standards for window fall
10.2 prevention devices developed by ASTM International, contained in the International Building
10.3 Code as the model language with amendments deemed necessary to coordinate with the
10.4 other adopted building codes in Minnesota. The rules shall establish a scope that includes
10.5 the applicable building occupancies, excluding single-family homes, and the types, locations,
10.6 and sizes of windows that will require the installation of fall devices.

10.7 Sec. 5. Minnesota Statutes 2018, section 326B.145, is amended to read:

10.8 **326B.145 ANNUAL REPORT.**

10.9 (a) Each municipality shall annually report by June 30 to the department, in a format
10.10 prescribed by the department, all construction and development-related fees collected by
10.11 the municipality from developers, builders, and subcontractors if the cumulative fees collected
10.12 exceeded \$5,000 \$7,000 in the reporting year, except that, for reports due June 30, 2009,
10.13 to June 30, 2013, the reporting threshold is \$10,000.

10.14 (b) The report must include:

10.15 (1) the number and valuation of units for which fees were paid;

10.16 (2) the amount of building permit fees, plan review fees, administrative fees, engineering
10.17 fees, infrastructure fees, and other construction and development-related fees; and

10.18 (3) the expenses associated with the municipal activities for which fees were collected,
10.19 including a separate listing of costs associated with conducting inspections for each of the
10.20 following categories:

10.21 (i) labor;

10.22 (ii) transportation;

10.23 (iii) office space; and

10.24 (iv) any other expenses incurred by the municipality as a result of conducting inspections.

10.25 (c) A municipality that collects \$7,000 or less in a reporting year from all construction
10.26 and development-related fees shall report that the municipality collected \$7,000 or less in
10.27 the reporting year by indicating as such on a form provided by the department.

10.28 (d) In developing the form for reporting, the department must include a list of common
10.29 definitions for all categories of construction and development-related fees collected by
10.30 municipalities and a summary of penalties that may result from annual report noncompliance
10.31 as allowed by section 326B.082. A municipality that collects a fee not included in the

11.1 common list of definitions must report the fee as "other" and provide an explanation of the
 11.2 fee.

11.3 (e) A municipality that fails to report to the department in accordance with this section
 11.4 is subject to the remedies provided by section 326B.082.

11.5 **EFFECTIVE DATE.** This section is effective January 1, 2021.

11.6 Sec. 6. Minnesota Statutes 2018, section 462.352, subdivision 5, is amended to read:

11.7 Subd. 5. **Comprehensive municipal plan.** (a) "Comprehensive municipal plan" means
 11.8 a compilation of policy statements, goals, standards, and maps for guiding the physical,
 11.9 social and economic development, both private and public, of the municipality and its
 11.10 environs, and may include, but is not limited to, the following: statements of policies, goals,
 11.11 standards, a land use plan, including proposed densities for development, a community
 11.12 facilities plan, a transportation plan, and recommendations for plan execution. A
 11.13 comprehensive plan represents the planning agency's recommendations for the future
 11.14 development of the community.

11.15 (b) As part of the comprehensive municipal plan, municipalities are encouraged to enact
 11.16 public policy to facilitate the development of unsubsidized affordable housing. These policies
 11.17 may include but are not limited to the municipal plan authorizing smaller lot sizes for
 11.18 single-family homes, allowing the construction of duplexes through fourplexes on lots that
 11.19 would otherwise be zoned exclusively for single-family houses, and allowing for mixed-use
 11.20 development.

11.21 Sec. 7. **[462.3575] LIMITING REGULATIONS ON RESIDENTIAL**
 11.22 **DEVELOPMENT.**

11.23 A municipality shall not condition approval of a residential building permit, subdivision
 11.24 development, or planned unit development on the use of specific materials, design, amenities,
 11.25 or other aesthetic conditions that are not required by the State Building Code under chapter
 11.26 326B.

11.27 Sec. 8. Minnesota Statutes 2018, section 462A.05, subdivision 14, is amended to read:

11.28 Subd. 14. **Rehabilitation loans.** It may agree to purchase, make, or otherwise participate
 11.29 in the making, and may enter into commitments for the purchase, making, or participation
 11.30 in the making, of eligible loans for rehabilitation, with terms and conditions as the agency
 11.31 deems advisable, to persons and families of low and moderate income, and to owners of
 11.32 existing residential housing for occupancy by such persons and families, for the rehabilitation

12.1 of existing residential housing owned by them. The loans may be insured or uninsured and
12.2 may be made with security, or may be unsecured, as the agency deems advisable. The loans
12.3 may be in addition to or in combination with long-term eligible mortgage loans under
12.4 subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness
12.5 secured by the property, if refinancing is determined by the agency to be necessary to permit
12.6 the owner to meet the owner's housing cost without expending an unreasonable portion of
12.7 the owner's income thereon. No loan for rehabilitation shall be made unless the agency
12.8 determines that the loan will be used primarily to make the housing more desirable to live
12.9 in, to increase the market value of the housing, for compliance with state, county or municipal
12.10 building, housing maintenance, fire, health or similar codes and standards applicable to
12.11 housing, or to accomplish energy conservation related improvements. In unincorporated
12.12 areas and municipalities not having codes and standards, the agency may, solely for the
12.13 purpose of administering the provisions of this chapter, establish codes and standards. ~~Except~~
12.14 ~~for accessibility improvements under this subdivision and subdivisions 14a and 24, clause~~
12.15 ~~(1), no secured loan for rehabilitation of any owner-occupied property shall be made in an~~
12.16 ~~amount which, with all other existing indebtedness secured by the property, would exceed~~
12.17 ~~110 percent of its market value, as determined by the agency.~~ No loan under this subdivision
12.18 for the rehabilitation of owner-occupied housing shall be denied solely because the loan
12.19 will not be used for placing the owner-occupied residential housing in full compliance with
12.20 all state, county, or municipal building, housing maintenance, fire, health, or similar codes
12.21 and standards applicable to housing. Rehabilitation loans shall be made only when the
12.22 agency determines that financing is not otherwise available, in whole or in part, from private
12.23 lenders upon equivalent terms and conditions. Accessibility rehabilitation loans authorized
12.24 under this subdivision may be made to eligible persons and families without limitations
12.25 relating to the maximum incomes of the borrowers if:

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

12.29 (2) home care is appropriate; and

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

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

13.1 Sec. 9. Minnesota Statutes 2018, section 462A.05, subdivision 14a, is amended to read:

13.2 Subd. 14a. **Rehabilitation loans; existing owner-occupied residential housing.** It may
13.3 make loans to persons and families of low and moderate income to rehabilitate or to assist
13.4 in rehabilitating existing residential housing owned and occupied by those persons or
13.5 families. Rehabilitation may include the replacement of manufactured homes. No loan shall
13.6 be made unless the agency determines that the loan will be used primarily for rehabilitation
13.7 work necessary for health or safety, essential accessibility improvements, or to improve the
13.8 energy efficiency of the dwelling. No loan for rehabilitation of owner-occupied residential
13.9 housing shall be denied solely because the loan will not be used for placing the residential
13.10 housing in full compliance with all state, county or municipal building, housing maintenance,
13.11 fire, health or similar codes and standards applicable to housing. The amount of any loan
13.12 shall not exceed the lesser of (a) a maximum loan amount determined under rules adopted
13.13 by the agency not to exceed \$27,000, or (b) the actual cost of the work performed, or (c)
13.14 that portion of the cost of rehabilitation which the agency determines cannot otherwise be
13.15 paid by the person or family without the expenditure of an unreasonable portion of the
13.16 income of the person or family. Loans made in whole or in part with federal funds may
13.17 exceed the maximum loan amount to the extent necessary to comply with federal lead
13.18 abatement requirements prescribed by the funding source. In making loans, the agency shall
13.19 determine the circumstances under which and the terms and conditions under which all or
13.20 any portion of the loan will be repaid and shall determine the appropriate security for the
13.21 repayment of the loan. Loans pursuant to this subdivision may be made with or without
13.22 interest or periodic payments.

13.23 Sec. 10. Minnesota Statutes 2019 Supplement, section 462A.24, is amended to read:

13.24 **462A.24 CONSTRUCTION; GRANTS AND LOANS; PRIORITIES.**

13.25 (a) This chapter is necessary for the welfare of the state of Minnesota and its inhabitants;
13.26 therefore, it shall be liberally construed to effect its purpose.

13.27 (b) To the extent practicable, the agency shall award grant and loan amounts with a
13.28 reasonable balance between nonmetropolitan and metropolitan areas of the state.

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

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

14.3 (e) To the extent practicable, the agency shall enter into individual grant contracts for
 14.4 each single-family home that is constructed with grant financing by the agency.

14.5 Sec. 11. Minnesota Statutes 2018, section 462A.37, subdivision 1, is amended to read:

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

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

14.9 (c) "Community land trust" means an entity that meets the requirements of section
 14.10 462A.31, subdivisions 1 and 2.

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

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

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

14.19 (1) are qualified 501(c)(3) bonds, within the meaning of Section 145(a) of the Internal
 14.20 Revenue Code;

14.21 (2) finance qualified residential rental projects within the meaning of Section 142(d) of
 14.22 the Internal Revenue Code;

14.23 (3) finance the acquisition, rehabilitation, or adaptive use of single family houses that
 14.24 qualify for mortgage financing within the meaning of Section 143 of the Internal Revenue
 14.25 Code; or

14.26 (4) are tax-exempt bonds that are not private activity bonds, within the meaning of
 14.27 Section 141(a) of the Internal Revenue Code, for the purpose of financing or refinancing
 14.28 affordable housing authorized under this chapter.

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

14.30 (h) "Naturally occurring affordable housing" or "NOAH" means multiunit rental housing
 14.31 where the majority of the units are affordable to individuals and families with incomes at

15.1 or below 60 percent of the area median income, that otherwise does not receive place-based
 15.2 state or federal governmental subsidies.

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

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

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

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

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

15.16 Sec. 12. Minnesota Statutes 2019 Supplement, section 462A.37, subdivision 2, is amended
 15.17 to read:

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

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

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

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

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

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

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

16.10 (7) to finance the costs of rehabilitation of naturally occurring affordable housing in
16.11 order to preserve a long-term source of affordable housing; and

16.12 (8) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction
16.13 of single family housing.

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

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

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

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

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

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

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

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

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

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

17.9 Sec. 13. Minnesota Statutes 2018, section 462A.37, is amended by adding a subdivision
17.10 to read:

17.11 Subd. 2g. **Additional authorization.** In addition to the amount authorized in subdivisions
17.12 2 to 2f, the agency may issue up to \$100,000,000 in housing infrastructure bonds in one or
17.13 more series to which the payments under this section may be pledged.

17.14 Sec. 14. Minnesota Statutes 2019 Supplement, section 462A.37, subdivision 5, is amended
17.15 to read:

17.16 **Subd. 5. Additional appropriation.** (a) The agency must certify annually to the
17.17 commissioner of management and budget the actual amount of annual debt service on each
17.18 series of bonds issued under subdivisions 2a to ~~2f~~ 2g.

17.19 (b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure
17.20 bonds issued under subdivision 2a remain outstanding, the commissioner of management
17.21 and budget must transfer to the housing infrastructure bond account established under section
17.22 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$6,400,000
17.23 annually. The amounts necessary to make the transfers are appropriated from the general
17.24 fund to the commissioner of management and budget.

17.25 (c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure
17.26 bonds issued under subdivision 2b remain outstanding, the commissioner of management
17.27 and budget must transfer to the housing infrastructure bond account established under section
17.28 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$800,000
17.29 annually. The amounts necessary to make the transfers are appropriated from the general
17.30 fund to the commissioner of management and budget.

17.31 (d) Each July 15, beginning in 2019 and through 2040, if any housing infrastructure
17.32 bonds issued under subdivision 2c remain outstanding, the commissioner of management

18.1 and budget must transfer to the housing infrastructure bond account established under section
18.2 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$2,800,000
18.3 annually. The amounts necessary to make the transfers are appropriated from the general
18.4 fund to the commissioner of management and budget.

18.5 (e) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure
18.6 bonds issued under subdivision 2d remain outstanding, the commissioner of management
18.7 and budget must transfer to the housing infrastructure bond account established under section
18.8 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary
18.9 to make the transfers are appropriated from the general fund to the commissioner of
18.10 management and budget.

18.11 (f) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure
18.12 bonds issued under subdivision 2e remain outstanding, the commissioner of management
18.13 and budget must transfer to the housing infrastructure bond account established under section
18.14 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary
18.15 to make the transfers are appropriated from the general fund to the commissioner of
18.16 management and budget.

18.17 (g) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure
18.18 bonds issued under subdivision 2f remain outstanding, the commissioner of management
18.19 and budget must transfer to the housing infrastructure bond account established under section
18.20 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary
18.21 to make the transfers are appropriated from the general fund to the commissioner of
18.22 management and budget.

18.23 (h) Each July 15, beginning in 2023 and through 2044, if any housing infrastructure
18.24 bonds issued under subdivision 2g remain outstanding, the commissioner of management
18.25 and budget must transfer to the housing infrastructure bond account established under section
18.26 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary
18.27 to make the transfers are appropriated from the general fund to the commissioner of
18.28 management and budget.

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

19.1 Sec. 15. Minnesota Statutes 2018, section 462C.14, is amended by adding a subdivision
19.2 to read:

19.3 Subd. 5. **Late fines prohibited.** A city, as defined in section 462C.02, subdivision 6,
19.4 shall not fine a nonprofit that receives city money for low-income housing for turning in a
19.5 late application.

19.6 Sec. 16. Minnesota Statutes 2019 Supplement, section 474A.061, subdivision 2a, is
19.7 amended to read:

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

19.15 (1) preservation projects;

19.16 (2) 30 percent AMI residential rental projects;

19.17 (3) 50 percent AMI residential rental projects;

19.18 (4) 100 percent LIHTC projects;

19.19 (5) 20 percent LIHTC projects; and

19.20 (6) other residential rental projects for which the amount of bonds requested in their
19.21 respective applications do not exceed the aggregate bond limitation.

19.22 If there are two or more applications for residential rental projects at the same priority level
19.23 and there is insufficient bonding authority to provide allocations for all the projects in any
19.24 one allocation period, available bonding authority shall be ~~randomly~~ awarded by let giving
19.25 preference for projects with a lower cost-per-unit of housing but only for projects that can
19.26 receive the full amount of their respective requested allocations. If a residential rental project
19.27 does not receive any of its requested allocation pursuant to this paragraph and the project
19.28 applies for an allocation of bonds again in the same calendar year or to the next successive
19.29 housing pool, the project shall be fully funded up to its original application request for
19.30 bonding authority before any new project, applying in the same allocation period, that has
19.31 an equal priority shall receive bonding authority. An issuer that receives an allocation under
19.32 this paragraph must issue obligations equal to all or a portion of the allocation received on

20.1 or before 180 days of the allocation. If an issuer that receives an allocation under this
20.2 paragraph does not issue obligations equal to all or a portion of the allocation received
20.3 within the time period provided in this paragraph or returns the allocation to the
20.4 commissioner, the amount of the allocation is canceled and returned for reallocation through
20.5 the housing pool or to the unified pool after July 1.

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

20.9 (1) the housing program must meet a locally identified housing need and be economically
20.10 viable;

20.11 (2) the adjusted income of home buyers may not exceed 80 percent of the greater of
20.12 statewide or area median income as published by the Department of Housing and Urban
20.13 Development, adjusted for household size;

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

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

20.25 Applications by a consortium shall include the name of each member of the consortium
20.26 and the amount of allocation requested by each member.

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

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

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

21.11 (d) The total amount of allocation for mortgage bonds for one city is limited to the lesser
21.12 of: (i) the amount requested, or (ii) the product of the total amount available for mortgage
21.13 bonds from the housing pool, multiplied by the ratio of each applicant's population as
21.14 determined by the most recent estimate of the city's population released by the state
21.15 demographer's office to the total of all the applicants' population, except that each applicant
21.16 shall be allocated a minimum of \$100,000 regardless of the amount requested or the amount
21.17 determined under the formula in clause (ii). If a city applying for an allocation is located
21.18 within a county that has also applied for an allocation, the city's population will be deducted
21.19 from the county's population in calculating the amount of allocations under this paragraph.

21.20 Upon determining the amount of each applicant's allocation, the agency shall forward
21.21 to the commissioner a list specifying the amounts allotted to each application with all
21.22 application fees and deposits from applicants who choose to have the agency issue bonds
21.23 on their behalf.

21.24 Total allocations from the housing pool for single-family housing programs may not
21.25 exceed 27 percent of the adjusted allocation to the housing pool until after June 15 in 2020
21.26 and 2021, after which the allocations may not exceed 31 percent of the adjusted allocation
21.27 to the housing pool until after June 15.

21.28 (e) The agency may issue bonds on behalf of participating cities. The agency shall request
21.29 an allocation from the commissioner for all applicants who choose to have the agency issue
21.30 bonds on their behalf and the commissioner shall allocate the requested amount to the
21.31 agency. The agency may request an allocation at any time after the second Tuesday in
21.32 January and through the last Monday in June. After awarding an allocation and receiving
21.33 a notice of issuance for the mortgage bonds issued on behalf of the participating cities, the
21.34 commissioner shall transfer the application deposits to the Minnesota Housing Finance

22.1 Agency to be returned to the participating cities. The Minnesota Housing Finance Agency
22.2 shall return any application deposit to a city that paid an application deposit under paragraph
22.3 (b), clause (4), but was not part of the list forwarded to the commissioner under paragraph
22.4 (d).

22.5 (f) A city may choose to issue bonds on its own behalf or through a joint powers
22.6 agreement and may request an allocation from the commissioner by forwarding an application
22.7 with an application fee pursuant to section 474A.03, subdivision 4, and a one percent
22.8 application deposit to the commissioner no later than the Monday of the week preceding
22.9 an allocation. If the total amount requested by all applicants exceeds the amount available
22.10 in the pool, the city may not receive a greater allocation than the amount it would have
22.11 received under the list forwarded by the Minnesota Housing Finance Agency to the
22.12 commissioner. No city may request or receive an allocation from the commissioner until
22.13 the list under paragraph (d) has been forwarded to the commissioner. A city must request
22.14 an allocation from the commissioner no later than the last Monday in June. No city may
22.15 receive an allocation from the housing pool for mortgage bonds which has not first applied
22.16 to the Minnesota Housing Finance Agency. The commissioner shall allocate the requested
22.17 amount to the city or cities subject to the limitations under this paragraph.

22.18 If a city issues mortgage bonds from an allocation received under this paragraph, the
22.19 issuer must provide for the recycling of funds into new loans. If the issuer is not able to
22.20 provide for recycling, the issuer must notify the commissioner in writing of the reason that
22.21 recycling was not possible and the reason the issuer elected not to have the Minnesota
22.22 Housing Finance Agency issue the bonds. "Recycling" means the use of money generated
22.23 from the repayment and prepayment of loans for further eligible loans or for the redemption
22.24 of bonds and the issuance of current refunding bonds.

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

22.29 (h) A city that does not use at least 50 percent of its allotment by the date applications
22.30 are due for the first allocation that is made from the housing pool for single-family housing
22.31 programs in the immediately succeeding calendar year may not apply to the housing pool
22.32 for a single-family mortgage bond or mortgage credit certificate program allocation that
22.33 exceeds the amount of its allotment for the preceding year that was used by the city in the
22.34 immediately preceding year or receive an allotment from the housing pool in the succeeding
22.35 calendar year that exceeds the amount of its allotment for the preceding year that was used

23.1 in the preceding year. The minimum allotment is \$100,000 for an allocation made prior to
23.2 June 15, regardless of the amount used in the preceding calendar year, except that a city
23.3 whose allocation in the preceding year was the minimum amount of \$100,000 and who did
23.4 not use at least 50 percent of its allocation from the preceding year is ineligible for an
23.5 allocation in the immediate succeeding calendar year. Each local government unit in a
23.6 consortium must meet the requirements of this paragraph.

23.7 **EFFECTIVE DATE.** This section is effective January 1, 2021.

23.8 Sec. 17. Minnesota Statutes 2019 Supplement, section 474A.091, subdivision 3, is amended
23.9 to read:

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

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

23.18 (1) applications for residential rental project bonds;

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

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

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

23.23 (1) applications for student loan bonds issued by or on behalf of the Minnesota Office
23.24 of Higher Education;

23.25 (2) applications for mortgage bonds;

23.26 (3) applications for public facility projects funded by public facility bonds;

23.27 (4) applications for small issue bonds for manufacturing projects;

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

23.29 (6) applications for residential rental project bonds;

23.30 (7) applications for enterprise zone facility bonds;

24.1 (8) applications for governmental bonds; and

24.2 (9) applications for redevelopment bonds.

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

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

24.18 (f) If there are two or more applications for residential rental projects from the unified
24.19 pool and there is insufficient bonding authority to provide allocations for all residential
24.20 rental projects in any one allocation period, the available bonding authority shall be awarded
24.21 in the following order of priority: (1) preservation projects; (2) 30 percent AMI residential
24.22 rental projects; (3) 50 percent AMI residential rental projects for which the amount of bonds
24.23 requested in their respective applications do not exceed the aggregate bond limitations; (4)
24.24 100 percent LIHTC projects; (5) 20 percent LIHTC projects; and (6) other residential rental
24.25 projects. If there are two or more applications for residential rental projects at the same
24.26 priority level and there is insufficient bonding authority to provide allocations for all the
24.27 projects in any one allocation period, available bonding authority shall be ~~randomly~~ awarded
24.28 by ~~lot~~ giving preference for projects with a lower cost-per-unit of housing but only for
24.29 projects that can receive the full amount of their respective requested allocations. If a
24.30 residential rental project does not receive any of its requested allocation pursuant to this
24.31 paragraph and the project applies in the next successive housing pool or the next successive
24.32 unified pool for an allocation of bonds, the project shall be fully funded up to its original
24.33 application request for bonding authority before any new project, applying in the same
24.34 allocation period, that has an equal priority shall receive bonding authority.

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

25.7 (h) The total amount of allocations for mortgage bonds from the housing pool and the
25.8 unified pool may not exceed:

25.9 (1) \$10,000,000 for any one city; or

25.10 (2) \$20,000,000 for any number of cities in any one county.

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

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

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

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

25.22 **EFFECTIVE DATE.** This section is effective January 1, 2021.

25.23 Sec. 18. **HOUSING BOND ISSUE EXTENSION.**

25.24 Notwithstanding the requirement in Minnesota Statutes, section 474A.061, subdivision
25.25 2a, that an issuer must issue obligations equal to all or a portion of an allocation received
25.26 from the housing pool on or before 180 days of the allocation, for allocations made between
25.27 January 1, 2020, and the last Monday in June 2020, an issuer will have until December 1,
25.28 2020, to issue obligations equal to all or a portion of the allocation.

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

26.1 **Sec. 19. ASSISTANCE FRAUD.**

26.2 Any person who, with the intent to defraud, presents a claim under section 20 which is
26.3 false in whole or in part, is guilty of an attempt to commit theft of public funds and may be
26.4 sentenced accordingly.

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

26.6 **Sec. 20. APPROPRIATION; 2020 EMERGENCY HOUSING ASSISTANCE**
26.7 **GRANTS.**

26.8 (a) \$100,000,000 in fiscal year 2020 is appropriated from the coronavirus relief federal
26.9 fund to the commissioner of the Minnesota Housing Finance Agency for transfer to the
26.10 housing development fund for the family homeless prevention and assistance program under
26.11 Minnesota Statutes, section 462A.204. The agency may use grantees of the family homeless
26.12 prevention and assistance program under Minnesota Statutes, section 462A.204, and the
26.13 grantees are preapproved to distribute money under this section. Notwithstanding the
26.14 requirements of Minnesota Statutes, sections 16C.06 and 462A.204, the commissioner of
26.15 the Minnesota Housing Finance Agency shall allocate these resources to existing grantees
26.16 and contract with other entities that are not current grantees based on homelessness prevention
26.17 needs. Entities may include counties, cities, nonprofit organizations, tribes, or other entities
26.18 identified by the agency. For purposes of this emergency appropriation, nonprofits do not
26.19 need to obtain sponsoring resolutions from counties as required under Minnesota Statutes,
26.20 section 462A.204, subdivision 3. This appropriation is onetime and available until December
26.21 1, 2020, or 30 days before the time limit for expending money under the Coronavirus Aid,
26.22 Relief, and Economic Security (CARES) Act, Public Law 116-136, title V, if extended in
26.23 federal law. Funds not committed or expended by the final availability date shall cancel to
26.24 the fund from which the appropriation was made. To the extent practicable, the Minnesota
26.25 Housing Finance Agency shall notify the media, landlords, chambers of commerce, and
26.26 other interested parties of the availability of the assistance program.

26.27 (b) Funding under this section shall be for individuals, families, and homeowners in
26.28 Minnesota to prevent homelessness and help maintain homeownership during
26.29 public-health-related emergencies consistent with the requirements of this section. The
26.30 commissioner may contract with county agencies, local governments, tribes, or nonprofit
26.31 organizations to provide funding and support services to process applications for funding
26.32 under this program. To be eligible for funding, applicants must:

26.33 (1) have a public-health-related emergency as defined in this section;

27.1 (2) have a rent payment, mortgage payment, homeowner association dues, lot rent due
27.2 to a manufactured home park, contract for deed payment, homeowner insurance payment,
27.3 property tax payment, or utility payment with a due date of March 1, 2020, or later, that is
27.4 past due;

27.5 (3) be unable to pay the money owed because of the public health emergency; and

27.6 (4) be a household, with a current gross income under 300 percent of the federal poverty
27.7 guidelines at the time of application or as averaged over the previous 12 months, whichever
27.8 is lower.

27.9 (c) If an applicant applies for relief from sources other than the 2020 emergency housing
27.10 assistance grants and receives aid for the purposes of paying for housing, the applicant must
27.11 immediately notify the granting agency. Applicants may receive funding for rent, a mortgage
27.12 payment, homeowner association dues, rent due for a manufactured home, contract for deed
27.13 payment owed to a seller, homeowner insurance or property tax payment owed for a home,
27.14 or utility payment owed with a due date of March 1, 2020, or later, that is due within 14
27.15 days of the application or that is up to 45 days past due at the time of application. Entities
27.16 receiving grants under this section must provide written notification of legal duties that are
27.17 taken on by aid recipients, including but not limited to informing the granting agency if a
27.18 recipient receives aid for the purposes of paying for housing.

27.19 (d) Once an application is approved, the assistance file may remain open to allow for
27.20 consideration of additional future assistance needs under this funding program resulting
27.21 from the public health emergency. The financial assistance provided for any individual or
27.22 family must not exceed the minimum rent due, contract for deed payment, or mortgage
27.23 payment owed, plus the homeowner association dues and utility payments owed, for a period
27.24 of 90 days, except those at risk of experiencing homelessness.

27.25 (e) Funding under this section must be paid directly to:

27.26 (1) the landlord or leasing agent for a rental unit;

27.27 (2) the financial service for a mortgage or the entity who owns the mortgage for a
27.28 homeowner;

27.29 (3) the contract for deed vendor or seller;

27.30 (4) the purchase-money mortgagor;

27.31 (5) the manufactured home park cooperative, manufactured home owner, or park owner;

27.32 (6) the utility company; or

28.1 (7) any other identified entity to whom payment is owed.

28.2 (f) The commissioner may develop applications for the program and a process to oversee
28.3 grantees.

28.4 (g) Data submitted from benefits by an applicant to establish eligibility under this section
28.5 is subject to Minnesota Statutes, section 13.462.

28.6 (h) By February 8, 2021, the Minnesota Housing Finance Agency must submit a report
28.7 to the chairs and ranking minority members of the legislative committees with jurisdiction
28.8 over housing finance with a summary of the performance of this program. The report must
28.9 contain the following information:

28.10 (1) the total number of grants awarded to grantees and the number of households assisted
28.11 under this program;

28.12 (2) the total amount of grant funding awarded to grantees and households assisted under
28.13 this program;

28.14 (3) the mean and median grant amounts awarded to grantees and households assisted
28.15 under this program;

28.16 (4) a summary of the geographic distribution of grants awarded under this program,
28.17 including a list of the number of households awarded grants by county and the total dollar
28.18 amount in assistance provided to all households by county; and

28.19 (5) a list of all entities contracted with to process applications under this program.

28.20 (i) For the purposes of this section, "public-health-related emergency" means:

28.21 (1) an illness, either of an individual or an individual's relative or household member,
28.22 related to COVID-19 that prevents the individual from maintaining employment temporarily
28.23 or permanently and the individual's income is reduced by 15 percent or more; or

28.24 (2) a reduction in income by 15 percent or more, or temporary or permanent
28.25 unemployment as a result of COVID-19, or due to the peacetime emergency declared by
28.26 the governor on March 13, 2020, in Executive Order 20-01 in response to COVID-19 or
28.27 any other peacetime emergency declared by the governor by an executive order issued on
28.28 or before September 30, 2020, that relates to COVID-19.

28.29 (j) The commissioner of management and budget, in consultation with the commissioner
28.30 of housing finance, must determine whether any of the expenditures an appropriation is
28.31 made for under this act is an eligible use of federal funding received under the Coronavirus
28.32 Aid, Relief, and Economic Security (CARES) Act, Public Law 116-136, title V. If the

29.1 commissioner of management and budget determines an expenditure is eligible for funding
29.2 under title V of the CARES Act, the amount for the eligible expenditure is appropriated
29.3 from the fund or account where CARES Act money has been deposited.

29.4 (k) No money in this section may be spent until the commissioner of management and
29.5 budget determines that the appropriation in this section is an eligible use of the coronavirus
29.6 relief federal fund.

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