

S.F. No. 969 – Housing Budget Bill, Articles 2 and 3

Author: Senator Rich Draheim

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

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Article 2 – Housing Policy

Section 1 adds federally recognized American Indian tribes and tribal housing corporations to the entities who may receive grants for affordable housing in a natural disaster area.

Section 2, subdivision 1 sets out the process for surrendering a certificate of title for a manufactured home to be affixed to real property owned by a nonprofit or cooperative, so that the manufactured home becomes an improvement to real property and is no longer titled as personal property.

Upon recording a prescribed affidavit of affixation, the manufactured home is deemed to be an improvement to real property.

Subdivision 2 specifies the form of affidavit of affixation.

Subdivision 3 prohibits the department from cancelling a certificate of title if a security interest has been perfected on the manufactured home.

Subdivision 4 allows the owner of the manufactured home, or its secured party to record a notice with the county recorder stating that the property is encumbered and is not an improvement to real property. Contents of the notice are specified.

Subdivision 5 requires the nonprofit or cooperative owner to have prepared a scaled drawing by a licensed land surveyor if the portion of the land occupied by the homeowner has not been subdivided. Requirements and certification related to the scaled drawing are set forth.

Section 3 provides the process the owner of a manufactured home must follow for the home to be considered an improvement to real property, instead of being titled as personal property. Replaces an existing provision in law governing this process.

Section 4 eliminates the requirement that all occupants of a community land trust building have a family income less than 80% of the greater of state or area median income.

Section 5 is a conforming change to **section 2**.

Section 6. Exempts one and two-family dwellings and townhouses from the window fall prevention device installation requirement if: (1) the lowest part of the window opening of an operable window is a minimum of 24 inches above the finished floor; or the lowest part of the opening of an operable window is located 72 inches or less above the exterior grade.

Section 7 amends the comprehensive municipal plan, by adding a new paragraph encouraging municipalities to enact public policy to facilitate the development of unsubsidized affordable housing.

Section 8 is a new section of law that limits regulations on residential development.

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

Subdivision 2 relates to planned unit developments (PUD).

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

Paragraph (b) prohibits a municipality from requiring a PUD agreement conditions that exceed requirements in the State Building Code.

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

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

Subdivision 4 exempts from this section a proposed residential development that is to be developed by the municipality.

Section 9 eliminates the requirement that a rehab loan together with all other debt on the property not exceed 110% of fair market value of the property.

Section 10 authorizes MHFA to make rehab loans for replacement of manufactured homes and raises the cap on rehab loans to \$40,000.

Section 11 authorizes MHFA to provide support to increase the capacity of entities to meet housing needs in the state.

Section 12 eliminates a requirement under the family homeless prevention program that a community-based nonprofit have a sponsoring resolution from each of the county boards located within its operating jurisdiction.

Section 13 requires MHFA to award points in the agency’s decision making criteria for all programs based on how quickly a project can be constructed.

Section 14 increases the income limitation under the definition of “persons and families of low and moderate income” to 115% of the greater of state or area median income for purposes of community land trusts.

Section 15. Income requirements under definition of “senior” moved under a newly defined term “senior household” with conforming changes made.

Section 16 eliminates a reviewed accessibility service plan from the list of preferential proposal criteria for senior housing using housing infrastructure bonds.

Section 17 adds counties to the list of entities that may receive grants under the workforce and affordable homeownership development program.

Section 18 to 21 expand the scope of the workforce housing development program to owner-occupied housing and add federally recognized tribal reservations to the list of “eligible project area” for purposes of the program.

Section 22 requires the agency to develop and implement a program that offers mortgage financing and down payment assistance for purchasers of eligible manufactured homes by Aug. 1, 2022.

Section 23 is a conforming change to the repealer in **section 27, paragraph (b)**, which repeals an exception to the rent control prohibition that allows local units of government to impose rent control if approved by voters.

Sections 24 and 25 require that if there are two or more applications for residential rental projects at the same priority level and there is insufficient bonding authority, that available bonding authority be awarded by giving preference to projects with lower cost per unit instead of randomly.

Section 26 is a Revisor instruction related to **section 3** of this article

Section 27 repeals provisions to conform to **sections 3 and 21** of this article.

Article 3 – Eviction Moratorium Phaseout

Section 1. Limitation of powers. Prohibits the executive branch from exercising emergency powers that supersede or modify a chapter governing landlord and tenant law, **chapter 504B**.

Sec. 2. Executive order 20-79 void. Makes [Executive Order 20-79](#) void.

Sec. 3. Eviction moratorium phaseout. This section provides a transition period prohibiting evictions and lease terminations for 75 days following enactment except for the following:

- Eviction actions or lease terminations where the tenant is a danger to others, significantly damages property, or commits certain criminal activity;
- 45 days after enactment, eviction actions are permitted for material breaches of the lease other than nonpayment of rent for households with an annual income up to 80 percent of the area median income;
- 60 days after enactment, eviction actions are permitted for those with outstanding rent but who are ineligible for rental assistance;
- 15 days after enactment, lease terminations are permitted for material breaches of the lease other than nonpayment of rent for households with an annual income up to 80 percent of the median income; and
- 30 days after enactment, lease terminations are permitted for those with outstanding rent but who are ineligible for rental assistance.

Section is effective the day following final enactment.