

S.F. No. 16 – Housing Omnibus Budget Bill

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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.

Sections 2 and 5 are conforming changes to **section 10**.

Section 3 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 4 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 6 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 7 authorizes MHFA to make rehab loans for replacement of manufactured homes and raises the cap on rehab loans to \$37,500.

Section 8 authorizes MHFA to provide support to increase the capacity of entities to meet housing needs in the state.

Section 9 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 10. Service and support animal documentation.

Subd. 1. Definitions. Provides definitions for “service animal” and “support animal” for the chapter on landlord and tenant regulations.

Subd. 2. Request for documentation permitted. Allows the landlord to request supporting documentation for a licensed professional verifying the disability when a tenant makes a reasonable accommodation request for a service or support animal. The landlord should not request written documentation when the disability is apparent to the landlord.

Subd. 3. Additional fees or deposit prohibited. Provides that a landlord cannot charge additional fees or rent for a service or support animal. This section requires the tenant to pay for any damages caused by the animal.

Subd. 4. Prohibited conduct. Provides that it is illegal to misrepresent that an animal is a service or support animal if it is not and that it is illegal to provide fraudulent documents to prove an animal is a support animal.

Subd. 5. Penalty. Provides that a landlord may deny a tenant’s rental application or not approve the accommodation for a service or support animal if they violate this section. Clarifies that a landlord can still evict a tenant for a breach of the lease.

Section 11. Prorated rent required. Prohibits the tenant from being charged more than the prorated amount of rent for the last month of rent if the lease requires the tenant to move out before the last day of the month. Effective September 1, 2021, and applies to leases entered into on or after that date.

Article 3 – Manufactured Homes

Section 1, 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 2 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.

Article 4 – Bonding Provisions

Section 1. Additional authorization. Authorizes the issuance of \$100 million in housing infrastructure bonds. \$18,333,000 must be applied to finance various costs related to single-family housing and \$15,000,000 must be applied for acquisition of manufactured home parks and for manufactured home park improvements and infrastructure. If MHFA has not committed the full amount of the allocations for single-family housing and manufactured home parks by January 16, 2024, the allocated amount may be applied to other purposes for which housing infrastructure bonds may be applied. Effective January 16, 2022.

Section 2. Additional appropriation. Provides for the debt service on the \$100 million in housing infrastructure bonds.

Section 3. Appropriation; receipts. Clarifies that any fees collected by Minnesota Management & Budget under the Minnesota Bond Allocation Act must be deposited in a separate account in the special revenue fund.

Section 4. Housing pool bond authority application deposit refund. Requires MMB to refund application deposit money to issuers that returned all of their bonding authority allocation from the 2020 housing pool, to avoid a double bond fee due to the circumstances of the COVID-19 pandemic. Effective the day following final enactment.

Section 5. Adjustment to housing infrastructure bond authorization. Requires the \$100 million of housing infrastructure bonds to be reduced by the amount of any federal funds appropriated and dedicated from a federal infrastructure bill enacted between June 1, 2021, and December 31, 2021, for loans and grants for the same purposes for which housing infrastructure bonds may be issued. MHFA is required to report to the legislature by January 15, 2022, as to the amount of any such reductions.

Article 5 – Eviction Moratorium Phaseout

This article terminates the Governor’s executive order establishing an eviction moratorium and provides a transition period for landlords to commence eviction actions.

Section 1. Executive Orders 20-14, 20-73, and 20-79 void. This section makes void the three executive orders that established the moratorium on evictions.

Section 2. Eviction moratorium phaseout. This section provides a timeline for when certain evictions and terminations or nonrenewals of residential leases may resume.

- Upon enactment of this act, a landlord may file an eviction action or terminate or not renew a residential lease if the tenant endangers the safety of other; significantly damages property; or violates **section 504B.171, subdivision 1**;

- Upon enactment, terminations or nonrenewals of a residential lease are permitted at the request of a tenant; or for material violations of the lease, not including nonpayment of rent.
- 15 days following enactment, a landlord may file an action for eviction for material violations of the lease, not including nonpayment of rent.
- 45 days following enactment, terminations and nonrenewals of residential leases are permitted for those with outstanding rent but who are ineligible for COVID-19 emergency rental assistance.
- 75 days following enactment, a landlord may file an eviction action against tenants with outstanding rent but who are ineligible for COVID-19 emergency rental assistance.

A landlord may file an eviction action at any time against a tenant who is eligible for COVID-19 emergency rental assistance but refuses to apply for assistance or provide proof of a pending application.

All remaining eviction actions and terminations or nonrenewals of residential leases may proceed upon expiration of this section—105 days following enactment of this bill—except for evictions where the tenant has a pending application for emergency rental assistance (see **section 4**).

Section 3. COVID-19 emergency rental assistance notification. A landlord must provide a written notice to a tenant at least 15 days prior to filing an eviction action based on nonpayment of rent. The notice must state that the eviction moratorium has ended and the tenant may soon be subject to an eviction action, the total amount of rent past due, and that the tenant should visit renthelpmn.org or call 211 to see if they are eligible for financial assistance. If proper notice is not provided, the court may stay the eviction proceeding until proper notice is provided. A lack of strict compliance is not a defense and shall not constitute grounds for dismissal of an eviction action. This section expires 105 days following enactment.

Section 4. Evictions; pending applications for rental assistance. A landlord is prohibited from filing an eviction action against a tenant with a pending application for emergency rental assistance under the Consolidated Appropriations Act, 2021, Public Law 116-260, or the American Rescue Plan Act, 2021, Public Law 117-2 until June 1, 2022—the date this section expires.

Effective dates. The sections in this article are effective the day following final enactment.

Article 6 – Task Force on Shelter

Section 1 establishes a task force on shelter.