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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 4536

03/04/2024 Authored by Howard, Kozlowski, Kraft and Elkins
The bill was read for the first time and referred to the Committee on Housing Finance and Policy

1.1 A bill for an act
1.2 relating to housing; establishing a housing infrastructure grant program;
1.3 appropriating money.

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

1.5 Section 1. HOUSING INFRASTRUCTURE GRANT PROGRAM.

1.6 Subdivision 1. Grant program established. The commissioner of the Housing Finance
1.7 Agency shall establish a grant program to award grants to cities of up to 50 percent of the
1.8 capital costs of public infrastructure to increase the residential density of the cities. The
1.9 commissioner may make a grant award to a city only after determining that nonstate resources
1.10 are committed to complete the project. The nonstate contribution may be cash, other
1.11 committed grant money, or in-kind contributions. In-kind contributions include the value
1.12 of the site of the project, regardless of whether the site is prepared before or after the law
1.13 appropriating money for the grant is enacted.

1.14 Subd. 2. Definitions. (a) For the purposes of this section, the following terms have the
1.15 meanings given.

1.16 (b) "City" means a statutory or home rule charter city.

1.17 (c) "Commissioner" means the commissioner of the Housing Finance Agency.

1.18 (d) "Housing infrastructure" means publicly owned physical infrastructure necessary to
1.19 support housing development projects, including but not limited to sewers, water supply
1.20 systems, utility extensions, streets, wastewater treatment systems, stormwater management
1.21 systems, and facilities for pretreatment of wastewater to remove phosphorus.

2.1 Subd. 3. **Eligible projects.** Housing projects eligible for a grant under this section may
2.2 be a single-family or multifamily housing development, and either owner-occupied or rental.

2.3 Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for
2.4 soliciting and reviewing applications for grants under this section. At a minimum, a city
2.5 must include in the city's application a resolution of the city council certifying that the
2.6 required nonstate match is available. The commissioner must evaluate complete applications
2.7 submitted under this section to determine whether the project is necessary for a planned
2.8 development that would increase residential density of the city.

2.9 (b) The determination of whether to make a grant for a site is within the discretion of
2.10 the commissioner, subject to this section. The commissioner's decisions and application of
2.11 criteria are not subject to judicial review, except for abuse of discretion.

2.12 Subd. 5. **Maximum grant amount.** A city may receive no more than \$30,000 per lot
2.13 for single-family, duplex, triplex, or fourplex housing developed and no more than \$180,000
2.14 per lot for multifamily housing with more than four units per building. A city may receive
2.15 no more than \$500,000 in two years for one or more housing developments.

2.16 Sec. 2. **APPROPRIATION; HOUSING INFRASTRUCTURE GRANT PROGRAM.**

2.17 \$..... in fiscal year 2025 is appropriated from the general fund to the commissioner of
2.18 the Housing Finance Agency for the operation of the housing infrastructure grant program.