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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 1344

03/07/2013 Authored by Clark
The bill was read for the first time and referred to the Committee on Rules and Legislative Administration
By motion, recalled and re-referred to the Committee on Housing Finance and Policy
04/08/2013 Adoption of Report: Pass as Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to housing; appropriating money to the Housing Finance Agency.

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

1.4 Section 1. HOUSING FINANCE AGENCY.

1.5 The sums shown in the columns marked "APPROPRIATIONS" are appropriated
1.6 to the agencies and for the purposes specified in this act. The appropriations are from
1.7 the general fund, or another named fund, and are available for the fiscal years indicated
1.8 for each purpose. The figures "2014" and "2015" used in this article mean that the
1.9 appropriations listed under them are available for the fiscal year ending June 30, 2014, or
1.10 June 30, 2015, respectively. "The first year" is fiscal year 2014. "The second year" is fiscal
1.11 year 2015. "The biennium" is fiscal years 2014 and 2015.

Table with 2 columns: 2014, 2015. Header: APPROPRIATIONS Available for the Year Ending June 30

1.16 Sec. 2. APPROPRIATIONS.

1.17 Subdivision 1. Total Appropriation \$ 50,048,000 \$ 48,048,000

1.18 The amounts that may be spent for each
1.19 purpose are specified in the following
1.20 subdivisions.

1.21 Unless otherwise specified, this appropriation
1.22 is for transfer to the housing development

2.1 fund for the programs specified in this
 2.2 section. Except as otherwise indicated, this
 2.3 transfer is part of the agency's permanent
 2.4 budget base.

2.5 **Subd. 2. Challenge Program** 10,227,000 10,227,000

2.6 (a) This appropriation is for the economic
 2.7 development and housing challenge program
 2.8 under Minnesota Statutes, section 462A.33.
 2.9 Priority shall be given to funding programs
 2.10 that are aimed at closing the disparity gap
 2.11 in affordable homeownership and rental
 2.12 housing for indigenous American Indians
 2.13 and communities of color. Of this amount,
 2.14 \$1,208,000 each year shall be made available
 2.15 during the first 11 months of the fiscal
 2.16 year exclusively for housing projects for
 2.17 American Indians. Any funds not committed
 2.18 to housing projects for American Indians in
 2.19 the first 11 months of the fiscal year shall
 2.20 be available for any eligible activity under
 2.21 Minnesota Statutes, section 462A.33.

2.22 (b) Priority shall be given to programs that:
 2.23 (1) focus on creating safe and stable housing
 2.24 for homeless youth;
 2.25 (2) provide housing and services to trafficked
 2.26 women and children;
 2.27 (3) are land trust programs and programs
 2.28 that work in coordination with a land trust
 2.29 program; or
 2.30 (4) provide housing for communities and
 2.31 regions that have: (i) low vacancy rates, a
 2.32 plan that identifies current and future housing
 2.33 needs, experienced job growth since 2005,
 2.34 and at least 2,000 jobs within the commuter

3.1 shed; or (ii) communities and regions that:
 3.2 have evidence of anticipated job expansion
 3.3 or a significant portion of area employees
 3.4 who commute more than 30 miles between
 3.5 their residence and employment, and where
 3.6 area employers are willing to provide a
 3.7 meaningful contribution that reduces the
 3.8 need for deferred loan or grant funds from
 3.9 state sources.

3.10 (c) The base funding for this program in the
 3.11 2016-2017 biennium is \$10,805,000 each
 3.12 year.

3.13 <u>Subd. 3. Housing Trust Fund</u>	<u>12,605,000</u>	<u>10,605,000</u>
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3.14 (a) This appropriation is for deposit in the
 3.15 housing trust fund account created under
 3.16 Minnesota Statutes, section 462A.201, and
 3.17 may be used for the purposes provided in that
 3.18 section. Priority shall be given to funding
 3.19 programs that are aimed at closing the
 3.20 disparity gap in rental housing for indigenous
 3.21 American Indians and communities of
 3.22 color and culturally specific groups who
 3.23 are providing services to members of their
 3.24 communities.

3.25 (b) Of this amount, \$1,000,000 is a onetime
 3.26 appropriation for temporary rental assistance
 3.27 for families with school-age children who
 3.28 have changed school or home at least
 3.29 once in the last school year. The agency,
 3.30 in consultation with the Department of
 3.31 Education, may establish additional targeting
 3.32 criteria.

3.33 (c) Of this amount, \$1,000,000 is a onetime
 3.34 appropriation for temporary rental assistance
 3.35 for adults who are in the process of being

5.1 (a) This appropriation is for the affordable
5.2 rental investment fund program under
5.3 Minnesota Statutes, section 462A.21,
5.4 subdivision 8b, to finance the acquisition,
5.5 rehabilitation, and debt restructuring of
5.6 federally assisted rental property and
5.7 for making equity take-out loans under
5.8 Minnesota Statutes, section 462A.05,
5.9 subdivision 39.

5.10 (b) The owner of federally assisted rental
5.11 property must agree to participate in
5.12 the applicable federally assisted housing
5.13 program and to extend any existing
5.14 low-income affordability restrictions on the
5.15 housing for the maximum term permitted.
5.16 The owner must also enter into an agreement
5.17 that gives local units of government,
5.18 housing and redevelopment authorities,
5.19 and nonprofit housing organizations the
5.20 right of first refusal if the rental property
5.21 is offered for sale. Priority must be given
5.22 among comparable federally assisted rental
5.23 properties to properties with the longest
5.24 remaining term under an agreement for
5.25 federal assistance. Priority must also be
5.26 given among comparable rental housing
5.27 developments to developments that are or
5.28 will be owned by local government units, a
5.29 housing and redevelopment authority, or a
5.30 nonprofit housing organization.

5.31 (c) The appropriation also may be used to
5.32 finance the acquisition, rehabilitation, and
5.33 debt restructuring of existing supportive
5.34 housing properties. For purposes of this
5.35 subdivision, "supportive housing" means
5.36 affordable rental housing with links to

6.1 services necessary for individuals, youth, and
 6.2 families with children to maintain housing
 6.3 stability.

6.4 **Subd. 8. Housing Rehabilitation** 6,094,000 6,094,000

6.5 This appropriation is for the housing
 6.6 rehabilitation program under Minnesota
 6.7 Statutes, section 462A.05, subdivision 14.
 6.8 Of this amount, \$3,344,000 each year is for
 6.9 the rehabilitation of rental properties, and
 6.10 \$2,750,000 each year is for the rehabilitation
 6.11 of owner-occupied homes.

6.12 The base funding for this program in fiscal
 6.13 years 2016 and 2017 is \$6,188,000 each
 6.14 year. Of this amount, \$3,438,000 each year
 6.15 is for the rehabilitation of rental housing and
 6.16 \$2,750,000 each year is for the rehabilitation
 6.17 of owner-occupied housing.

6.18 **Subd. 9. Homeownership Education,**
 6.19 **Counseling, and Training** 809,000 809,000

6.20 This appropriation is for the homeownership
 6.21 education, counseling, and training program
 6.22 under Minnesota Statutes, section 462A.209.
 6.23 Priority may be given to funding programs
 6.24 that are aimed at culturally specific groups
 6.25 who are providing services to members of
 6.26 their communities.

6.27 The base funding for this program in fiscal
 6.28 years 2016 and 2017 is \$819,000 each year.

6.29 **Subd. 10. Capacity Building Grants** 242,000 242,000

6.30 This appropriation is for nonprofit capacity
 6.31 building grants under Minnesota Statutes,
 6.32 section 462A.21, subdivision 3b.

6.33 The base funding for this program in fiscal
 6.34 years 2016 and 2017 is \$263,000 each year.

7.1	<u>Subd. 11. Grants</u>	<u>445,000</u>	<u>445,000</u>
7.2	<u>(a) This appropriation is for the grants in</u>		
7.3	<u>paragraphs (b) to (d) and is available until</u>		
7.4	<u>expended. This appropriation is added to the</u>		
7.5	<u>agency's base.</u>		
7.6	<u>(b) \$70,000 each year is for a grant to Open</u>		
7.7	<u>Access Connection to provide free voice mail</u>		
7.8	<u>services for homeless and low-income people</u>		
7.9	<u>so that they have a reliable and consistent</u>		
7.10	<u>communication tool to aid in their search</u>		
7.11	<u>for affordable housing and their search for</u>		
7.12	<u>and maintenance of jobs so that they have</u>		
7.13	<u>income to maintain affordable housing. This</u>		
7.14	<u>service is provided in the metropolitan area</u>		
7.15	<u>and through a toll-free number in greater</u>		
7.16	<u>Minnesota.</u>		
7.17	<u>(c) \$200,000 each year is for a grant to</u>		
7.18	<u>HOME Line for the tenant's rights advocacy</u>		
7.19	<u>and services program.</u>		
7.20	<u>(d) \$175,000 each year is for a grant to an East</u>		
7.21	<u>African women's organization to promote the</u>		
7.22	<u>health and safety of East African women and</u>		
7.23	<u>children in Minnesota and provide services to</u>		
7.24	<u>East African women, who are first-generation</u>		
7.25	<u>immigrants from East African countries, and</u>		
7.26	<u>their children. The program must provide</u>		
7.27	<u>safe housing for victims of domestic abuse</u>		
7.28	<u>and trafficking as well as assistance accessing</u>		
7.29	<u>the health care system. The program must</u>		
7.30	<u>provide educational resources to prevent</u>		
7.31	<u>the exploitation of East African women</u>		
7.32	<u>and children in Minnesota. The program</u>		
7.33	<u>shall provide shelter services and health</u>		
7.34	<u>and human rights education to promote</u>		
7.35	<u>empowerment and provide culturally</u>		

8.1 appropriate services to East African women
 8.2 and children in Minnesota and other victims
 8.3 of domestic violence.

8.4 Subd. 12. Transfers 3,900,000 3,900,000

8.5 (a) The appropriations in this subdivision are
 8.6 not for transfer to the housing development
 8.7 fund. These appropriations are for transfer
 8.8 to the commissioner of human services for
 8.9 the purposes specified. The appropriations
 8.10 are added to the Minnesota Housing Finance
 8.11 Agency's fiscal year 2016 and fiscal year
 8.12 2017 base budget.

8.13 (b) \$900,000 each year is for the long-term
 8.14 homeless supportive services fund under
 8.15 Minnesota Statutes, section 256K.26.

8.16 (c) \$250,000 each year is for the transitional
 8.17 housing programs under Minnesota Statutes,
 8.18 section 256E.33.

8.19 (d) \$250,000 each year is for emergency
 8.20 services grants under Minnesota Statutes,
 8.21 section 256E.36.

8.22 (e) \$1,500,000 each year is to provide
 8.23 housing and services to homeless youth
 8.24 under Minnesota Statutes, section 256K.45.

8.25 (f) \$1,000,000 each year is to develop and
 8.26 provide housing and shelters to prevent the
 8.27 sexual exploitation of women and children
 8.28 and assist trafficked women and children.