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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

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 to the
1.6 agencies and for the purposes specified in this article. The appropriations are from the
1.7 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.

1.12		<u>APPROPRIATIONS</u>	
1.13		<u>Available for the Year</u>	
1.14		<u>Ending June 30</u>	
1.15		<u>2014</u>	<u>2015</u>
1.16	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 51,048,000</u>	<u>\$ 38,048,000</u>

1.17 The amounts that may be spent for each
1.18 purpose are specified in the following
1.19 subdivisions.
1.20 This appropriation is for transfer to the
1.21 housing development fund for the programs
1.22 specified in this section. Except as otherwise

2.1 indicated, this transfer is part of the agency's
2.2 permanent budget base.

2.3 **Subd. 2. Challenge Program** 16,955,000 6,955,000

2.4 (a) This appropriation is for the economic
2.5 development and housing challenge program
2.6 under Minnesota Statutes, section 462A.33.
2.7 Of this amount, \$1,208,000 each year shall
2.8 be made available during the first 11 months
2.9 of the fiscal year exclusively for housing
2.10 projects for American Indians. Any funds not
2.11 committed to housing projects for American
2.12 Indians in the first 11 months of the fiscal year
2.13 shall be available for any eligible activity
2.14 under Minnesota Statutes, section 462A.33.

2.15 (b) Of this amount, \$10,000,000 is a onetime
2.16 appropriation and is targeted for housing in
2.17 communities and regions that have:

2.18 (1)(i) low housing vacancy rates; and

2.19 (ii) cooperatively developed a plan that
2.20 identifies current and future housing needs;
2.21 and

2.22 (2)(i) experienced job growth since 2005 and
2.23 have at least 2,000 jobs within the commuter
2.24 shed;

2.25 (ii) evidence of anticipated job expansion; or

2.26 (iii) a significant portion of area employees
2.27 who commute more than 30 miles between
2.28 their residence and their employment.

2.29 (c) Preference must be given among
2.30 comparable housing proposals to proposals
2.31 that include a meaningful contribution from
2.32 area employers that reduces the need for
2.33 deferred loan or grant funds from state
2.34 resources.

3.1 (d) The base funding for this program in the
 3.2 2016-2017 biennium is \$6,955,000 each year.

3.3 Subd. 3. **Housing Trust Fund** 12,555,000 9,555,000

3.4 (a) This appropriation is for deposit in the
 3.5 housing trust fund account created under
 3.6 Minnesota Statutes, section 462A.201, and
 3.7 may be used for the purposes provided in
 3.8 that section.

3.9 (b) Of this amount, \$2,000,000 is a onetime
 3.10 appropriation for temporary rental assistance
 3.11 for families with school-age children who
 3.12 have changed schools or homes at least
 3.13 once in the last school year. The agency,
 3.14 in consultation with the Department of
 3.15 Education, may establish additional targeting
 3.16 criteria.

3.17 (c) Of this amount, \$1,000,000 is a onetime
 3.18 appropriation for temporary rental assistance
 3.19 for adults who are in the process of being
 3.20 released from state correctional facilities
 3.21 or on supervised release in the community
 3.22 who are homeless or at risk of becoming
 3.23 homeless. The agency, in consultation with
 3.24 the Department of Corrections, may establish
 3.25 additional targeting criteria to identify
 3.26 those adults most at risk of reentering state
 3.27 correctional facilities.

3.28 (d) The base funding for this program in fiscal
 3.29 years 2016 and 2017 is \$9,555,000 each year.

3.30 Subd. 4. **Rental Assistance for Mentally Ill** 2,638,000 2,638,000

3.31 This appropriation is for the rental housing
 3.32 assistance program under Minnesota
 3.33 Statutes, section 462A.2097.

3.34 Subd. 5. **Family Homeless Prevention** 7,465,000 7,465,000

4.1 This appropriation is for the family homeless
 4.2 prevention and assistance programs under
 4.3 Minnesota Statutes, section 462A.204.

4.4 **Subd. 6. Home Ownership Assistance Fund** 797,000 797,000

4.5 This appropriation is for the home ownership
 4.6 assistance program under Minnesota
 4.7 Statutes, section 462A.21, subdivision 8.

4.8 **Subd. 7. Affordable Rental Investment Fund** 4,218,834 4,218,834

4.9 (a) This appropriation is for the affordable
 4.10 rental investment fund program under
 4.11 Minnesota Statutes, section 462A.21,
 4.12 subdivision 8b, to finance the acquisition,
 4.13 rehabilitation, and debt restructuring of
 4.14 federally assisted rental property and for
 4.15 making equity takeout loans under Minnesota
 4.16 Statutes, section 462A.05, subdivision 39.

4.17 (b) The owner of federally assisted rental
 4.18 property must agree to participate in
 4.19 the applicable federally assisted housing
 4.20 program and to extend any existing
 4.21 low-income affordability restrictions on the
 4.22 housing for the maximum term permitted.

4.23 The owner must also enter into an agreement
 4.24 that gives local units of government,
 4.25 housing and redevelopment authorities,
 4.26 and nonprofit housing organizations the
 4.27 right of first refusal if the rental property
 4.28 is offered for sale. Priority must be given
 4.29 among comparable federally assisted rental
 4.30 properties to properties with the longest
 4.31 remaining term under an agreement for
 4.32 federal assistance. Priority must also be
 4.33 given among comparable rental housing
 4.34 developments to developments that are or
 4.35 will be owned by local government units, a

5.1 housing and redevelopment authority, or a
 5.2 nonprofit housing organization.

5.3 (c) The appropriation also may be used to
 5.4 finance the acquisition, rehabilitation, and
 5.5 debt restructuring of existing supportive
 5.6 housing properties. For purposes of this
 5.7 subdivision, "supportive housing" means
 5.8 affordable rental housing with links to
 5.9 services necessary for individuals, youth, and
 5.10 families with children to maintain housing
 5.11 stability.

5.12 (d) The base funding for the affordable rental
 5.13 investment fund program under Minnesota
 5.14 Statutes, section 462A.21, subdivision 8b,
 5.15 in fiscal years 2016 and 2017, is \$8,996,000
 5.16 each year.

5.17 Subd. 8. **Housing Rehabilitation** 5,543,166 5,543,166

5.18 This appropriation is for the housing
 5.19 rehabilitation program under Minnesota
 5.20 Statutes, section 462A.05, subdivision 14.

5.21 Subd. 9. **Homeownership Education,**
 5.22 **Counseling, and Training** 751,000 751,000

5.23 This appropriation is for the homeownership
 5.24 education, counseling, and training program
 5.25 under Minnesota Statutes, section 462A.209.

5.26 Subd. 10. **Capacity-Building Grants** 125,000 125,000

5.27 This appropriation is for nonprofit
 5.28 capacity-building grants under Minnesota
 5.29 Statutes, section 462A.21, subdivision 3b.