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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 1603

03/18/2013 Authored by Clark

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; creating the Housing Opportunity Made Equitable (HOME)
1.3 pilot project; appropriating money.

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

1.5 Section 1. HOUSING OPPORTUNITY MADE EQUITABLE (HOME) PILOT
1.6 PROJECT.

1.7 (a) The Minnesota Housing Finance Agency shall establish the Housing Opportunity
1.8 Made Equitable (HOME) pilot project to support closing the disparity gap in affordable
1.9 homeownership and rental housing for African-American families in Minnesota.

1.10 (b) \$3,000,000 is appropriated in fiscal year 2015 from the general fund to the
1.11 Minnesota Housing Finance Agency for the HOME pilot project under this section. Funds
1.12 appropriated shall be used to support the capacity of several local community nonprofit
1.13 housing and service providers to administer the project. The Minnesota Housing Finance
1.14 Agency shall choose providers that have proven track records of assisting culturally
1.15 diverse groups of people with long-term education services and wraparound services that
1.16 have historically resulted in sustainable affordable housing opportunities for culturally
1.17 diverse groups. The pilot project must:

1.18 (1) increase housing opportunities for specific groups while closing the disparity gap
1.19 that exists in Minnesota;

1.20 (2) redevelop and rebuild challenged neighborhoods affected by foreclosure crisis;

1.21 (3) bring long-term cost benefits by rejuvenating a property tax base of more than
1.22 \$2,429,000 over four years; and

1.23 (4) create a revenue stream of at least \$150,000 each year to be redistributed to
1.24 providers to expand capacity to help more families.

2.1 (c) Of the appropriation, \$1,000,000 must be used to assist families to attain
2.2 sustainable affordable homeownership and rental units. Assistance may include long-term
2.3 financial education, training, case management, credit mending, homebuyer education,
2.4 foreclosure prevention mitigation services, jobs and employment readiness training
2.5 resources, and supporting wraparound services.

2.6 (d) Of the appropriation, \$2,000,000 must be used to develop and administer
2.7 a revolving loan pool for lending to assist families with culturally sensitive credit
2.8 affordability financing that will be administered by the providers. Proceeds from the
2.9 origination, processing, administrative fees, and servicing of the loans must go into a pool
2.10 that will be redistributed back to the providers to expand capacity to assist more families
2.11 with purchasing a home or providing rental subsidies.