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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 2695

01/31/2022 Authored by Reyer; Howard; Wazlawik; Olson, L.; Agbaje and others
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; requiring certain percentages of projects funded with housing
1.3 infrastructure bonds to result in physically and sensory accessible units; amending
1.4 Minnesota Statutes 2020, section 462A.37, subdivision 2.

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

1.6 Section 1. Minnesota Statutes 2020, section 462A.37, subdivision 2, is amended to read:

1.7 Subd. 2. Authorization. (a) The agency may issue up to \$30,000,000 in aggregate
1.8 principal amount of housing infrastructure bonds in one or more series to which the payment
1.9 made under this section may be pledged. The housing infrastructure bonds authorized in
1.10 this subdivision may be issued to fund loans, or grants for the purposes of clause (4), on
1.11 terms and conditions the agency deems appropriate, made for one or more of the following
1.12 purposes:

1.13 (1) to finance the costs of the construction, acquisition, and rehabilitation of supportive
1.14 housing for individuals and families who are without a permanent residence;

1.15 (2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned
1.16 housing to be used for affordable rental housing and the costs of new construction of rental
1.17 housing on abandoned or foreclosed property where the existing structures will be demolished
1.18 or removed;

1.19 (3) to finance that portion of the costs of acquisition of property that is attributable to
1.20 the land to be leased by community land trusts to low- and moderate-income home buyers;

1.21 (4) to finance the acquisition, improvement, and infrastructure of manufactured home
1.22 parks under section 462A.2035, subdivision 1b;

2.1 (5) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction
2.2 of senior housing;

2.3 (6) to finance the costs of acquisition and rehabilitation of federally assisted rental
2.4 housing and for the refinancing of costs of the construction, acquisition, and rehabilitation
2.5 of federally assisted rental housing, including providing funds to refund, in whole or in part,
2.6 outstanding bonds previously issued by the agency or another government unit to finance
2.7 or refinance such costs; and

2.8 (7) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction
2.9 of single-family housing.

2.10 (b) Among comparable proposals for permanent supportive housing, preference shall
2.11 be given to permanent supportive housing for veterans and other individuals or families
2.12 who:

2.13 (1) either have been without a permanent residence for at least 12 months or at least four
2.14 times in the last three years; or

2.15 (2) are at significant risk of lacking a permanent residence for 12 months or at least four
2.16 times in the last three years.

2.17 (c) Among comparable proposals for senior housing, the agency must give priority to
2.18 requests for projects that:

2.19 (1) demonstrate a commitment to maintaining the housing financed as affordable to
2.20 seniors;

2.21 (2) leverage other sources of funding to finance the project, including the use of
2.22 low-income housing tax credits;

2.23 (3) provide access to services to residents and demonstrate the ability to increase physical
2.24 supports and support services as residents age and experience increasing levels of disability;

2.25 (4) provide a service plan containing the elements of clause (3) reviewed by the housing
2.26 authority, economic development authority, public housing authority, or community
2.27 development agency that has an area of operation for the jurisdiction in which the project
2.28 is located; and

2.29 (5) include households with incomes that do not exceed 30 percent of the median
2.30 household income for the metropolitan area.

2.31 (d) To the extent practicable, the agency shall balance the loans made between projects
2.32 in the metropolitan area and projects outside the metropolitan area. Of the loans made to

3.1 projects outside the metropolitan area, the agency shall, to the extent practicable, balance
3.2 the loans made between projects in counties or cities with a population of 20,000 or less,
3.3 as established by the most recent decennial census, and projects in counties or cities with
3.4 populations in excess of 20,000.

3.5 (e) Of the loans made by the agency for the purposes in paragraph (a):

3.6 (1) percent of such loans must be for projects that result in accessible units, as defined
3.7 by the Minnesota Accessibility Code, which must include roll-in showers and may include
3.8 requirements for bed height or clear floor space; and

3.9 (2) percent of such loans must be for projects that result in sensory accessible units,
3.10 which are units that include one or more of the following:

3.11 (i) soundproofing between shared walls for first floor and second floor units;

3.12 (ii) no florescent lighting in units and common areas; and

3.13 (iii) low-fume paint, low-chemical carpet, and low-chemical carpet glue in units and
3.14 common areas.

3.15 **EFFECTIVE DATE.** This section is effective July 1, 2022.