

SENATE

STATE OF MINNESOTA

EIGHTY-EIGHTH SESSION

S.F. No. 2558

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DATE	D-PG	OFFICIAL STATUS
03/12/2014	6159	Introduction and first reading Referred to Health, Human Services and Housing

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A bill for an act  
relating to housing finance; changing nonprofit eligibility for funding; amending  
Minnesota Statutes 2012, sections 462A.03, by adding a subdivision; 462A.209,  
subdivisions 1, 2, 3, by adding a subdivision; 462A.29.

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

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Section 1. Minnesota Statutes 2012, section 462A.03, is amended by adding a  
subdivision to read:

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Subd. 24. Disadvantaged nonprofit housing organization. "Disadvantaged  
nonprofit housing organization" means a nonprofit organization that:

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(1) provides services or administers programs related to housing, homelessness,  
homeownership, or tenancy;

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(2) serves disadvantaged, culturally and linguistically specific, unserved, and  
underrepresented populations as a primary constituency for the organization's services and

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programs, including but not limited to individuals and families of minority populations,  
refugees, and veterans; and

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(3) has not received equitable, sustainable, or other financial assistance for housing  
development or programs and services in a previous fiscal year from a state or federal

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agency, including but not limited to the Minnesota Housing Finance Agency.

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Sec. 2. Minnesota Statutes 2012, section 462A.209, subdivision 1, is amended to read:

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Subdivision 1. **Full cycle homeownership services.** The homeownership education,  
counseling, and training program shall be used to provide funding to community-based  
nonprofit organizations, disadvantaged nonprofit housing organizations, and political

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subdivisions to assist them in building the capacity to provide and providing full cycle

homeownership services to low and moderate income home buyers and homeowners, including seniors. The purpose of the program is to encourage private investment in affordable housing and collaboration of nonprofit organizations and political subdivisions with each other and private lenders in providing full cycle homeownership services.

Sec. 3. Minnesota Statutes 2012, section 462A.209, subdivision 2, is amended to read:

Subd. 2. **Definition Definitions.** For purposes of this section, the following terms have the meanings given:

(1) "eligible organization" means a community-based nonprofit organization, a disadvantaged nonprofit housing organization, or a political subdivision; and

(2) "full cycle homeownership services" means supporting eligible home buyers and home owners through all phases of purchasing and keeping a home, by providing prepurchase home buyer education; prepurchase counseling and credit repair; prepurchase and postpurchase property inspection and technical and financial assistance to buyers in rehabilitating the home; postpurchase counseling, including home equity conversion loan counseling, mortgage default counseling, postpurchase assistance with home maintenance, entry cost assistance; foreclosure prevention and assistance; and access to flexible loan products.

Sec. 4. Minnesota Statutes 2012, section 462A.209, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** (a) The agency shall establish eligibility criteria for nonprofit organizations and political subdivisions to receive funding under this section. The eligibility criteria must require the nonprofit organization or political subdivision to provide, to build capacity to provide, or support full cycle homeownership services for eligible home buyers.

(b) The agency may fund a nonprofit organization or political subdivision that will provide full cycle homeownership services by coordinating with one or more other organizations that will provide specific components of full cycle homeownership services. The agency may make exceptions to providing all components of full cycle lending if justified by the application. If there are more applicants requesting funding than there are funds available, except for disadvantaged nonprofit housing organizations, the agency shall award the funds on a competitive basis and also assure an equitable geographic distribution of the available funds.

(c) The eligibility criteria must require the nonprofit organization or political subdivision to have a demonstrated involvement in the local community and to target the

housing affordability needs of the local community or to have demonstrated experience with counseling older persons on housing, or both.

(d) The eligibility criteria may include a requirement for specific training provided by designated state or national entities who provide certification or accreditation services. The agency may shall also include an eligibility criteria that requires uniform application of the same counselor certification or organizational accreditation by specified organizations which provide certification or accreditation services provided by a state or national entity, and shall not require an additional state entity course, certification, or accreditation to replace or be added onto a designated national entity certification. The agency shall administer the training requirements and certification requirements in this paragraph equally and make them accessible to all nonprofits and political subdivisions.

(e) The agency shall engage in partnerships and collaboration collaborations, and development of policies and rules with innovative, grass roots, or community-based initiatives shall be encouraged and organizations, including but not limited to disadvantaged nonprofit service providers and related stakeholders. The agency shall give priority to nonprofit organizations and political subdivisions that have funding from other sources for full cycle homeownership services, except that funding requirements are waived for disadvantaged nonprofit service providers. Applicants for funds under section 462A.057 may also apply funds under this program.

(f) The agency shall prioritize disadvantaged nonprofit service providers when determining funding and capacity-building for housing development, programs, and services under this section. A disadvantaged nonprofit service provider means a nonprofit organization that:

(1) provides programs and services that are supportive of or related to housing, homelessness, homeownership, or tenancy and is in capacity-building in full-cycle homeownership services or housing development;

(2) as a primary constituency for the organization's services and programs, serves the unserved and underrepresented populations, including but not limited to the disadvantaged, minority populations, victims of war, new Americans, those with culturally and linguistically specific needs, and veterans, including veterans with minority special forces and others facing disparities; and

(3) has not received equitable, sustainable, or other financial assistance for housing development or programs and services in a previous fiscal year from a state or federal agency, including but not limited to the Minnesota Housing Finance Agency.

The agency shall provide assistance to disadvantaged nonprofit service providers that seek to apply for funds under this section, including: technical assistance and training in

the application process and requirements; assistance in development of the necessary plans and programming; capacity-building for acquiring applicable funds from other sources, including but not limited to becoming a federally approved agency, such as a HUD-approved agency for HUD funds; and waiver of any education, training, or participant fees.

Sec. 5. Minnesota Statutes 2012, section 462A.209, is amended by adding a subdivision to read:

Subd. 5a. **Grant awards.** Notwithstanding subdivision 3, paragraph (d), of the funds available under this section the agency shall designate and provide a portion to disadvantaged nonprofit housing organizations for capacity building and assistance in obtaining specific training, counselor certification, or organizational accreditation necessary for the organization to apply for funds under this chapter.

Sec. 6. Minnesota Statutes 2012, section 462A.29, is amended to read:

**462A.29 INTERAGENCY COORDINATION ON HOMELESSNESS.**

(a) The agency shall coordinate services and activities of all state agencies and minority nonprofits relating to homelessness. The agency shall coordinate an investigation and review of the current system of service delivery to the homeless. The agency may request assistance from other agencies of state government, including culturally appropriate nonprofit service providers, as needed for the execution of the responsibilities under this section and the other agencies shall furnish the assistance upon request.

(b) The Interagency Council on Homelessness established to assist with the execution of the duties of this section shall give priority to reducing disparities and barriers and improving the coordination of services and activities that reduce the number of children and military veterans, including Asian and Pacific Americans and Asian American special forces veterans, who experience homelessness or are at risk of homelessness. The council shall also prioritize improving the economic, housing, health, social, and education outcomes for children and military veterans, including Asian American special forces veterans, who experience homelessness or are at risk of homelessness.

(c) For the purposes of this section, "Asian American special forces veteran" means person who is an American citizen from Southeast Asia including Hmong or Lao who was recruited, trained, directed, supported, and paid by the United States Central Intelligence Agency (CIA) or other government at any time during the period of the Vietnam War, as a soldier or other paramilitary agent of the CIA's Asian special forces or units including

- 5.1 the Air Force, Army, or Navy armed forces and special guerilla units, as verified in any
- 5.2 reasonable manner by the appropriate state or federal authorities.