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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 1535

02/22/2017 Authored by Fabian, Davids, Clark, Kiel, Marquart and others  
The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance

1.1 A bill for an act  
1.2 relating to housing; appropriating money for the workforce and affordable housing  
1.3 program; amending Minnesota Statutes 2016, section 462A.38.

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

1.5 Section 1. Minnesota Statutes 2016, section 462A.38, is amended to read:

1.6 **462A.38 WORKFORCE AND AFFORDABLE HOMEOWNERSHIP**  
1.7 **DEVELOPMENT PROGRAM.**

1.8 Subdivision 1. **Establishment.** A workforce and affordable homeownership development  
1.9 program is established to award homeownership development grants and loans to cities,  
1.10 tribal governments, nonprofit organizations, cooperatives created under chapter 308A or  
1.11 308B, and community land trusts created for the purposes outlined in section 462A.31,  
1.12 subdivision 1, for development of workforce and affordable homeownership projects. The  
1.13 purpose of the program is to increase the supply of workforce and affordable, owner-occupied  
1.14 multifamily or single-family housing throughout Minnesota.

1.15 Subd. 2. **Use of funds.** (a) Grant funds and loans awarded under this program may be  
1.16 used for:

- 1.17 (1) development costs;
- 1.18 (2) rehabilitation;
- 1.19 (3) land development; and
- 1.20 (4) residential housing, including storm shelters and related community facilities.

2.1 (b) A project funded through ~~the grant~~ this program shall serve households that meet  
 2.2 the income limits as provided in section 462A.33, subdivision 5, unless a project is intended  
 2.3 for the purpose outlined in section 462A.02, subdivision 6.

2.4 Subd. 3. **Application.** The commissioner shall develop forms and procedures for soliciting  
 2.5 and reviewing applications for grants and loans under this section. The commissioner shall  
 2.6 consult with interested stakeholders when developing the guidelines and procedures for the  
 2.7 program. In making grants and loans, the commissioner shall establish semiannual application  
 2.8 deadlines in which grants and loans will be authorized from all or part of the available  
 2.9 appropriations.

2.10 Subd. 4. **Awarding grants and loans.** Among comparable proposals, preference must  
 2.11 be given to proposals that include contributions from nonstate resources for the greatest  
 2.12 portion of the total development cost.

2.13 Subd. 5. **Statewide program.** The agency shall attempt to make grants and loans in  
 2.14 approximately equal amounts to applicants outside and within the metropolitan area.

2.15 Subd. 6. **Report.** Beginning January 15, 2018, the commissioner must annually submit  
 2.16 a report to the chairs and ranking minority members of the senate and house of representatives  
 2.17 committees having jurisdiction over housing and workforce development specifying the  
 2.18 projects that received grants and loans under this section and the specific purposes for which  
 2.19 the grant or loan funds were used.

2.20 Subd. 7. **Appropriation; determination of funding amount.** (a) In fiscal years 2018  
 2.21 to 2026, an amount equal to the increment determined under paragraph (b) is annually  
 2.22 appropriated from the general fund to the commissioner of the Housing Finance Agency  
 2.23 for the workforce and affordable homeownership development program under this section.  
 2.24 The amount appropriated under this subdivision must supplement traditional sources of  
 2.25 funding for this purpose and must not be used as a substitute, or to pay debt service on  
 2.26 bonds.

2.27 (b) By September 1, 2017, and each year thereafter through 2026, the commissioner of  
 2.28 revenue must determine the total amount of the proceeds of the mortgage registry tax imposed  
 2.29 under section 287.035 and the deed tax imposed under section 287.21 that was collected  
 2.30 during the fiscal year ending in that calendar year and deposited in the general fund, and  
 2.31 must determine the increment that exceeds the amount collected in the previous tax year.  
 2.32 The increment calculated under this paragraph must not be less than \$0.

2.33 **EFFECTIVE DATE.** This section is effective July 1, 2017.