

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. **2031**

02/25/2014 Authored by Hausman, Clark, Mullery, Newton, Lien and others
The bill was read for the first time and referred to the Committee on Housing Finance and Policy
03/04/2014 Adoption of Report: Re-referred to the Committee on Capital Investment
03/27/2014 Adoption of Report: Re-referred to the Committee on Ways and Means
04/23/2014 Adoption of Report: Amended and Placed on the General Register
Read Second Time

1.1 A bill for an act
1.2 relating to capital investment; appropriating money for public housing
1.3 rehabilitation and debt service on additional housing infrastructure bonds issued
1.4 by the Minnesota Housing Finance Agency; authorizing the sale and issuance of
1.5 state bonds; amending Minnesota Statutes 2012, section 462A.37, subdivision 2,
1.6 by adding subdivisions.

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

1.8 Section 1. Minnesota Statutes 2012, section 462A.37, subdivision 2, is amended to read:

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

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

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

1.20 (3) to finance that portion of the costs of acquisition of abandoned or foreclosed
1.21 property that is attributable to the land to be leased by community land trusts to low- and
1.22 moderate-income homebuyers and that portion of the costs of acquisition of property
1.23 located in a foreclosure priority area identified by the agency that is attributable to the land
1.24 to be leased by community land trusts to low- and moderate-income homebuyers; and

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

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

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

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

EFFECTIVE DATE. This section is effective the day following final enactment for bonds authorized in 2014 and thereafter.

Sec. 2. Minnesota Statutes 2012, section 462A.37, is amended by adding a subdivision to read:

Subd. 2a. **Additional authorization.** In addition to the amount authorized in subdivision 2, the agency may issue up to \$80,000,000 of housing infrastructure bonds in one or more series to which the payments made under this section may be pledged.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 3. Minnesota Statutes 2012, section 462A.37, is amended by adding a subdivision to read:

Subd. 5. **Additional appropriation.** (a) The agency must certify annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under subdivision 2a.

(b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure bonds issued under subdivision 2a remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 32, the amount certified under paragraph (a), not to exceed \$6,400,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(c) The agency may pledge to the payment of the housing infrastructure bonds the payments to be made by the state under this section.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 4. **MINNESOTA HOUSING FINANCE AGENCY; PUBLIC HOUSING.**

Subdivision 1. Appropriation. \$20,000,000 is appropriated from the bond proceeds fund to the to the Minnesota Housing Finance Agency for transfer to the housing development fund to finance the costs of rehabilitation to preserve public housing under Minnesota Statutes, section 462A.202, subdivision 3a. For purposes of this section, "public housing" means housing for low-income persons and households financed by the federal government and owned and operated by the public housing authorities and agencies formed by cities and counties. Public housing authorities receiving a public housing assessment composite score of 80 or above are eligible to receive funding. Priority must be given to proposals that maximize federal or local resources to finance the capital costs. The priority in Minnesota Statutes, section 462A.202, subdivision 3a, for projects to increase the supply of affordable housing and the restrictions of Minnesota Statutes, section 462A.202, subdivision 7, do not apply to this appropriation.

Subd. 2. Bond sale. To provide the money appropriated in this section from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$20,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 5. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation in this act is enacted more than once in the 2014 legislative session for the same purpose, the appropriation must be given effect only once. If the appropriations for the same purpose are for different amounts, the lowest of the amounts is the one to be given effect.

EFFECTIVE DATE. This section is effective the day following final enactment.