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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 4165

03/05/2020 Authored by Urdahl, Brand, Hamilton, Nornes, Poppe and others
The bill was read for the first time and referred to the Capital Investment Division

1.1 A bill for an act
1.2 relating to capital investment; appropriating money for a greater Minnesota housing
1.3 infrastructure grant program; authorizing the sale and issuance of state bonds;
1.4 proposing coding for new law in Minnesota Statutes, chapter 116J.

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

1.6 Section 1. [116J.4315] GREATER MINNESOTA HOUSING INFRASTRUCTURE
1.7 GRANT PROGRAM.

1.8 Subdivision 1. Grant program established. The commissioner may make grants to
1.9 counties and cities to provide up to 50 percent of the capital costs of public infrastructure
1.10 necessary for an eligible workforce housing development project. The commissioner may
1.11 make a grant award only after determining that nonstate resources are committed to complete
1.12 the project. The nonstate contribution may be either cash or in kind. In-kind contributions
1.13 may include the value of the site, whether the site is prepared before or after the law
1.14 appropriating money for the grant is enacted.

1.15 Subd. 2. Definitions. (a) For purposes of this section, the following terms have the
1.16 meanings given.

1.17 (b) "City" means a statutory or home rule charter city located outside the metropolitan
1.18 area, as defined in section 473.121, subdivision 2.

1.19 (c) "County" means a county located outside the metropolitan area, as defined in section
1.20 473.121, subdivision 2.

1.21 (d) "Housing infrastructure" means publicly owned physical infrastructure necessary to
1.22 support housing development projects, including but not limited to sewers, water supply

2.1 systems, utility extensions, streets, wastewater treatment systems, storm water management
 2.2 systems, and facilities for pretreatment of wastewater to remove phosphorus.

2.3 Subd. 3. **Eligible projects.** Housing projects eligible for a grant under this section may
 2.4 be single-family or multifamily housing developments, owner-occupied or rental.

2.5 Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for
 2.6 soliciting and reviewing applications for grants under this section. At a minimum, a county
 2.7 or city must include in its application a resolution of the county or city council certifying
 2.8 that the required nonstate match is available. The commissioner must evaluate complete
 2.9 applications for funding for eligible projects to determine that:

2.10 (1) the project is necessary to increase sites available for housing development that will
 2.11 provide adequate housing stock for the current or future workforce; and

2.12 (2) the increase in workforce housing will result in substantial public and private capital
 2.13 investment in the county or city in which the project would be located.

2.14 (b) The determination of whether to make a grant for a site is within the discretion of
 2.15 the commissioner, subject to this section. The commissioner's decisions and application of
 2.16 the criteria are not subject to judicial review, except for abuse of discretion.

2.17 Subd. 5. **Maximum grant amount.** A county or city may receive no more than \$20,000
 2.18 per lot for single-family, duplex, triplex, or four-plex housing developed, and no more than
 2.19 \$50,000 per lot for multifamily housing with more than four units per building. A county
 2.20 or city may receive no more than \$500,000 in two years for one or more housing
 2.21 developments.

2.22 Subd. 6. **Cancellation of grant; return of grant money.** If after five years, the
 2.23 commissioner determines that a project has not proceeded in a timely manner and is unlikely
 2.24 to be completed, the commissioner must cancel the grant and require the grantee to return
 2.25 all grant money awarded for that project.

2.26 Subd. 7. **Appropriation.** Grant money returned to the commissioner is appropriated to
 2.27 the commissioner to make additional grants under this section.

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

2.29 Sec. 2. **HOUSING INFRASTRUCTURE GRANT PROGRAM.**

2.30 Subdivision 1. **Appropriation.** \$2,500,000 is appropriated from the bond proceeds fund
 2.31 to the commissioner of employment and economic development for grants under the greater

3.1 Minnesota housing infrastructure grant program, under Minnesota Statutes, section
3.2 116J.4315.

3.3 Subd. 2. **Bond sale.** To provide the money appropriated in this section from the bond
3.4 proceeds fund, the commissioner of management and budget shall sell and issue bonds of
3.5 the state in an amount up to \$2,500,000 in the manner, upon the terms, and with the effect
3.6 prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota
3.7 Constitution, article XI, sections 4 to 7.

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