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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 4362

04/12/2018 Authored by Dettmer, Pugh and Poston The bill was read for the first time and referred to the Committee on State Government Finance

1.1 A bill for an act
1.2 relating to housing; providing for a residential rental project at Fort Snelling Upper
1.3 Post; proposing coding for new law in Minnesota Statutes, chapter 474A.

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

1.5 Section 1. 474A.22 FORT SNELLING NATIONAL LANDMARK
1.6 REDEVELOPMENT.

1.7 Subdivision 1. Fort Snelling bonding authority allocation. Notwithstanding any law,
1.8 rule, or policy to the contrary, the commissioner may reserve bonding authority allocated
1.9 to the Minnesota Housing Finance Agency entitlement allocation during allocation year
1.10 2019 or 2020 for issuance of residential rental project bonds for purposes of the rehabilitation
1.11 and renovation of the Fort Snelling Upper Post as a qualified residential rental project as
1.12 provided in this section and section 474A.047. The qualified residential rental project shall
1.13 be required to enter into a minimum 25-year agreement with the issuer to provide the
1.14 applicable rental rates and incomes. The commissioner shall determine the needed amount
1.15 of such bonding allocation to qualify for low-income housing tax credits for the project, as
1.16 selected by the commissioner of natural resources, and may provide a preliminary resolution
1.17 to allocate such bonds over one or two years to allow the applicable developer to obtain
1.18 necessary historical and other approvals and be assured of available bond allocation.

1.19 Subd. 2. Issuance; other issuer. The commissioner may either issue the obligation
1.20 directly or may allocate the bonds under subdivision 1 to a suitable other issuer to issue the
1.21 obligations. Any such suballocation shall be subject to an agreement that provides for the
1.22 timing, process, and use for such bonds. Any other issuer receiving this allocation shall be
1.23 authorized to act as the issuer regardless of the geographical area of the other issuer. In no

2.1 event shall the bonds issued under this section be guaranteed as to payment by the state or
2.2 the other issuer.

2.3 Subd. 3. **Failure to permanently issue.** In the event the bonds reserved or allocated
2.4 under this section are not permanently issued by December 1, 2019, or December 1, 2020,
2.5 the bonding authority shall be allocated to the Minnesota Housing Finance Agency for
2.6 issuance for a qualified residential rental project. The commissioner may utilize the bonds
2.7 allocated under this section for an alternative use, consistent with this chapter, in the event
2.8 the commissioner determines no project at the Fort Snelling Upper Post will proceed in a
2.9 timely fashion.

2.10 Subd. 4. **Low-income housing tax credits.** In the event of issuance of the bonds as
2.11 provided herein for a qualified residential rental project, notwithstanding any law, rule, or
2.12 policy, the Minnesota Housing Finance Agency shall approve the project for low-income
2.13 housing tax credits subject to only the minimum requirements as required under section 42
2.14 of the Internal Revenue Code, as amended, and shall be deemed meeting the qualified
2.15 allocation plan in effect at that time. Any such approval shall be timely granted to allow the
2.16 project to proceed.

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