

SENATE

STATE OF MINNESOTA

EIGHTY-NINTH SESSION

S.F. No. 2139

(SENATE AUTHORS: SIEBEN, Eken, Sparks, Pederson, J. and Rosen)

DATE	D-PG	OFFICIAL STATUS
05/01/2015	3219	Introduction and first reading Referred to Capital Investment

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A bill for an act relating to capital investment; authorizing housing infrastructure bonds to finance low-income senior housing; appropriating money; authorizing the sale and issuance of state bonds; amending Minnesota Statutes 2014, section 462A.37, subdivision 1, by adding a subdivision.

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

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Section 1. Minnesota Statutes 2014, section 462A.37, subdivision 1, is amended to read:
Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

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(b) "Abandoned property" has the meaning given in section 117.025, subdivision 5.

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(c) "Community land trust" means an entity that meets the requirements of section 462A.31, subdivisions 1 and 2.

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(d) "Debt service" means the amount payable in any fiscal year of principal, premium, if any, and interest on housing infrastructure bonds and the fees, charges, and expenses related to the bonds.

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(e) "Senior" means a person 55 years of age or older with an annual income not greater than 50 percent of (1) the metropolitan area median income for persons in the metropolitan area as defined in section 473.121, subdivision 2, or (2) the statewide median income for persons outside the metropolitan area.

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~~(e)~~ (f) "Foreclosed property" means residential property where foreclosure proceedings have been initiated or have been completed and title transferred or where title is transferred in lieu of foreclosure.

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~~(f)~~ (g) "Housing infrastructure bonds" means bonds issued by the agency under this chapter that are qualified 501(c)(3) bonds, within the meaning of Section 145(a) of the Internal Revenue Code, finance qualified residential rental projects within the meaning of

Section 142(d) of the Internal Revenue Code, or are tax-exempt bonds that are not private activity bonds, within the meaning of Section 141(a) of the Internal Revenue Code, for the purpose of financing or refinancing affordable housing authorized under this chapter.

~~(g)~~ (h) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

(i) "Senior housing" means housing intended and operated for occupancy by at least one senior per unit, provided that at least 80 percent of the units are occupied by at least one senior per unit, and for which there is publication of, and adherence to, policies and procedures that demonstrate an intent by the owner or manager to provide housing for seniors.

~~(h)~~ (j) "Supportive housing" means housing that is not time-limited and provides or coordinates with linkages to services necessary for residents to maintain housing stability and maximize opportunities for education and employment. The scope of services to be provided must be evaluated and approved by either (1) the jurisdiction allocating any low income housing tax credits as defined in section 462A.222, subdivision 1, to the project, or (2) the housing authority, economic development authority, public housing authority, or community development agency which has an area of operation for the jurisdiction where the project is located.

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

Sec. 2. Minnesota Statutes 2014, section 462A.37, is amended by adding a subdivision to read:

Subd. 6. **2016 authorization for senior housing; appropriation.** (a) In addition to any other amounts authorized in this section, the agency may issue up to \$40,000,000 of housing infrastructure bonds in one or more series to which the payments made under this section may be pledged.

(b) The housing infrastructure bonds authorized in this subdivision may be issued to fund loans, on terms and conditions the agency deems appropriate, to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction of senior housing. Fifty percent of the money available for projects under this subdivision must be awarded to projects in the metropolitan area, as defined in section 473.121, subdivision 2, and 50 percent must be awarded to projects outside the metropolitan area. Of the money awarded to projects outside the metropolitan area, one-half must be awarded to projects in counties or cities with a population of 20,000 or less, as established by the most recent federal decennial census. The agency must give priority to funding requests that demonstrate a commitment to maintaining the housing funded as affordable to seniors, leverage other

3.1 sources of funding to finance the project, including the use of low-income housing tax
3.2 credits, and provide services to the residents to support independent living.

3.3 (c) The agency must certify annually to the commissioner of management and budget
3.4 the actual amount of annual debt service on each series of bonds issued under paragraph (a).

3.5 (d) Each July 15, beginning in 2016 and through 2038, if any housing infrastructure
3.6 bonds issued under paragraph (a) remain outstanding, the commissioner of management
3.7 and budget must transfer to the housing infrastructure bond account established under
3.8 section 462A.21, subdivision 33, the amount certified under paragraph (b), not to exceed
3.9 \$..... annually. The amounts necessary to make the transfers are appropriated from the
3.10 general fund to the commissioner of management and budget.

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

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