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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1077

02/11/2021 Authored by Hausman
The bill was read for the first time and referred to the Committee on Housing Finance and Policy

1.1 A bill for an act
1.2 relating to state government; establishing a budget for the Minnesota Housing
1.3 Finance Agency; appropriating money.

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

1.5 Section 1. APPROPRIATIONS.

1.6 The sums shown in the columns marked "Appropriations" are appropriated to the agency
1.7 for the purposes specified in this article. The appropriations are from the general fund, or
1.8 another named fund, and are available for the fiscal years indicated for each purpose. The
1.9 figures "2022" and "2023" used in this article mean that the appropriations listed under them
1.10 are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The
1.11 first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is
1.12 fiscal years 2022 and 2023.

Table with columns: APPROPRIATIONS, Available for the Year, Ending June 30, 2022, 2023

1.17 Sec. 2. HOUSING FINANCE AGENCY

1.18 Subdivision 1. Total Appropriation \$ 64,798,000 \$ 64,798,000

1.19 (a) The amounts that may be spent for each
1.20 purpose are specified in the following
1.21 subdivisions.

2.1 (b) Unless otherwise specified, this
 2.2 appropriation is for transfer to the housing
 2.3 development fund for the programs specified
 2.4 in this section. Except as otherwise indicated,
 2.5 this transfer is part of the agency's permanent
 2.6 budget base.

2.7 **Subd. 2. Challenge Program** 14,925,000 14,925,000

2.8 (a) This appropriation is for the economic
 2.9 development and housing challenge program
 2.10 under Minnesota Statutes, section 462A.33
 2.11 and 462A.07, subdivision 14.

2.12 (b) Of this amount, \$1,208,000 each year shall
 2.13 be made available during the first 11 months
 2.14 of the fiscal year exclusively for housing
 2.15 projects for American Indians. Any funds not
 2.16 committed to housing projects for American
 2.17 Indians in the first 11 months of the fiscal year
 2.18 shall be available for any eligible activity
 2.19 under Minnesota Statutes, sections 462A.33
 2.20 and 462A.07, subdivision 14.

2.21 (c) The base for this program in fiscal year
 2.22 2024 and beyond is \$12,925,000.

2.23 **Subd. 3. Workforce Housing Development** 3,000,000 3,000,000

2.24 (a) This appropriation is for the Greater
 2.25 Minnesota workforce housing development
 2.26 program under Minnesota Statutes, section
 2.27 462A.39. If requested by the applicant and
 2.28 approved by the agency, funded properties
 2.29 may include a portion of income and rent
 2.30 restricted units. Funded properties may include
 2.31 owner-occupied homes.

2.32 (b) The base for this program in fiscal year
 2.33 2024 and beyond is \$2,000,000.

3.1	<u>Subd. 4. Manufactured Home Park</u>		
3.2	<u>Infrastructure Grants</u>	<u>1,500,000</u>	<u>1,500,000</u>
3.3	<u>(a) This appropriation is for manufactured</u>		
3.4	<u>home park infrastructure grants under</u>		
3.5	<u>Minnesota Statutes, section 462A.2035,</u>		
3.6	<u>subdivision 1b.</u>		
3.7	<u>(b) The base for this program in fiscal year</u>		
3.8	<u>2024 and beyond is \$1,000,000.</u>		
3.9	<u>Subd. 5. Workforce Homeownership Program</u>	<u>1,000,000</u>	<u>1,000,000</u>
3.10	<u>(a) This appropriation is for the workforce</u>		
3.11	<u>homeownership program under Minnesota</u>		
3.12	<u>Statutes, section 462A.38.</u>		
3.13	<u>(b) The base for this program in fiscal year</u>		
3.14	<u>2024 and beyond is \$250,000.</u>		
3.15	<u>Subd. 6. Housing Trust Fund</u>	<u>11,646,000</u>	<u>11,646,000</u>
3.16	<u>This appropriation is for deposit in the housing</u>		
3.17	<u>trust fund account created under Minnesota</u>		
3.18	<u>Statutes, section 462A.201, and may be used</u>		
3.19	<u>for the purposes provided in that section.</u>		
3.20	<u>Subd. 7. Homework Starts with Home</u>	<u>2,250,000</u>	<u>2,250,000</u>
3.21	<u>(a) This appropriation is for the homework</u>		
3.22	<u>starts with home program under Minnesota</u>		
3.23	<u>Statutes, sections 462A.201, subdivision 2,</u>		
3.24	<u>paragraph (a), clause (4), and 462A.204,</u>		
3.25	<u>subdivision 8, to provide assistance to</u>		
3.26	<u>homeless or highly mobile families with</u>		
3.27	<u>children eligible for enrollment in a</u>		
3.28	<u>prekindergarten through grade 12 academic</u>		
3.29	<u>program.</u>		
3.30	<u>(b) The base for this program in fiscal year</u>		
3.31	<u>2024 and beyond is \$1,750,000.</u>		
3.32	<u>Subd. 8. Rental Assistance for Mentally Ill</u>	<u>4,588,000</u>	<u>4,588,000</u>

4.1 (a) This appropriation is for the rental housing
 4.2 assistance program for persons with a mental
 4.3 illness or families with an adult member with
 4.4 a mental illness under Minnesota Statutes,
 4.5 section 462A.2097. Among comparable
 4.6 proposals, the agency shall prioritize those
 4.7 proposals that target, in part, eligible persons
 4.8 who desire to move to more integrated,
 4.9 community-based settings.

4.10 (b) The base for this program in fiscal year
 4.11 2024 and beyond is \$4,338,000.

4.12 <u>Subd. 9. Family Homeless Prevention</u>	<u>12,269,000</u>	<u>12,269,000</u>
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4.13 (a) This appropriation is for the family
 4.14 homeless prevention and assistance programs
 4.15 under Minnesota Statutes, section 462A.204.

4.16 (b) The base for this program in fiscal year
 4.17 2024 and beyond is \$10,269,000.

4.18 <u>Subd. 10. Home Ownership Assistance Fund</u>	<u>1,635,000</u>	<u>1,635,000</u>
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4.19 (a) This appropriation is for the home
 4.20 ownership assistance program under
 4.21 Minnesota Statutes, section 462A.21,
 4.22 subdivision 8. The agency shall continue to
 4.23 strengthen its efforts to address the disparity
 4.24 gap in the homeownership rate between white
 4.25 households and indigenous American Indians
 4.26 and communities of color. To better
 4.27 understand and address the disparity gap, the
 4.28 agency is required to collect, on a voluntary
 4.29 basis, demographic information regarding
 4.30 race, color, national origin, and sex of
 4.31 applicants for agency programs intended to
 4.32 benefit homeowners and homebuyers.

4.33 (b) The base for this program in fiscal year
 4.34 2024 and beyond is \$885,000.

5.1	<u>Subd. 11. Affordable Rental Investment Fund</u>	<u>4,218,000</u>	<u>4,218,000</u>
5.2	<u>(a) This appropriation is for the affordable</u>		
5.3	<u>rental investment fund program under</u>		
5.4	<u>Minnesota Statutes, section 462A.21,</u>		
5.5	<u>subdivision 8b, to finance the acquisition,</u>		
5.6	<u>rehabilitation, and debt restructuring of</u>		
5.7	<u>federally assisted rental property and for</u>		
5.8	<u>making equity take-out loans under Minnesota</u>		
5.9	<u>Statutes, section 462A.05, subdivision 39.</u>		
5.10	<u>(b) The owner of federally assisted rental</u>		
5.11	<u>property must agree to participate in the</u>		
5.12	<u>applicable federally assisted housing program</u>		
5.13	<u>and to extend any existing low-income</u>		
5.14	<u>affordability restrictions on the housing for</u>		
5.15	<u>the maximum term permitted.</u>		
5.16	<u>(c) The appropriation also may be used to</u>		
5.17	<u>finance the acquisition, rehabilitation, and debt</u>		
5.18	<u>restructuring of existing supportive housing</u>		
5.19	<u>properties and naturally occurring affordable</u>		
5.20	<u>housing as determined by the commissioner.</u>		
5.21	<u>For purposes of this paragraph, "supportive</u>		
5.22	<u>housing" means affordable rental housing with</u>		
5.23	<u>links to services necessary for individuals,</u>		
5.24	<u>youth, and families with children to maintain</u>		
5.25	<u>housing stability.</u>		
5.26	<u>Subd. 12. Owner-Occupied Housing</u>		
5.27	<u>Rehabilitation</u>	<u>2,772,000</u>	<u>2,772,000</u>
5.28	<u>(a) This appropriation is for the rehabilitation</u>		
5.29	<u>of owner-occupied housing under Minnesota</u>		
5.30	<u>Statutes, section 462A.05, subdivisions 14 and</u>		
5.31	<u>14a.</u>		
5.32	<u>(b) Notwithstanding any law to the contrary,</u>		
5.33	<u>grants or loans under this subdivision may be</u>		
5.34	<u>made without rent or income restrictions of</u>		
5.35	<u>owners or tenants. To the extent practicable,</u>		

6.1 grants or loans must be made available
6.2 statewide.

6.3 **Subd. 13. Rental Housing Rehabilitation** 2,743,000 2,743,000

6.4 (a) This appropriation is for the rehabilitation
6.5 of eligible rental housing under Minnesota
6.6 Statutes, section 462A.05, subdivision 14. In
6.7 administering a rehabilitation program for
6.8 rental housing, the agency may apply the
6.9 processes and priorities adopted for
6.10 administration of the economic development
6.11 and housing challenge program under
6.12 Minnesota Statutes, section 462A.33, and may
6.13 provide grants or forgivable loans if approved
6.14 by the agency.

6.15 (b) Notwithstanding any law to the contrary,
6.16 grants or loans under this subdivision may be
6.17 made without rent or income restrictions of
6.18 owners or tenants. To the extent practicable,
6.19 grants or loans must be made available
6.20 statewide.

6.21 (c) The base for this program in fiscal year
6.22 2024 and beyond is \$3,743,000.

6.23 **Subd. 14. Homeownership Education,**
6.24 **Counseling, and Training** 1,107,000 1,107,000

6.25 (a) This appropriation is for the
6.26 homeownership education, counseling, and
6.27 training program under Minnesota Statutes,
6.28 section 462A.209.

6.29 (b) The base for this program in fiscal year
6.30 2024 and beyond is \$857,000.

6.31 **Subd. 15. Capacity-Building Grants** 645,000 645,000

6.32 This appropriation is for nonprofit
6.33 capacity-building grants under Minnesota
6.34 Statutes, section 462A.21, subdivision 3b. Of

7.1 this amount, \$125,000 each year is for support
 7.2 of the Homeless Management Information
 7.3 System (HMIS).

7.4 Subd. 16. **Build Wealth MN** 500,000 500,000

7.5 This appropriation is for a grant to Build
 7.6 Wealth Minnesota to provide a family
 7.7 stabilization plan program including program
 7.8 outreach, financial literacy education, and
 7.9 budget and debt counseling.

7.10 Subd. 17. **Availability and Transfer of Funds**

7.11 Money appropriated in the first year in this
 7.12 article is available the second year. The
 7.13 commissioner may shift or transfer money in
 7.14 the second year in subdivisions 2, 3, 4, 5, 12,
 7.15 and 13 to address high-priority housing needs.