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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 1472

02/08/2023 Authored by Hassan, Vang, Agbaje, Howard, Kozlowski and others
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 housing; establishing a homeownership investment grants program;
1.3 requiring reports; appropriating money.

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

1.5 Section 1. BUILD WEALTH MINNESOTA; APPROPRIATION.

1.6 \$2,000,000 in fiscal year 2024 and \$2,000,000 in fiscal year 2025 are appropriated from
1.7 the general fund to the commissioner of the Minnesota Housing Finance Agency for a grant
1.8 to Build Wealth Minnesota to provide a family stabilization plan program, including program
1.9 outreach, financial literacy education, and budget and debt counseling.

1.10 Sec. 2. HOMEOWNERSHIP INVESTMENT GRANTS PROGRAM;
1.11 APPROPRIATION.

1.12 Subdivision 1. Definitions. For the purposes of this section, the following terms have
1.13 the meanings given:

1.14 (1) "commissioner" means the commissioner of the Minnesota Housing Finance Agency;
1.15 and

1.16 (2) "eligible organization" means a nonprofit organization the commissioner determines
1.17 to be eligible under subdivision 2.

1.18 Subd. 2. Eligible organization. To be eligible for a grant under this subdivision, a
1.19 nonprofit organization must:

1.20 (1) be an organization defined under section 501(c)(3) of the Internal Revenue Code or
1.21 an equivalent organization;

2.1 (2) have primary operations located in Minnesota; and

2.2 (3) be certified as a community development financial institution by the United States  
 2.3 Department of the Treasury and must provide affordable housing lending or financing  
 2.4 programs.

2.5 Subd. 3. **Eligible services.** Eligible organizations may apply for housing investment  
 2.6 grants for affordable owner-occupied housing projects for:

2.7 (1) housing development to increase the supply of affordable owner-occupied homes;

2.8 (2) financing programs for affordable owner-occupied new home construction;

2.9 (3) acquisition, rehabilitation, and resale of affordable owner-occupied homes or homes  
 2.10 to be converted to owner-occupied homes;

2.11 (4) financing programs for affordable owner-occupied manufactured housing; and

2.12 (5) services to increase access to stable, affordable, owner-occupied housing in  
 2.13 low-income communities, Indigenous American Indian communities, and communities of  
 2.14 color.

2.15 Subd. 4. **Commissioner duties.** (a) The commissioner shall consult with eligible  
 2.16 organizations and develop forms, applications, and reporting requirements for use by eligible  
 2.17 organizations. All organizations applying for a grant must include as part of their application  
 2.18 a plan to create new affordable home ownership and home preservation opportunities for  
 2.19 targeted areas. The commissioner shall develop a grant award scoring system that ensures  
 2.20 a distribution of awards throughout the state based on population and eligible households  
 2.21 and communities.

2.22 (b) The commissioner shall complete the requirements under paragraph (a) within 90  
 2.23 days of enactment of this section.

2.24 (c) By January 15, 2024, the commissioner must submit a report to the chairs and ranking  
 2.25 minority members of the legislative committees with jurisdiction over housing finance and  
 2.26 policy detailing the use of funds under this section.

2.27 Subd. 5. **Appropriation.** \$100,000,000 in fiscal year 2023 is appropriated from the  
 2.28 general fund to the commissioner of the Minnesota Housing Finance Agency for grants to  
 2.29 eligible organizations.

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

3.1 Sec. 3. **WORKFORCE HOMEOWNERSHIP PROGRAM; APPROPRIATION.**

3.2 \$25,250,000 in fiscal year 2024 and \$25,250,000 in fiscal year 2025 are appropriated  
3.3 from the general fund to the commissioner of the Minnesota Housing Finance Agency for  
3.4 the workforce homeownership program under Minnesota Statutes, section 462A.38.