

1.1 A bill for an act  
1.2 relating to housing; authorizing the sale and issuance of challenge program bonds  
1.3 for affordable housing and permanent supportive housing purposes; appropriating  
1.4 money; amending Minnesota Statutes 2008, section 462A.21, by adding a  
1.5 subdivision; proposing coding for new law in Minnesota Statutes, chapter 462A.

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

1.7 **ARTICLE 1**

1.8 **APPROPRIATIONS**

1.9 Section 1. **SUMMARY OF APPROPRIATIONS.**

1.10 The amounts shown in this section summarize direct appropriations, by fund, made  
1.11 in this article.

	<u>2010</u>		<u>2011</u>		<u>Total</u>
1.12 <u>General</u>	\$	-0-	\$	(2,400,000)	\$ (2,400,000)
1.13 <u>Total</u>	\$	-0-	\$	(2,400,000)	\$ (2,400,000)

1.14  
1.15 Sec. 2. **APPROPRIATIONS.**

1.16 The sums shown in the columns marked "Appropriations" are added to or, if shown  
1.17 in parentheses, subtracted from the appropriations in Laws 2009, chapter 78, article 1,  
1.18 to the agencies and for the purposes specified in this article. The appropriations and  
1.19 subtractions are from the general fund or another named fund, and are available for the  
1.20 fiscal years indicated for each purpose. The figures "2010" and "2011" used in this  
1.21 article mean that the addition to or subtraction from the appropriation listed under them  
1.22 is available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively.

2.1 Supplemental appropriations and reductions to appropriations for the fiscal year ending  
2.2 June 30, 2010, are effective the day following final enactment.

2.3		<u>APPROPRIATIONS</u>	
2.4		<u>Available for the Year</u>	
2.5		<u>Ending June 30</u>	
2.6		<u>2010</u>	<u>2011</u>

2.7	Sec. 3. <u>Challenge Program</u>	\$	<u>-0-</u>	\$	<u>(2,400,000)</u>
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2.8 This reduction is from the appropriation  
2.9 for the economic development and housing  
2.10 challenge program under Minnesota Statutes,  
2.11 section 462A.33.

2.12 In fiscal year 2011, the Housing Finance  
2.13 Agency shall transfer \$2,400,000 from  
2.14 the economic development and housing  
2.15 challenge program in the housing  
2.16 development fund to the general fund.

2.17 The base appropriation for the economic  
2.18 development and housing challenge program  
2.19 for fiscal years 2012 and 2013 is \$6,993,000  
2.20 for each year.

## 2.21 **ARTICLE 2**

### 2.22 **CHALLENGE BONDS**

2.23 Section 1. Minnesota Statutes 2008, section 462A.21, is amended by adding a  
2.24 subdivision to read:

2.25 Subd. 33. **Challenge program bond account.** The agency may establish a  
2.26 challenge program bond account as a separate account within the housing development  
2.27 fund. Proceeds of challenge program bonds under section 462A.40 may be credited to the  
2.28 account. Money in the account is appropriated to the agency for the purposes for which  
2.29 the bonds are authorized under section 462A.40. The agency may transfer the proceeds  
2.30 of challenge program housing bonds to another account within the housing development  
2.31 fund that it determines appropriate to accomplish the purposes for which the bonds are  
2.32 authorized under section 462A.40.

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

3.1       Sec. 2. [462A.40] CHALLENGE PROGRAM BONDS; AUTHORIZATION AND  
3.2 STANDING APPROPRIATION.

3.3       Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms  
3.4 have the meanings given them.

3.5       (b) "Challenge program bonds" means a bond, note, or other evidence of obligation  
3.6 of the agency issued and sold for the purposes specified in subdivision 2.

3.7       (c) "Debt service" means the amount payable in any fiscal year of principal,  
3.8 premium, if any, and interest on challenge program bonds and the fees, charges, and  
3.9 expenses related to the bonds.

3.10       Subd. 2. **Authority.** The agency may issue up to \$30,000,000 of challenge program  
3.11 bonds in one or more series to which the payments made under this section may be  
3.12 pledged. The challenge program bonds authorized in this subdivision must be issued  
3.13 for the purpose of making grants and loans, on terms and conditions the agency deems  
3.14 appropriate:

3.15       (1) to projects meeting the requirements of the economic development and housing  
3.16 challenge program under section 462A.33; or

3.17       (2) to neighborhood land trusts authorized under section 46A.31 for land acquisition.

3.18       Subd. 3. **No full faith and credit.** The challenge program bonds are not public debt  
3.19 of the state, and the full faith, credit, and taxing powers of the state are not pledged to the  
3.20 payment of the challenge program bonds or to any payment that the state agrees to make  
3.21 under this section. The bonds must contain a conspicuous statement to that effect.

3.22       Subd. 4. **Appropriation; payment to agency or trustee.** (a) The agency must  
3.23 certify annually to the commissioner of management and budget the actual amount of  
3.24 annual debt service on each series of bonds issued under subdivision 2.

3.25       (b) Each July 15, beginning in 2010 and through 2032, if any challenge program  
3.26 bonds issued under subdivision 2 remain outstanding, the commissioner of management  
3.27 and budget must transfer to the challenge program bond account established under  
3.28 section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed  
3.29 \$2,400,000 annually. The amounts necessary to make the transfers are appropriated from  
3.30 the general fund to the commissioner of management and budget.

3.31       (c) The agency may pledge to the payment of the challenge program bonds the  
3.32 payments to be made by the state under this section.

3.33       (d) In each fiscal year for fiscal years 2010 through 2023, \$2,400,000, less the  
3.34 amount transferred by the commissioner of management and budget under paragraph (b)  
3.35 for that fiscal year, is appropriated to the agency from the general fund for the purposes of  
3.36 the economic development and housing challenge program under section 462A.33.

4.1           (e) Annually by August 1, the agency shall submit a statement to the chairs and  
4.2 ranking minority members of the house of representatives and senate committees with  
4.3 jurisdiction over housing policy and finance that identifies the amount of debt service as  
4.4 certified under paragraph (a), the transfer under paragraph (b), and the appropriation under  
4.5 paragraph (d). The statement may be submitted electronically, and is subject to section  
4.6 3.195, subdivision 1.

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