

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 2448

**DATE:** March 2, 2004

**Version:** As introduced

**Authors:** Abrams and others

**Subject:** Affordable and life-cycle housing opportunities amount

**Analyst:** Jeanne LeFevre (296-5043)

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: [www.house.mn/hrd](http://www.house.mn/hrd).

---

### Overview

This bill replaces the ALHOA formula based on negotiated goals with a fixed formula determined by each municipality's proportionate share of levies for the local housing incentives account and the livable communities demonstration account.

#### Section

- 1** **Deadlines for new participants.** Provides deadlines for adoption of goals by municipalities that elect to participate in the affordable and life-cycle housing program or that negotiate new housing goals after January 15, 1996. Also establishes deadlines for newly electing municipalities to identify the means by which they will meet their new or amended housing goals.
- 2** **Formula effective through 2002.** Provides that the present formula for calculation of a municipality's affordable and life-cycle housing opportunities amount (ALHOA) will remain in effect through calendar year 2002.
- 3** **New formula provided.** Establishes a new formula for calculation of the ALHOA amount for calendar years 2003 and thereafter. The new formula provides that the ALHOA amount is equal to the sum of a municipality's proportionate share of the \$1 million Met Council levy which is credited to the local housing incentives account plus the municipality's proportionate share of the amount levied for the livable communities demonstration account. Proportionate shares are determined by the percentage of the total metropolitan levy for each purpose payable in each municipality in the previous calendar year. Provides transitional and permanent deadlines for notification to municipalities of their annual ALHOA amount.

**Section**

- 4**      **Negotiated goals eliminated.** Replaces the negotiation of affordable and life-cycle housing goals with a fixed requirement that any municipality that does not spend 85 percent of its ALHOA amount to create affordable and life-cycle housing opportunities must distribute that amount to either the local housing incentives account or the city or county HRA.
- 5**      **Amends reference.** Amends the reference to the ALHOA amount in the statute setting priorities for the local housing incentive account.
- 6**      **Report modified.** Conforms reporting requirement for municipalities to changes made in method of calculating ALHOA amounts.
- 7**      **Late election conforming amendments.** Conforms procedures for late election to participate in local housing incentive account program with new formula for calculation of the ALHOA amount.
- 8**      **Transition.** Caps the increase in ALHOA amounts for calendar years 2003 through 2007 at 20 percent of the increase caused by the new formula.
- 9**      **Application clause.** Applies to counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington.
- 10**     **Effective date.** Effective the day following final enactment.