Overview

This is a housekeeping bill for the Minnesota Housing Finance Agency (MHFA). The bill makes technical changes to reflect changes in the Minnesota Family Investment Program (MFIP) law, clarifies the eligible uses of the community rehabilitation fund program, and expands MHFA's authority to make mortgage revenue bond funds available for loans on newly constructed homes. The bill also contains provisions related to home improvement loans, home ownership by persons with disabilities, administration of the low-income housing tax credit, and equity take-out loans to owners of federally-assisted housing.

Section

1. Allows the agency to make home improvement loans where the debt to value ratio is up to 110 percent.
2. Adds another condition under which new housing in the metropolitan area may qualify for loans financed with the proceeds of mortgage revenue bonds, i.e. if the new housing is part of an effort to meet affordable housing goals negotiated as part of participation in the livable communities program.
3. Allows the agency to make mortgage bond proceeds available for the exclusive use of builders or developers for loans to eligible purchasers of (1) new accessible housing or (2) new housing where a governmental entity has provided favorable financing terms or a write-down of the purchase price.
4. Replaces "self sufficiency program" with "job search support plan or employment plan" to comply with changes in the Minnesota Family Investment Program (MFIP) law.
5. Defines "employment and training service provider" and "employment plan" by reference to the MFIP chapter. Defines "family or participating family" as one where at least one member
receives public assistance at the time the family begins receiving rent assistance. Replaces "self sufficiency program" with "job search support plan or employment plan."

6 Replaces "self sufficiency program administrators" with "employment and training service providers" to comply with changes in MFIP law. Strikes reference to county agencies with regard to vouchers.

7 Replaces "self sufficiency program administrators" with "employment and training service providers" to comply with changes in MFIP law. Strikes reference to county agencies with regard to project-based vouchers.

8 Replaces references to "county agencies" with "employment and training service providers" in section regarding families where the caretaker parent has earned income. Provides for annual recertification of a caretaker parent's employment status and job search or employment plan compliance. Replaces references to "county agency" with "local housing organization" with regard to notifying the caretaker parent and housing finance agency of the termination of rent assistance.

9 Adds construction financing and strikes multifamily housing under the eligible uses of the community rehabilitation fund.

10 Authorizes MHFA to establish and spend money from an account to support home ownership for persons with disabilities. Allows the account to be used to assist with delinquent mortgage payments for persons participating in a demonstration project for home ownership by persons with disabilities.

11 Reduces the number of allocation rounds from three to two for the low-income housing tax credit program. Allows first round credits to be allocated to federally-assisted projects where physical deterioration would result in the loss of existing federal subsidies (currently, first round credits for existing subsidized housing may be used only to keep that housing from converting to market rate).

12 Allows a city or county which is a suballocator of tax credits to apportion some of its credits to MHFA for a project located in the suballocator's jurisdiction.

13 Allows an exception so that MHFA may make equity take-out loans to owners of federally-subsidized housing who agree to extend their participation in the program for less than the maximum term. The exception may be made only in cases where fewer than 30 percent of the units in the property are subsidized and the units are at risk of conversion to market rate.

14 **Repealer.** Repeals the restriction on using mortgage revenue bond proceeds for loans on new housing in greater Minnesota.

15 **Effective date.** Makes sections 2, 3, 10, 11, and 13 effective the day following final enactment.