

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 2485 **DATE:** March 6, 2012  
**Version:** As introduced  
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**Subject:** Capital investment, housing and housing infrastructure bonds  
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### Overview

This bill appropriates \$10 million in state general obligation bond proceeds to the Minnesota Housing Finance Agency (MHFA) for public housing renovation. It also authorizes the MHFA to issue \$30 million of "housing infrastructure bonds" - essentially appropriation bonds backed by a standing appropriation of general fund money. The provisions in this bill are also in the Governor's bonding bill, H.F. 2205, but at lower amounts (\$7 million and \$25 million respectively).

**1 Housing.** Appropriates \$10 million in state general obligation bonds to the MHFA to rehabilitate housing owned by public housing authorities with a public housing assessment system rating of standard or above. Gives priority to proposals that maximize federal and local resources. Exempts projects from priorities in statute that require projects to increase the supply of affordable housing and restrictions on use or sale of the property financed.

**2 Housing infrastructure bonds account.** Permits the MHFA to establish a housing infrastructure bond account.

**3 Housing infrastructure bonds; authorization; standing appropriation.**

**Subd. 1. Definitions.**

**Subd. 2. Authorization.** Permits the MHFA to issue up to \$30 million in housing infrastructure bonds to make loans to

- construct, acquire, and rehabilitate supportive housing,
- construct, acquire, and rehabilitate foreclosed and abandoned housing that would then be used for affordable rental housing,
- acquire abandoned or foreclosed property attributable to the land to be leased by a community land trust to low and moderate income buyers, and
- acquire, construct, and rehabilitate federally assisted rental housing, including refunding

debt issued by the MHFA or another governmental unit.

Gives preference to proposals that will help those without, or at significant risk of being without, a permanent residence for at least 12 months or at least four times in the last three years.

**Subd. 3. No full faith and credit.** The bonds are not state general obligation bonds.

**Subd. 4. Appropriation; payment to agency or trustee.** Appropriates up to \$2.2 million per year from the general fund to be paid to the agency for debt service on the bonds.