

HOUSE RESEARCH

Bill Summary

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Subject: Capital investment; public housing; and housing infrastructure bonds

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Overview

This bill provides the Minnesota Housing Finance Agency \$80 million in additional housing infrastructure bonding authority and appropriates \$20 million in state GO bond proceeds for rehabilitation of public housing.

Section

- 1 Authorization (MHFA housing infrastructure bonds).** Adds the acquisition of property in foreclosure priority areas as identified by the housing finance agency for land to be leased by land trusts as a purpose for the use of housing infrastructure bonds. This section already allows for the use of housing infrastructure bonds for land trust land acquisition on foreclosed property and this section will expand that to include land for properties that are not in foreclosure but in a foreclosure priority area. This section also adds a priority for veterans for permanent supportive housing.

Effective date. This section is effective following final enactment for bonds issues in 2014 and after.
- 2 Additional authorization (housing infrastructure bonds).** Adds authority to issue \$80 million dollars in housing infrastructure bonds. The governors bonding bill, H.F. 2490, provides for \$40 million dollars in housing infrastructure bonds.

Effective date. This section is effective following final enactment.
- 3 Additional appropriation (housing infrastructure bonds).** Appropriates to the MHFA from the general fund \$6.4 million each year, beginning in state fiscal year 2016 to pay debt service on housing infrastructure bonds issued under section 2.

Section

Effective date. This section is effective following final enactment.

- 4 Minnesota Housing Finance Agency; Public Housing (GO bonds).** Provides \$20 million in general obligation bonds proceeds to the housing development fund for the rehabilitation of public housing that is for low-income individuals and households, that is financed by the federal government and owned and operated by public housing authorities and local governments, and that has a composite housing assessment score of 80 or above. The composite score is based on the public housing authority's rating by the real estate assessment center that evaluates HUD programs. The center looks at the physical and financial condition of the housing, its management, and resident satisfaction of the public housing authority to determine the score. This appropriation gives priority to proposals that have maximized federal or local resources for the cost of the rehabilitation project. The statutory priority to increase the supply of affordable housing does not apply to use of this appropriation and the statutory restrictions regarding city owned property included in Minn. Stat. 462A.202, subdivision 7, also do not apply.

Effective date. This section is effective the day following enactment.