

Subject Minnesota Housing Finance Agency Policy & Technical Bill

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Overview

This bill is the 2021 Minnesota Housing Finance Agency (MHFA) policy and technical bill. It contains various policy changes to statutes relating to affordable housing programs and grants and loans issued by the agency, in addition to technical and conforming changes.

All sections are effective August 1, 2021.

Article 1: Affordable Housing Eligibility

Summary

Section	Description: Article 1: Affordable Housing Eligibility
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| 1 | Capacity building grants.
Adds federally recognized American Indian tribes in Minnesota and tribal housing corporations to the entities to whom grants for affordable housing may be made in a natural disaster area. |
| 2 | Technical assistance; residential housing.
Authorizes MHFA to provide support to increase the capacity of entities to meet affordable housing needs. |
| 3 | Set aside.
Eliminates the requirement under the workforce and affordable homeownership development program that a community-based nonprofit organization have a sponsoring resolution from each of the county boards located within its operating jurisdiction. |

Section Description: Article 1: Affordable Housing Eligibility

- 4 Establishment.**
Adds counties to the list of entities that may receive homeownership development grants under the workforce and affordable homeownership development program.
- 5 Definitions.**
Adds a federally recognized tribal reservation to the definition of “eligible project area” for purposes of the workforce housing development program.
- 6 Allocation.**
Clarifies that MHFA cannot award a grant or deferred loans under the workforce housing development program to an eligible project area without certification by the eligible project area that the amount of the grant or deferred loans will be matched by a local unit of government, a business, a nonprofit organization, or a federally recognized tribe.

Article 2: Grant and Loan Criteria and Uses

Section Description: Article 2: Grant and Loan Criteria Uses

- 1 Rehabilitation loans.**
Eliminates the limitation on rehabilitation loans that prohibits a rehabilitation loan to be made in an amount that would exceed 110 percent of a property’s market value, except in the case of accessibility improvements.
- 2 Rehabilitation loans; existing owner-occupied residential housing.**
Authorizes MHFA to make rehabilitation loans for the purpose of replacement of manufactured homes. Also increases the maximum rehabilitation loan amount to \$35,000.
- 3 Debt ceiling.**
Clarifies that the debt ceiling relates to general obligation bonds and notes which are outstanding at any time.
- 4 Definitions.**
Amends the housing infrastructure bond definitions. The definition of “housing infrastructure bond” is amended to eliminate bonds that finance the construction or rehabilitation of single-family houses that qualify for mortgage revenue bond financing. The income requirements under the definition of “senior” are moved

Section Description: Article 2: Grant and Loan Criteria Uses

under the newly defined term “senior household”. Conforming changes are made throughout the section.

5 Authorization.

Eliminates a reviewed accessibility service plan from the list of preferential proposal criteria. A conforming change is also made based on the amendments to definitions in section 4.

Article 3: Technical and Conforming Changes

Section Description: Article 3: Technical and Conforming Changes

1 Community land trusts.

Eliminates the requirement that all occupants of a community land trust building have a family income of less than 80 percent of the greater of (1) state median income or (2) the area or county median income.

2 Persons and families of low and moderate income.

Increases the income limitation under the definition of “persons and families of low and moderate income” for purposes of community land trusts to 115 percent of the greater of state median income, or area or county median income.



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