

1.1 moves to amend H.F. No. 892, the delete everything amendment
1.2 (H0892DE5), as follows:

1.3 Page 56, after line 25, insert:

1.4 "Sec. 18. **[474A.22] WORKFORCE HOUSING; TAX-EXEMPT BONDING**
1.5 **ALLOCATION.**

1.6 Subdivision 1. **Definitions.** In addition to the definitions in section 474A.02, for the
1.7 purposes of this section, the following terms have the meanings given them:

1.8 (1) "aggregate bond limitation" means 55 percent of the reasonably expected aggregate
1.9 basis of the project and the land on which the project is located;

1.10 (2) "AMI" means the area median income as published by the Department of Housing
1.11 and Urban Development, adjusted for household size; and

1.12 (3) "workforce housing" means a multifamily housing project in which, for a period of
1.13 at least 15 years following completion, at least 80 percent of rental units are occupied or
1.14 held for occupancy by persons or families whose adjusted income does not exceed 60 percent
1.15 of AMI and at least 80 percent of rental units in the project are rent restricted in an amount
1.16 of 30 percent to 60 percent of AMI.

1.17 Subd. 2. **No single-family set aside for two years.** Notwithstanding section 474A.03,
1.18 subdivision 1, clause (2), the commissioner of management and budget shall not set aside
1.19 any of the housing pool for single-family housing programs prior to December 31, 2019.

1.20 Subd. 3. **Additional application requirements.** In addition to any other application
1.21 requirements for an allocation under sections 474A.061, subdivision 1, and 474A.091,
1.22 subdivision 2, for a residential rental project, an applicant must provide a statement as to:

2.1 (1) whether the project owner intends to apply for and receive low-income housing tax
2.2 credits for the project under section 42 of the Internal Revenue Code of 1986, as amended,
2.3 from the applicable allocating agency;

2.4 (2) whether the proposed residential rental project meets the definition of workforce
2.5 housing; and

2.6 (3) whether the aggregate of the amount of tax-exempt bonds previously allocated to a
2.7 project under section 474A.061 or 474A.091, if any, and the amount of bonds requested in
2.8 the application for that same project exceeds the aggregate bond limitation.

2.9 Subd. 4. **Re-prioritized housing pool allocations.** (a) Notwithstanding section 474A.061,
2.10 subdivision 2a, paragraph (a), commencing on the second Tuesday in January and continuing
2.11 on each Monday through July 15, the commissioner shall allocate available bonding authority
2.12 from the housing pool to applications received on or before the Monday of the preceding
2.13 week for residential rental projects that meet the eligibility criteria under section 474A.047,
2.14 and after the second Tuesday in January through July 15, for single-family housing programs.
2.15 Allocations of available bonding authority from the housing pool for eligible uses shall be
2.16 awarded in the following order of priority:

2.17 (1) residential rental projects that preserve existing federally subsidized housing and the
2.18 aggregate amount of bonds requested in the application and any previous allocation of bonds
2.19 do not exceed the aggregate bond limitation;

2.20 (2) residential rental projects that:

2.21 (i) intend to apply for and receive low-income housing tax credits under section 42 of
2.22 the Internal Revenue Code and meet the definition of workforce housing; and

2.23 (ii) the aggregate amount of bonds requested in the application and any previous allocation
2.24 of bonds to the project do not exceed the aggregate bond limitation;

2.25 (3) other residential rental projects that intend to apply for and receive low-income
2.26 housing tax credits under section 42 of the Internal Revenue Code;

2.27 (4) single-family housing programs described in section 474A.061, subdivision 2a,
2.28 paragraph (b); and

2.29 (5) other residential rental projects.

2.30 If there are two or more applications for residential rental projects from the housing pool
2.31 with equal priority and there is insufficient bonding authority to provide allocations for all
2.32 residential rental projects in any one allocation period, the available bonding authority shall

3.1 be awarded by lot including a partial allocation until all remaining bonding authority is
3.2 allocated unless otherwise agreed to by the respective issuers. If a residential rental project
3.3 receives some, but less than the requested amount of allocation contained in its application,
3.4 and the project applies in the future to the housing pool for additional allocation of bonds,
3.5 the project shall be fully funded up to its original application request for bonding authority
3.6 before any new project, applying in the same allocation period, that has an equal priority
3.7 shall receive bonding authority. If an issuer that receives an allocation under this paragraph
3.8 does not issue obligations equal to all or a portion of the allocation received within 120 days
3.9 of the allocation or returns the allocation to the commissioner, the amount of the allocation
3.10 is canceled and returned for reallocation through the housing pool or to the unified pool
3.11 after July 15.

3.12 (b) Subject to paragraph (a), the commissioner shall otherwise follow the provisions of
3.13 section 474A.061.

3.14 Subd. 5. **Re-prioritized unified pool allocation.** (a) Notwithstanding section 474A.091,
3.15 subdivision 3, paragraph (f), if there are two or more applications for residential rental
3.16 projects from the unified pool and there is insufficient bonding authority to provide
3.17 allocations for all residential rental projects in any one allocation period, the available
3.18 bonding authority shall be awarded in the following order of priority:

3.19 (1) residential rental projects that preserve existing federally subsidized housing and the
3.20 aggregate amount of bonds requested in the application and any previous allocation of bonds
3.21 do not exceed the aggregate bond limitation;

3.22 (2) residential rental projects that:

3.23 (i) intend to apply for and receive low-income housing tax credits under section 42 of
3.24 the Internal Revenue Code and meet the definition of workforce housing; and

3.25 (ii) the aggregate amount of bonds requested in the application and any previous allocation
3.26 of bonds to that same project do not exceed the aggregate bond limitation;

3.27 (3) other residential rental projects that intend to apply for and receive low-income
3.28 housing tax credits under section 42 of the Internal Revenue Code; and

3.29 (4) other residential rental projects.

3.30 If there are two or more applications for residential rental projects from the unified pool
3.31 with equal priority and there is insufficient bonding authority to provide allocations for all
3.32 residential rental projects in any one allocation period, the available bonding authority shall
3.33 be awarded by lot including a partial allocation until all remaining bonding authority is

4.1 allocated unless otherwise agreed to by the respective issuers. If a residential rental project
4.2 receives some, but less than the requested amount of allocation contained in its application,
4.3 and the project applies in the future to the unified pool for additional allocation of bonds,
4.4 the project shall be fully funded up to its original application request for bonding authority
4.5 before any new residential project, applying in the same allocation period, that has an equal
4.6 priority shall receive bonding authority.

4.7 (b) Notwithstanding section 474A.091, subdivision 3, paragraph (g), the reservation
4.8 within the unified pool for small issue bonds is from the first Monday in August through
4.9 the last Monday in October.

4.10 Subd. 6. **Mortgage bonds.** Notwithstanding section 474A.091, subdivision 3a, paragraph
4.11 (a), bonding authority remaining in the unified pool on October 1 is available for
4.12 single-family housing programs only for cities that applied in January and received an
4.13 allocation under section 474A.061, subdivision 2a, in the same calendar year. The Minnesota
4.14 Housing Finance Agency shall receive an allocation for mortgage bonds pursuant to this
4.15 section, minus any amounts for a city or consortium that intends to issue bonds on its own
4.16 behalf under paragraph (c).

4.17 Subd. 7. **Unified pool allocation plan.** (a) By January 15 of each year, the commissioner
4.18 of the Minnesota Housing Finance Agency shall annually prepare a tax-exempt bond
4.19 allocation plan that identifies:

4.20 (1) the amount of tax-exempt bonds allocated to the Minnesota Housing Finance Agency
4.21 during the previous calendar year;

4.22 (2) whether or not the Minnesota Housing Finance Agency intends to carry forward
4.23 such bonds not otherwise allocated in the previous year as qualified residential rental bonds
4.24 or qualified mortgage bonds or mortgage credit certificates consistent with the requirements
4.25 of Internal Revenue Service Form 8328; and

4.26 (3) the carryforward balance of any tax-exempt bonds allocated to the Minnesota Housing
4.27 Finance Agency including those bonds carried forward as qualified residential rental bonds
4.28 and qualified mortgage bonds or mortgage credit certificates.

4.29 (b) Prior to January 15 of each year, the Minnesota Housing Finance Agency must post
4.30 on its official Web site the plan under paragraph (a) and invite public comment until February
4.31 1. The Minnesota Housing Finance Agency shall not file the Internal Revenue Service Form
4.32 8328 until the public comment period has closed on February 1 unless otherwise required
4.33 by federal law.

- 5.1 **EFFECTIVE DATE.** This section is effective July 1, 2017, and subdivision 2 expires
- 5.2 December 31, 2019."
- 5.3 Renumber the sections in sequence and correct the internal references
- 5.4 Amend the title accordingly