

Subject Housing infrastructure bond authorized uses; bonding for public housing rehabilitation

Authors Hausman

Analyst Chelsea Griffin

Date March 5, 2021

Overview

This bill adds financing of affordable housing to households with incomes at or below 50% of area median income (AMI) to the authorized uses for housing infrastructure bonds (HIBs). The Minnesota Housing Finance Agency (MHFA) is also required to give preference for permanent housing projects that will provide affordable housing to households at or below 30% of AMI. MHFA is authorized to issue additional HIBs in an unstated amount.

The bill also includes an unstated appropriation of general obligation bond proceeds for preservation of affordable, permanent, publicly owned rental housing financed by the federal government.

All sections are effective the day following final enactment.

Summary

| Section | Description |
|---------|-------------|
|---------|-------------|

- | | |
|---|---|
| 1 | Authorization. Adds the financing of costs of construction, acquisition, and rehabilitation of permanent, affordable housing to households with incomes at or below 50% of AMI to the authorized uses HIBs. MHFA is required to give preference for permanent housing projects that will provide affordable housing to households at or below 30% of AMI. |
| 2 | Additional authorization. Authorizes MHFA to issue an unstated amount of HIBs. |
| 3 | Additional appropriation. Authorizes Minnesota Management & Budget (MMB) to pay the debt service on the HIBs from the general fund. |

| Section | Description |
|---------|---|
| 4 | <p data-bbox="316 262 706 294">Public housing rehabilitation.</p> <p data-bbox="316 304 1429 613">Appropriates an unstated amount of general obligation bond proceeds to MHFA to preserve affordable, permanent, publicly owned rental housing financed by the federal government. Priority may be given to proposals that maximize financial resources and requests that prioritize health, safety, and energy improvements. The restrictions that apply to permanent rental housing funded by a loan from the local government unit housing account do not apply to this appropriation. MMB is authorized to sell a corresponding amount of general obligation bonds to finance the appropriation.</p> |



**MN HOUSE
RESEARCH**

Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn/hrd | 651-296-6753 | 155 State Office Building | St. Paul, MN 55155