

**Subject** Local affordable housing aid modifications

**Authors** Howard and Gomez

**Analyst** Justin Cope

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## Overview

This bill would modify the local affordable housing aid program enacted in 2023 by expanding the types of projects the aid can fund, by deeming funds committed to a project within the deadline for spending funds as spent, by requiring that the aid be used to supplement local funding, and by requiring that local governments report on any cuts of local funding for housing programs.

## Summary

Section	Description
1	<b>Purpose.</b> Expands the purposes of the local affordable housing aid to include preserving supportive services for residents.
2	<b>Definitions.</b> Adds a definition of locally funded housing expenditures to the aid program to include use of unrestricted local government money on a wide variety of housing-related expenditures.
3	<b>Qualifying projects.</b> Adds the funding of operations and supportive services to the list of projects which aid may be spent on.
4	<b>Use of proceeds.</b> Deems funds committed to a project within three years of receipt as spent for the purposes of the three-year spending deadline, provided that the funds are expended in the following year.
5	<b>Conditions for receipt.</b> Requires that aid recipients commit to using money to supplement their locally funded housing budgets. Requires that local governments report on their locally funded housing expenditures and any cuts to those expenditures.

Section	Description
6	<p data-bbox="313 258 526 296"><b>Administration.</b></p> <p data-bbox="313 306 1429 499">Requires the Minnesota Housing Finance Agency to notify the Department of Revenue if an aid recipient fails to report on its locally funded housing expenditures. Requires an aid recipient to return its money to the Minnesota Housing Finance Agency if it fails to meet its reporting requirement. Requires the Department of Revenue to stop funding an aid recipient upon the aid recipient's request.</p>



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