

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 2112  
**Version:** As amended by H2112DE1

**DATE:** March 25, 2014

**Authors:** Clark and others

**Subject:** Changing MHFA appropriations; HOME Pilot Project

**Analyst:** Mary Mullen

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: [www.house.mn/hrd/](http://www.house.mn/hrd/).

### Overview

This bill changes rider language 2014-2015 housing finance agency appropriations, requires the housing finance agency to send the affordable housing plan to the legislature, and creates a pilot project to promote affordable rental housing and homeownership to reduce the disparity gap for communities of color and American Indians in Minnesota.

#### Section

- 1 Total appropriation.** Adds rider language to the 2013 appropriations to the Minnesota Housing Finance Agency (MHFA) to continue ongoing efforts to reduce the racial and ethnic disparities gap in homeownership rates and increase the resources to achieve that goal.
- 2 Challenge program.** Provides \$500,000 of the Challenge Fund appropriation is for homeownership opportunities for families with a disabled child who have recently faced eviction.
- 3 Affordable housing plan; disparities report.** Requires MHFA to provide the draft and final version of the affordable housing plan, the agency's annual plan providing information on the use of funding the agency receives, to the legislature.
- 4 Housing Opportunities Made Equitable (HOME) Pilot Project.** Creates a pilot program through the housing finance agency, in collaboration with the four councils of color, to close the disparity gap in affordable homeownership and rental housing available for communities of color and American Indians. The program requires MHFA to provide financial supports to community local nonprofits to provide wraparound services in housing and to close the disparity gap, redevelop neighborhoods with high foreclosure rates, improve the property tax

**Section**

base, and create a revenue stream. The pilot project includes that a portion of the agency's funds must be used to provide assistance to sustain affordable rental and homeownership such as education and counseling and to create a revolving loan pool for lending to families to assist families with culturally sensitive credit affordability financing.