

HOUSE RESEARCH

Bill Summary

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Overview

This bill creates a new housing program through the Minnesota Housing Finance Agency (MHFA) for workforce and affordable housing and provides an ongoing appropriation based on the growth in the mortgage registry tax and deed tax from year to year.

Section

1 Workforce and affordable homeownership development program.

Subd. 1. Establishment. Creates a new housing program operated by the Minnesota Housing Finance Agency (MHFA) to fund grants and loans to nonprofits, cooperatives, cities, tribes, and community land trusts to develop workforce and affordable homeownership projects.

Subd. 2. Use of funds. Allows MHFA to award grants for development costs, rehabilitation of existing structures, land development, and residential housing to projects that will serve households that meet the income requirements of the Economic Development and Housing Challenge Fund, unless the project is intended to construct housing for low and moderate income families.

Subd. 3. Application. Requires the commissioner of housing finance to develop an application process and to consult with interested stakeholders to develop the guidelines for the program.

Subd. 4. Awarding grants. Provides that grants shall be given preference based on the amount of nonstate contributions to the project.

Section

Subd. 5. Statewide program. Provides that MHFA will attempt to distribute the grants equally between the metro area and areas outside the metro.

Subd. 6. Report. Requires the commissioner of MHFA to submit an annual report to the chairs of the House and Senate housing and workforce development committees.

Effective date. This section is effective the day following final enactment.

- 2 Appropriations; workforce and affordable homeownership development.** Provides for a continuing appropriation from fiscal year 2018 to fiscal year 2026 for the amount of the mortgage registry tax and deed tax that is collected in excess of the amount collected in the year before. The appropriation goes to MHFA to provide funding for the program in section 1 and cannot supplement traditional funding sources for workforce and affordable homeownership development programs. The appropriation cannot be used to pay debt service on bonds.