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**Authors:** Garofalo

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**Analyst:** Anna Scholin

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### Overview

Creates the workforce housing challenge grants program to give investors in certain workforce housing projects grants equal to 40 percent of the planned investment. Redirects \$6,600,000 of the \$12,925,000 annual appropriation for housing challenge grants to this new program instead.

#### Section

#### 1 [462A0331] Housing challenge program; workforce housing grants

**Subd. 1. Definitions.** Defines many terms for the purposes of this program. Requires that to qualify for a grant under this program, the housing project must be located in a greater Minnesota city with at least 500 jobs and a low average vacancy rate for market rate residential rental properties. Also requires that the project be a market rate residential rental property with at least three dwelling units, an average construction cost per unit between \$75,000 and \$250,000, and more than 50 percent nonstate funding.

**Subd. 2. Project investor grants.** Provides grants to investors in qualified workforce housing projects. Grants are equal to 40 percent of the planned investment, and that investment must actually be made within one year of receiving the grant or the grant must be repaid. Gives projects in areas with the greatest undersupply of housing, as defined by a formula, preference for grants. Allows unallocated program funds to carry forward to the next year and limits the maximum grant to any one investor to 40 percent of available funds in the program. Sets the application process, under which

**Section**

the commissioner may require an application fee, but must respond to applications within 15 days of receipt.

**Subd. 3. Reporting.** Requires annual reports to the legislative committees with jurisdiction about the availability of workforce housing, housing needs in greater Minnesota, and program outcomes.

**2 Appropriation.** Redirects \$6,600,000 of the \$12,925,000 annual appropriation for housing challenge grants to this new program instead.