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Overview

Restructures the allocation of tax-exempt bonds for housing projects, generally giving senior housing projects greater priority and single-family housing projects less priority than under current law. Creates a lottery system for projects of equal priority when there is a shortage of bonding authority.

Section

- 1 **Aggregate bond limitation.** Defines “aggregate bond limitation” as 55 percent of the reasonably expected aggregate basis of the housing project and the land it sits on.
- 2 **AMI.** Defines “AMI” as the area medium income as published by the Department of Housing and Urban Development, adjusted for household size.
- 3 **Workforce housing.** Defines “workforce housing” as multifamily housing meeting specific income restrictions for at least the first 15 years.
- 4 **Under federal tax law; allocations.** Removes the set-aside of 31 percent of tax-exempt bonds for single-family housing programs.
- 5 **Allocation application.** Adds requirements to the application for tax-exempt bond allocations. Under this bill, the applicant would need to state whether low-income housing tax credits will be applied for, if the project is workforce housing, and whether the bonds requested plus any bonds already allocated to the project would equal more than 55 percent of the aggregate basis for the project.
- 6 **Housing pool allocation.** Restructures the priority of applications for tax-exempt bond allocations. Allows senior designated projects to apply for bonds earlier in the year and with

Section

higher priority than under current law. Creates a lottery system within each priority level when there is a shortage of bonding authority.

- 7** **Application.** Adds requirements to the application for tax-exempt bond allocations within the unified pool. Under this bill, the applicant would need to state whether low-income housing tax credits will be applied for, if the project is workforce housing, and whether the bonds requested plus any bonds already allocated to the project would equal more than 55 percent of the aggregate basis for the project.
- 8** **Allocation procedure.** Restructures the priority of applications for tax-exempt bond allocations from the unified pool. Allows senior designated projects to apply for bonds earlier in the year and with higher priority than under current law. Creates a lottery system within each priority level when there is a shortage of bonding authority.
- 9** **Mortgage bonds.** Allows single-family housing projects to apply for bonding authority that is still available on October 1 only if the city applied for and received bonding authority in January of that same year.
- 10** **Allocation plan.** Requires the commissioner of the Minnesota Housing Finance Agency to annually prepare a tax-exempt bond allocation plan, post the plan on its website, and invite public comment for at least two weeks before filing required Internal Revenue Service forms related to the program.