

Subject Naturally occurring affordable housing

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Overview

This bill, as proposed to be amended by H0443DE1, establishes a grant program to preserve naturally occurring affordable housing (NOAH). This bill also appropriates \$75,000,000 in fiscal year 2022 and \$75,000,000 in fiscal year 2023 from the general fund to the Minnesota Housing Finance Agency (MHFA) to fund the program. This bill sets the base appropriation to the program at \$50,000,000 in fiscal year 2024 and at \$50,000,000 in fiscal year 2025.

Summary

Section	Description
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1	Community stabilization program.
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Establishes a grant program with the MHFA to preserve NOAH.

Subd. 1. Establishment. Establishes a community stabilization program to preserve NOAH.

Subd. 2. Definitions. Defines NOAH as: (1) multifamily rental housing at least 20 years old in which most of the units are affordable to households at or below 115 percent of the greater of state or area median income; or (2) within areas with high risk of displacement, single-family, owner-occupied housing affordable to households at or below 115 percent of the greater of state or area median income.

Subd. 3. Eligible recipients. Allows grants and loans to be distributed to local governments, Tribal governments, private developers, limited equity cooperatives, cooperatives, community land trusts, and nonprofits. Requires MHFA to use a statewide intermediary for multifamily rental housing; allows MHFA to use a statewide intermediary for single-family housing.

Subd. 4. Eligible uses. Requires grants and loans to be used for acquiring, rehabilitating, gap financing, or reducing interest rates of NOAH. Requires

Section **Description**

prioritization of funding for proposals serving lower incomes or creating longer periods of affordability.

Subd. 5. Single-family, owner-occupied housing income limits. Requires grants or loans for single-family housing be used for households which were at or below the greater of 115 percent of the greater of area or state median income at the time of initial occupancy.

Subd. 6. Multifamily housing rent limits. Requires multifamily rental housing financed through the program to remain affordable to low- or moderate-income households, as defined by MHFA.

Subd. 7. Application. Requires MHFA both to create procedures, guidelines, and forms for the program and to consult with stakeholders when developing these materials. Allows MHFA to accept applications on a noncompetitive, rolling basis.

Subd. 8. Voucher requirement for multifamily properties. Requires multifamily rental housing receiving funding under this program to accept housing vouchers, including Section 8 vouchers.

2 Appropriation; community stabilization program.

Appropriates \$75,000,000 in fiscal year 2022 and \$75,000,000 in fiscal year 2023 from the general fund to MHFA to fund the community stabilization program. Sets the base for the program at \$50,000,000 in fiscal year 2024 and \$50,000,000 in fiscal year 2025.



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