

Subject Grants for homeownership programs

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Overview

The bill, as amended by H.F. 3966DE1, requires the Minnesota Housing Finance Agency (MHFA) to consult annually with stakeholders in the workforce and affordable homeownership development program, which provides grants for development, rehabilitation, and housing. The bill appropriates \$45,000,000 in fiscal year 2022 from the general fund to MHFA to fund the program and increases the annual base appropriation for the program from \$250,000 to \$15,250,000.

The bill establishes a homeownership investment grants program to fund nonprofit community development financial institutions serving low-income households to fund housing development, rehabilitation, and financing assistance for low- and moderate-income households. The bill appropriates \$120,000,000 in fiscal year 2022 from the general fund to MHFA to fund the program.

This bill also establishes a homeownership production acceleration program for grants to nonprofits to be used to accelerate housing production. The bill appropriates \$10,000,000 in fiscal year 2022 from the general fund to MHFA to fund the program.

Last, this bill increases a 2023 appropriation to Build Wealth Minnesota from \$500,000 to \$2,000,000.

Summary

Section	Description
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| 1 | Application.
Amends the workforce and affordable homeownership development program to require that the commissioner of MHFA consult annually with stakeholders regarding administration of the program. |
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Section	Description
2	<p>Build Wealth Minnesota.</p> <p>Increases the 2023 appropriation to MHFA for a grant to Build Wealth Minnesota from \$500,000 to \$2,000,000 for a family stabilization plan program.</p>
3	<p>Homeownership investment grants program; appropriation.</p> <p>Establishes a grant program for housing development, housing financing, and housing services such as credit-building loans and housing navigation assistance. Appropriates \$120,000,000 in fiscal year 2022 from the general fund to MHFA to fund the program.</p> <p>Subd. 1. Definitions. Defines terms for the purposes of the program.</p> <p>Subd. 2. Eligible organization. Defines an eligible organization as a nonprofit community development financial institution primarily operating in Minnesota and serving low-income households.</p> <p>Subd. 3. Eligible services. Allows grantees to use grants for housing development and rehabilitation and for providing services such as homeownership counseling, credit-building loans, and mortgage assistance. Allows grantees to expend up to 15 percent of a grant on administrative expenses. Requires services be used for households at or below 115 percent of the greater of area or state median income.</p> <p>Subd. 4. Commissioner duties. Requires the commissioner of MHFA to consult with stakeholders in developing program procedures, guidelines, and materials. Requires the commissioner to distribute grants throughout the state and to prioritize grant awards to applicants with an intent to regrant funds to nonprofit developers and lenders. Requires applicants to submit a plan for use of grant moneys.</p> <p>Subd. 5. Appropriation. Appropriates \$120,000,000 in fiscal year 2022 from the general fund to MHFA to fund the program.</p>
4	<p>Workforce homeownership program; appropriation.</p> <p>Appropriates \$45,000,000 in fiscal year 2022 from the general fund to MHFA for the workforce and affordable homeownership development program. Increases the annual appropriation for the program from \$250,000 to \$15,250,000.</p>
5	<p>Homeownership production acceleration program; appropriation.</p> <p>Establishes a grant program for nonprofits to accelerate housing production.</p> <p>Subd. 1. Definitions. Defines terms for the purposes of the program.</p>

Section **Description**

Subd. 2. Commissioner duties. Requires the commissioner of MHFA to consult with stakeholders in developing program procedures and materials.

Subd. 3. Eligible organizations. Defines an eligible organization as: (1) a nonprofit; (2) primarily operating in Minnesota; (3) providing homeownership programs and services; and (4) serving low- and moderate-income households.

Subd. 4. Eligible activities. Allows grants to be spent on: (1) hiring contractors, consultants, and staff; (2) providing training and technical assistance to eligible organizations; (3) developing technology to make the grantee more efficient; and (4) evaluating uses of the grant.

Subd. 5. Appropriation. Appropriates \$10,000,000 in fiscal year 2022 from the general fund to MHFA to fund the program.



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