

Subject Community stabilization program

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Overview

This bill would establish within the Minnesota Housing Finance Agency (MHFA) a community stabilization program to preserve naturally occurring affordable housing (NOAH), as defined by the bill. Unspecified amounts are appropriated from the general fund to MHFA in fiscal years 2024 and 2025.

Summary

Section	Description
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1	Community stabilization program.
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Establishes an MHFA grant and loan program to preserve naturally occurring affordable housing (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 a majority 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, 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 owner-occupied housing.

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

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

Subd. 5. Owner-occupied housing income limits. Requires that grants or loans for owner-occupied housing be used for households which were at or below 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 rental properties funded under this section to accept rental subsidies.

2 Appropriation; community stabilization program.

Appropriates unspecified amounts in fiscal years 2024 and 2025 from the general fund to MHFA for the community stabilization program.



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