

Subject Housing infrastructure bond eligible use added, housing infrastructure bond issuance regulated, bonds issued, and money appropriated

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Overview

This bill would expand the allowed uses of housing infrastructure bonds (HIBs), it would require the Minnesota Housing Finance Agency (MHFA) to give preference among comparable HIB proposals to housing affordable to low-income households, and it would require multi-family housing projects funded by HIBs to include accessible and sensory accessible units.

The bill would also authorize issuance of \$750,000,000 in HIBs with \$375,000,000 authorized for issuance upon enactment and another \$375,000,000 authorized for issuance beginning January 1, 2024. This bill would also appropriate to Minnesota Management and Budget (MMB) the amount necessary to pay debt service on the HIBs, and it would require MMB to transfer that amount to MHFA annually.

Finally, the bill would authorize issuance of \$250,000,000 in general obligation bonds and a \$250,000,000 appropriation from the bond proceeds fund to MHFA for rehabilitation of public housing.

Summary

Section	Description
1	Debt ceiling. Limits the applicability of the agency debt ceiling to general obligation bonds.
2	Authorization. Expands eligible uses of HIBs to finance single-family housing projects to include grants as well as loans. Authorizes use of HIBs to finance permanent housing affordable to families at or below 50 percent of area median income (AMI). Requires the agency to give preference among comparable HIB proposals to housing that

Section	Description
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would be affordable to households at or below 30 percent of AMI. Requires buildings with more than four units funded with HIBs to include:

- 1) the greater of one unit or five percent of units that are accessible units,
and
- 2) the greater of one unit or five percent of units that are sensory accessible.

This section is effective the day following final enactment.

3 Additional authorization.

Authorizes issuance of \$375,000,000 in HIBs.

This section is effective the day following final enactment.

4 Additional authorization.

Authorizes issuance of \$375,000,000 in HIBs.

This section is effective January 1, 2024.

5 Additional appropriation.

Instructs MMB to transfer to MHFA the amount necessary to pay debt service on the HIBs, beginning in 2024. Appropriates from the general fund to MMB the amount necessary to pay the debt service.

This section is effective the day following final enactment.

6 Public housing rehabilitation.

Appropriates \$250,000,000 from the bonds proceed fund to MHFA to finance the costs of rehabilitating public housing. Authorizes issuance of \$250,000,000 in general obligation bonds to provide for the appropriation.



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