## ARTICLE 3

## HOUSING APPROPRIATIONS

Section 1. **HOUSING APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2020" and "2021" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively. "The first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium" is fiscal years 2020 and 2021.

| | APPROPRIATIONS Available for the Year Ending June 30 | |
|---|---|---|
| | **2020** | **2021** |
| Sec. 2. **HOUSING FINANCE AGENCY** | | |
| Subdivision 1. **Total Appropriation** | **$ 52,798,000** | **$ 52,798,000** |
| The amounts that may be spent for each purpose are specified in the following subdivisions. | | |
| Unless otherwise specified, this appropriation is for transfer to the housing development fund for the programs specified in this section. Except as otherwise indicated, this transfer is part of the agency's permanent budget base. | | |
| Subd. 2. **Challenge Program** | 10,675,000 | 11,675,000 |
| This appropriation is for the economic development and housing challenge program under Minnesota Statutes, section 462A.33. | | |



## ARTICLE 5

## HOUSING FINANCE AGENCY APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2020" and "2021" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively. "The first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium" is fiscal years 2020 and 2021.

| | APPROPRIATIONS Available for the Year Ending June 30 | |
|---|---|---|
| | **2020** | **2021** |
| Sec. 2. **HOUSING FINANCE AGENCY** | | |
| Subdivision 1. **Total Appropriation** | **$ 66,798,000** | **$ 64,798,000** |
| (a) The amounts that may be spent for each purpose are specified in the following subdivisions. | | |
| (b) Unless otherwise specified, this appropriation is for transfer to the housing development fund for the programs specified in this section. Except as otherwise indicated, this transfer is part of the agency's permanent budget base. | | |
| Subd. 2. **Challenge Program** | 16,425,000 | 16,425,000 |
| (a) This appropriation is for the economic development and housing challenge program under Minnesota Statutes, section 462A.33. | | |

| S2226-3 | UES2226-1 | | |
|---|---|---|---|
| Of this amount, $1,208,000 each year shall be made available during the first 11 months of the fiscal year exclusively for housing projects for American Indians. Any funds not committed to housing projects for American Indians in the first 11 months of the fiscal year shall be available for any eligible activity under Minnesota Statutes, section 462A.33. | Of the amount appropriated in this subdivision, $1,500,000 each year is onetime. | | |
| The base for this program in fiscal year 2022 and beyond is $11,675,000. | (b) The base for this program in fiscal year 2022 and beyond is $14,425,000. | | |
| | Subd. 3. **Local Housing Trust Fund Grants** | 2,000,000 | -0- |
| | (a) This appropriation is for grants to housing trust funds established under Minnesota Statutes, section 462C.16, to incentivize local funding. This is a onetime appropriation. | | |
| | (b) A grantee is eligible to receive a grant amount equal to 100 percent of the public revenue committed to the local housing trust fund from any source other than the state or federal government, up to $150,000, and in addition, an amount equal to 50 percent of the public revenue committed to the local housing trust fund from any source other than the state or federal government that is more than $150,000 but not more than $300,000. | | |
| | (c) $100,000 of this appropriation is for technical assistance grants to local and regional housing trust funds. A housing trust fund may apply for a technical assistance grant at the time and in the manner and form required by the agency. The agency shall make grants on a first-come, first-served basis. A technical assistance grant must not exceed $5,000. | | |
| | (d) A grantee must use grant funds within eight years of receipt for purposes (1) authorized under Minnesota Statutes, section 462C.16, subdivision 3, and (2) benefiting households with incomes at or below 115 | | |

Subd. 3. **Workforce Housing Development** 2,000,000 2,000,000

This appropriation is for the workforce housing development program under Minnesota Statutes, section 462A.39. If requested by the applicant and approved by the agency, funded properties may include a portion of income and rent restricted units.

Subd. 4. **Manufactured Home Park Infrastructure Grants** 2,500,000 2,500,000

This appropriation is for manufactured home park infrastructure grants under Minnesota Statutes, section 462A.2035, subdivision 1b.

Subd. 5. **Housing Infrastructure Grants Pilot Program** 500,000 0

This appropriation is for a pilot program to provide grants to municipalities for up to 50 percent of the costs of infrastructure that would otherwise be required to be paid by the developer for new homeowner-owned housing developments that are affordable to households with an income of up to 130 percent of area median income. The grants shall be limited to 16 housing units in the municipality and a maximum of $10,000 per housing unit. This



percent of the state median income. A grantee must return any grant funds not used for these purposes within eight years of receipt to the commissioner of the Housing Finance Agency for deposit into the housing development fund.

(e) Before the agency makes any grants with money from this appropriation, the commissioner shall consult with interested stakeholders when developing the guidelines and procedures for the grant program.

Subd. 4. **Workforce Housing Development** 3,000,000 3,000,000

This appropriation is for the workforce housing development program under Minnesota Statutes, section 462A.39. If requested by the applicant and approved by the agency, funded properties may include a portion of income and rent restricted units. Of the amount appropriated in this subdivision, $1,000,000 each year is onetime.

| S2226-3 | | | UES2226-1 | | |
|---|---|---|---|---|---|
| is a onetime appropriation and is available until June 30, 2021. | | | | | |
| Subd. 6. **Workforce Affordable Homeownership Development Program** | 1,000,000 | 500,000 | Subd. 9. **Workforce Homeownership Program** | 1,000,000 | 1,000,000 |
| This appropriation is for the workforce and affordable homeownership development program under Minnesota Statutes, section 462A.38. At least 50 percent of the money appropriated must be for municipalities with populations less than 7,500. | | | (a) This appropriation is for the workforce homeownership program under Minnesota Statutes, section 462A.38. | | |
| | | | (b) The base for this program in fiscal year 2022 and beyond is $500,000. | | |
| Subd. 7. **Housing Trust Fund** | 11,646,000 | 11,646,000 | Subd. 5. **Housing Trust Fund** | 11,646,000 | 11,646,000 |
| This appropriation is for deposit in the housing trust fund account created under Minnesota Statutes, section 462A.201, and may be used for the purposes provided in that section. | | | This appropriation is for deposit in the housing trust fund account created under Minnesota Statutes, section 462A.201, and may be used for the purposes provided in that section. | | |
| | | | Subd. 6. **Homework Starts with Home** | 3,000,000 | 3,000,000 |
| | | | This appropriation is for the homework starts with home program under Minnesota Statutes, sections 462A.201, subdivision 2, paragraph (a), clause (4), and 462A.204, subdivision 8, to provide assistance to homeless or highly mobile families with children eligible for enrollment in a prekindergarten through grade 12 academic program. | | |
| Subd. 8. **Rental Assistance for Mentally Ill** | 4,088,000 | 4,088,000 | Subd. 7. **Rental Assistance for Mentally Ill** | 5,088,000 | 5,088,000 |
| This appropriation is for the rental housing assistance program for persons with a mental illness or families with an adult member with a mental illness under Minnesota Statutes, section 462A.2097. Among comparable proposals, the agency shall prioritize those proposals that target, in part, eligible persons | | | This appropriation is for the rental housing assistance program for persons with a mental illness or families with an adult member with a mental illness under Minnesota Statutes, section 462A.2097. Among comparable proposals, the agency shall prioritize those proposals that target, in part, eligible persons | | |

S2226-3

who desire to move to more integrated, community-based settings.

| | | |
|---|---|---|
| Subd. 9. **Family Homeless Prevention** | 8,519,000 | 8,519,000 |

This appropriation is for the family homeless prevention and assistance programs under Minnesota Statutes, section 462A.204.

| | | |
|---|---|---|
| Subd. 10. **Home Ownership Assistance Fund** | 885,000 | 885,000 |

This appropriation is for the home ownership assistance program under Minnesota Statutes, section 462A.21, subdivision 8. The agency shall continue to strengthen its efforts to address the disparity gap in the homeownership rate between white households and indigenous American Indians and communities of color. To better understand and address the disparity gap, the agency is required to collect, on a voluntary basis, demographic information regarding race, color, national origin, and sex of applicants for agency programs intended to benefit homeowners and homebuyers.

| | | |
|---|---|---|
| Subd. 11. **Affordable Rental Investment Fund** | 3,718,000 | 3,718,000 |

(a) This appropriation is for the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b, to finance the acquisition, rehabilitation, and debt restructuring of federally assisted rental property and for making equity take-out loans under Minnesota Statutes, section 462A.05, subdivision 39.

(b) The owner of federally assisted rental property must agree to participate in the applicable federally assisted housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted. The owner must also enter into an agreement that gives local

UES2226-1

who desire to move to more integrated, community-based settings.

| | | |
|---|---|---|
| Subd. 8. **Family Homeless Prevention** | 9,519,000 | 9,519,000 |

This appropriation is for the family homeless prevention and assistance programs under Minnesota Statutes, section 462A.204.

| | | |
|---|---|---|
| Subd. 12. **Home Ownership Assistance Fund** | 885,000 | 885,000 |

This appropriation is for the home ownership assistance program under Minnesota Statutes, section 462A.21, subdivision 8. The agency shall continue to strengthen its efforts to address the disparity gap in the homeownership rate between white households and indigenous American Indians and communities of color. To better understand and address the disparity gap, the agency is required to collect, on a voluntary basis, demographic information regarding race, color, national origin, and sex of applicants for agency programs intended to benefit homeowners and homebuyers.

| | | |
|---|---|---|
| Subd. 10. **Affordable Rental Investment Fund** | 4,218,000 | 4,218,000 |

(a) This appropriation is for the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b, to finance the acquisition, rehabilitation, and debt restructuring of federally assisted rental property and for making equity take-out loans under Minnesota Statutes, section 462A.05, subdivision 39.

(b) The owner of federally assisted rental property must agree to participate in the applicable federally assisted housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted. The owner must also enter into an agreement that gives local units of government, housing and redevelopment authorities, and nonprofit housing organizations the right of first refusal if the rental property is offered for sale. Priority must be given among comparable federally assisted rental properties to properties with the longest remaining term under an agreement for federal assistance. Priority must also be given among comparable rental housing developments to developments that are or will be owned by local government units, a housing and redevelopment authority, or a nonprofit housing organization.

(c) The appropriation also may be used to finance the acquisition, rehabilitation, and debt restructuring of existing supportive housing properties and naturally occurring affordable housing as determined by the commissioner. For purposes of this paragraph, "supportive housing" means affordable rental housing with links to services necessary for individuals, youth, and families with children to maintain housing stability.

| Subd. 12. **Housing Rehabilitation** | 6,015,000 | 6,015,000 |
|---|---|---|

This appropriation is for the housing rehabilitation program under Minnesota Statutes, section 462A.05, subdivision 14. Of this amount, $2,772,000 each year is for the rehabilitation of owner-occupied housing and $3,243,000 each year is for the rehabilitation of eligible rental housing. In administering a rehabilitation program for rental housing, the agency may apply the processes and priorities adopted for administration of the economic development and housing challenge program under Minnesota Statutes, section 462A.33, and may provide grants or forgivable loans if approved by the agency.

Notwithstanding any law to the contrary, grants or loans under this subdivision may be



units of government, housing and redevelopment authorities, and nonprofit housing organizations the right of first refusal if the rental property is offered for sale. Priority must be given among comparable federally assisted rental properties to properties with the longest remaining term under an agreement for federal assistance. Priority must also be given among comparable rental housing developments to developments that are or will be owned by local government units, a housing and redevelopment authority, or a nonprofit housing organization.

(c) The appropriation also may be used to finance the acquisition, rehabilitation, and debt restructuring of existing supportive housing properties and naturally occurring affordable housing as determined by the commissioner. For purposes of this paragraph, "supportive housing" means affordable rental housing with links to services necessary for individuals, youth, and families with children to maintain housing stability.

| Subd. 11. **Housing Rehabilitation** | 6,515,000 | 6,515,000 |
|---|---|---|

(a) This appropriation is for the housing rehabilitation program under Minnesota Statutes, section 462A.05, subdivision 14. Of this amount, $2,772,000 each year is for the rehabilitation of owner-occupied housing and $3,743,000 each year is for the rehabilitation of eligible rental housing. In administering a rehabilitation program for rental housing, the agency may apply the processes and priorities adopted for administration of the economic development and housing challenge program under Minnesota Statutes, section 462A.33, and may provide grants or forgivable loans if approved by the agency.

(b) Notwithstanding any law to the contrary, grants or loans under this subdivision may be made without rent or income restrictions of owners or tenants. To the extent practicable, grants or loans must be made available statewide.

Subd. 13. **Homeownership Capacity, Counseling, and Stabilization Grants** 1,252,000 1,252,000

This appropriation is for homeownership education, counseling, and training under Minnesota Statutes, section 462A.209, and for capacity-building grants under Minnesota Statutes, section 462A.21, subdivision 3b. The commissioner shall award competitive grants to nonprofit housing organizations, housing and redevelopment authorities, or other political subdivisions to provide intensive financial education and coaching services to individuals or families who have the goal of homeownership and family stabilization. Financial education and counseling services include, but are not limited to, asset building, development of spending plans, credit report education, repair and rebuilding, consumer protection training, and debt reduction. Priority must be given to organizations that have experience serving underserved populations.

made without rent or income restrictions of owners or tenants. To the extent practicable, grants or loans must be made available statewide.

Subd. 14. **Homeownership Education, Counseling, and Training** 857,000 857,000

This appropriation is for the homeownership education, counseling, and training program under Minnesota Statutes, section 462A.209.

Subd. 15. **Capacity-Building Grants** 745,000 745,000

This appropriation is for nonprofit capacity-building grants under Minnesota Statutes, section 462A.21, subdivision 3b. Of this amount, $125,000 each year is for support of the Homeless Management Information System (HMIS). Of this amount, $300,000 each year is for a statewide tenant hotline that provides free and confidential legal advice for all Minnesota renters.

Subd. 16. **Build Wealth MN** 500,000 500,000

This appropriation is for a grant to Build Wealth Minnesota to provide a family stabilization plan program including program outreach, financial literacy education, and budget and debt counseling.

Subd. 17. **Homeownership Capacity** 400,000 400,000

This appropriation is for competitive grants to nonprofit housing organizations, housing and redevelopment authorities, or other political subdivisions to provide intensive financial education and coaching services to

Sec. 3. **DISTRIBUTION OF HOUSING INVESTMENT FUND AND HOUSING AFFORDABILITY FUND.**

For fiscal years 2020 and 2021, to the extent practicable, the commissioner of the housing finance agency shall distribute the money within the Housing Investment Fund, or Pool 2, and the Housing Affordability Fund, or Pool 3, equally between the Twin Cities metropolitan area and the nonmetropolitan area.

individuals or families who have the goal of homeownership. Financial education and coaching services include but are not limited to asset building, development of spending plans, credit report education, repair and rebuilding, consumer protection training, and debt reduction. Priority must be given to organizations that have experience serving underserved populations.

| | | |
|---|---|---|
| Subd. 13. **Lead Safe Homes Grant Program** | 1,000,000 | 1,000,000 |

(a) This appropriation is for grants under the lead safe homes grant program under Minnesota Statutes, section 462A.2095.

(b) At least one grant must be to a nonprofit organization or political subdivision serving an area in the seven-county metropolitan area, as defined in Minnesota Statutes, section 473.121, and at least one grant must be to a nonprofit organization or political subdivision serving an area outside the seven-county metropolitan area.

(c) The base for this program in fiscal year 2022 and beyond is $500,000.