

39.3

ARTICLE 3

39.4

HOUSING APPROPRIATIONS

39.5

Section 1. HOUSING APPROPRIATIONS.

39.6

The sums shown in the columns marked "Appropriations" are appropriated to the agencies

39.7

and for the purposes specified in this article. The appropriations are from the general fund,

39.8

or another named fund, and are available for the fiscal years indicated for each purpose.

39.9

The figures "2020" and "2021" used in this article mean that the appropriations listed under

39.10

them are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively.

39.11

"The first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium"

39.12

is fiscal years 2020 and 2021.

39.13

APPROPRIATIONS

39.14

Available for the Year

39.15

Ending June 30

39.16

20202021

39.17

Sec. 2. HOUSING FINANCE AGENCY

39.18

Subdivision 1. Total Appropriation\$52,798,000\$52,798,000

39.19

The amounts that may be spent for each

39.20

purpose are specified in the following

39.21

subdivisions.

39.22

Unless otherwise specified, this appropriation

39.23

is for transfer to the housing development fund

39.24

for the programs specified in this section.

39.25

Except as otherwise indicated, this transfer is

39.26

part of the agency's permanent budget base.

39.27

Subd. 2. Challenge Program10,675,00011,675,000

39.28

This appropriation is for the economic

39.29

development and housing challenge program

39.30

under Minnesota Statutes, section 462A.33.

50.6

ARTICLE 5

50.7

HOUSING FINANCE AGENCY APPROPRIATIONS

50.8

Section 1. APPROPRIATIONS.

50.9

The sums shown in the columns marked "Appropriations" are appropriated to the agencies

50.10

for the purposes specified in this article. The appropriations are from the general fund, or

50.11

another named fund, and are available for the fiscal years indicated for each purpose. The

50.12

figures "2020" and "2021" used in this article mean that the appropriations listed under them

50.13

are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively. "The

50.14

first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium" is

50.15

fiscal years 2020 and 2021.

50.16

APPROPRIATIONS

50.17

Available for the Year

50.18

Ending June 30

50.19

20202021

50.20

Sec. 2. HOUSING FINANCE AGENCY

50.21

Subdivision 1. Total Appropriation

\$

66,798,000

\$

64,798,000

50.22

(a) The amounts that may be spent for each

50.23

purpose are specified in the following

50.24

subdivisions.

50.25

(b) Unless otherwise specified, this

50.26

appropriation is for transfer to the housing

50.27

development fund for the programs specified

50.28

in this section. Except as otherwise indicated,

50.29

this transfer is part of the agency's permanent

50.30

budget base.

50.31

Subd. 2. Challenge Program

16,425,000

16,425,000

50.32

(a) This appropriation is for the economic

50.33

development and housing challenge program

51.1

under Minnesota Statutes, section 462A.33.

39.31 Of this amount, \$1,208,000 each year shall be
39.32 made available during the first 11 months of
39.33 the fiscal year exclusively for housing projects
40.1 for American Indians. Any funds not
40.2 committed to housing projects for American
40.3 Indians in the first 11 months of the fiscal year
40.4 shall be available for any eligible activity
40.5 under Minnesota Statutes, section 462A.33.

40.6 The base for this program in fiscal year 2022
40.7 and beyond is \$11,675,000.

51.2 Of the amount appropriated in this
51.3 subdivision, \$1,500,000 each year is onetime.

51.4 (b) The base for this program in fiscal year
51.5 2022 and beyond is \$14,425,000.

51.6	<u>Subd. 3. Local Housing Trust Fund Grants</u>	<u>2,000,000</u>	<u>-0-</u>
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51.7 (a) This appropriation is for grants to housing
51.8 trust funds established under Minnesota
51.9 Statutes, section 462C.16, to incentivize local
51.10 funding. This is a onetime appropriation.

51.11 (b) A grantee is eligible to receive a grant
51.12 amount equal to 100 percent of the public
51.13 revenue committed to the local housing trust
51.14 fund from any source other than the state or
51.15 federal government, up to \$150,000, and in
51.16 addition, an amount equal to 50 percent of the
51.17 public revenue committed to the local housing
51.18 trust fund from any source other than the state
51.19 or federal government that is more than
51.20 \$150,000 but not more than \$300,000.

51.21 (c) \$100,000 of this appropriation is for
51.22 technical assistance grants to local and
51.23 regional housing trust funds. A housing trust
51.24 fund may apply for a technical assistance grant
51.25 at the time and in the manner and form
51.26 required by the agency. The agency shall make
51.27 grants on a first-come, first-served basis. A
51.28 technical assistance grant must not exceed
51.29 \$5,000.

51.30 (d) A grantee must use grant funds within
51.31 eight years of receipt for purposes (1)
51.32 authorized under Minnesota Statutes, section
51.33 462C.16, subdivision 3, and (2) benefiting
51.34 households with incomes at or below 115

40.8	Subd. 3. <u>Workforce Housing Development</u>	<u>2,000,000</u>	<u>2,000,000</u>
40.9	<u>This appropriation is for the workforce</u>		
40.10	<u>housing development program under</u>		
40.11	<u>Minnesota Statutes, section 462A.39. If</u>		
40.12	<u>requested by the applicant and approved by</u>		
40.13	<u>the agency, funded properties may include a</u>		
40.14	<u>portion of income and rent restricted units.</u>		
40.15	Subd. 4. <u>Manufactured Home Park</u>		
40.16	<u>Infrastructure Grants</u>	<u>2,500,000</u>	<u>2,500,000</u>
40.17	<u>This appropriation is for manufactured home</u>		
40.18	<u>park infrastructure grants under Minnesota</u>		
40.19	<u>Statutes, section 462A.2035, subdivision 1b.</u>		
40.20	Subd. 5. <u>Housing Infrastructure Grants Pilot</u>		
40.21	<u>Program</u>	<u>500,000</u>	<u>0</u>
40.22	<u>This appropriation is for a pilot program to</u>		
40.23	<u>provide grants to municipalities for up to 50</u>		
40.24	<u>percent of the costs of infrastructure that</u>		
40.25	<u>would otherwise be required to be paid by the</u>		
40.26	<u>developer for new homeowner-owned housing</u>		
40.27	<u>developments that are affordable to households</u>		
40.28	<u>with an income of up to 130 percent of area</u>		
40.29	<u>median income. The grants shall be limited to</u>		
40.30	<u>16 housing units in the municipality and a</u>		
40.31	<u>maximum of \$10,000 per housing unit. This</u>		

52.1	<u>percent of the state median income. A grantee</u>		
52.2	<u>must return any grant funds not used for these</u>		
52.3	<u>purposes within eight years of receipt to the</u>		
52.4	<u>commissioner of the Housing Finance Agency</u>		
52.5	<u>for deposit into the housing development fund.</u>		
52.6	<u>(e) Before the agency makes any grants with</u>		
52.7	<u>money from this appropriation, the</u>		
52.8	<u>commissioner shall consult with interested</u>		
52.9	<u>stakeholders when developing the guidelines</u>		
52.10	<u>and procedures for the grant program.</u>		
52.11	Subd. 4. Workforce Housing Development	<u>3,000,000</u>	<u>3,000,000</u>
52.12	<u>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.</u>		
52.13			
52.14			
52.15			
52.16			
52.17			
52.18			
52.19			

40.32 is a onetime appropriation and is available
40.33 until June 30, 2021.

41.1 Subd. 6. **Workforce Affordable Homeownership**
41.2 **Development Program** 1,000,000 500,000

41.3 This appropriation is for the workforce and
41.4 affordable homeownership development
41.5 program under Minnesota Statutes, section
41.6 462A.38. At least 50 percent of the money
41.7 appropriated must be for municipalities with
41.8 populations less than 7,500.

41.9 Subd. 7. **Housing Trust Fund** 11,646,000 11,646,000

41.10 This appropriation is for deposit in the housing
41.11 trust fund account created under Minnesota
41.12 Statutes, section 462A.201, and may be used
41.13 for the purposes provided in that section.

41.14 Subd. 8. **Rental Assistance for Mentally Ill** 4,088,000 4,088,000

41.15 This appropriation is for the rental housing
41.16 assistance program for persons with a mental
41.17 illness or families with an adult member with
41.18 a mental illness under Minnesota Statutes,
41.19 section 462A.2097. Among comparable
41.20 proposals, the agency shall prioritize those
41.21 proposals that target, in part, eligible persons

53.14 Subd. 9. **Workforce Homeownership Program** 1,000,000 1,000,000

53.15 (a) This appropriation is for the workforce
53.16 homeownership program under Minnesota
53.17 Statutes, section 462A.38.

53.18 (b) The base for this program in fiscal year
53.19 2022 and beyond is \$500,000.

52.20 Subd. 5. **Housing Trust Fund** 11,646,000 11,646,000

52.21 This appropriation is for deposit in the housing
52.22 trust fund account created under Minnesota
52.23 Statutes, section 462A.201, and may be used
52.24 for the purposes provided in that section.

52.25 Subd. 6. **Homework Starts with Home** 3,000,000 3,000,000

52.26 This appropriation is for the homework starts
52.27 with home program under Minnesota Statutes,
52.28 sections 462A.201, subdivision 2, paragraph
52.29 (a), clause (4), and 462A.204, subdivision 8,
52.30 to provide assistance to homeless or highly
52.31 mobile families with children eligible for
52.32 enrollment in a prekindergarten through grade
52.33 12 academic program.

52.34 Subd. 7. **Rental Assistance for Mentally Ill** 5,088,000 5,088,000

53.1 This appropriation is for the rental housing
53.2 assistance program for persons with a mental
53.3 illness or families with an adult member with
53.4 a mental illness under Minnesota Statutes,
53.5 section 462A.2097. Among comparable
53.6 proposals, the agency shall prioritize those
53.7 proposals that target, in part, eligible persons

41.22	<u>who desire to move to more integrated,</u>		
41.23	<u>community-based settings.</u>		
41.24	Subd. 9. Family Homeless Prevention	<u>8,519,000</u>	<u>8,519,000</u>
41.25	<u>This appropriation is for the family homeless</u>		
41.26	<u>prevention and assistance programs under</u>		
41.27	<u>Minnesota Statutes, section 462A.204.</u>		
41.28	Subd. 10. Home Ownership Assistance Fund	<u>885,000</u>	<u>885,000</u>
41.29	<u>This appropriation is for the home ownership</u>		
41.30	<u>assistance program under Minnesota Statutes,</u>		
41.31	<u>section 462A.21, subdivision 8. The agency</u>		
41.32	<u>shall continue to strengthen its efforts to</u>		
41.33	<u>address the disparity gap in the</u>		
41.34	<u>homeownership rate between white</u>		
42.1	<u>households and indigenous American Indians</u>		
42.2	<u>and communities of color. To better</u>		
42.3	<u>understand and address the disparity gap, the</u>		
42.4	<u>agency is required to collect, on a voluntary</u>		
42.5	<u>basis, demographic information regarding</u>		
42.6	<u>race, color, national origin, and sex of</u>		
42.7	<u>applicants for agency programs intended to</u>		
42.8	<u>benefit homeowners and homebuyers.</u>		
42.9	Subd. 11. Affordable Rental Investment Fund	<u>3,718,000</u>	<u>3,718,000</u>
42.10	<u>(a) This appropriation is for the affordable</u>		
42.11	<u>rental investment fund program under</u>		
42.12	<u>Minnesota Statutes, section 462A.21,</u>		
42.13	<u>subdivision 8b, to finance the acquisition,</u>		
42.14	<u>rehabilitation, and debt restructuring of</u>		
42.15	<u>federally assisted rental property and for</u>		
42.16	<u>making equity take-out loans under Minnesota</u>		
42.17	<u>Statutes, section 462A.05, subdivision 39.</u>		
42.18	<u>(b) The owner of federally assisted rental</u>		
42.19	<u>property must agree to participate in the</u>		
42.20	<u>applicable federally assisted housing program</u>		
42.21	<u>and to extend any existing low-income</u>		
42.22	<u>affordability restrictions on the housing for</u>		
42.23	<u>the maximum term permitted. The owner must</u>		
42.24	<u>also enter into an agreement that gives local</u>		

53.8	<u>who desire to move to more integrated,</u>		
53.9	<u>community-based settings.</u>		
53.10	Subd. 8. Family Homeless Prevention	<u>9,519,000</u>	<u>9,519,000</u>
53.11	<u>This appropriation is for the family homeless</u>		
53.12	<u>prevention and assistance programs under</u>		
53.13	<u>Minnesota Statutes, section 462A.204.</u>		
55.11	Subd. 12. Home Ownership Assistance Fund	<u>885,000</u>	<u>885,000</u>
55.12	<u>This appropriation is for the home ownership</u>		
55.13	<u>assistance program under Minnesota Statutes,</u>		
55.14	<u>section 462A.21, subdivision 8. The agency</u>		
55.15	<u>shall continue to strengthen its efforts to</u>		
55.16	<u>address the disparity gap in the</u>		
55.17	<u>homeownership rate between white</u>		
55.18	<u>households and indigenous American Indians</u>		
55.19	<u>and communities of color. To better</u>		
55.20	<u>understand and address the disparity gap, the</u>		
55.21	<u>agency is required to collect, on a voluntary</u>		
55.22	<u>basis, demographic information regarding</u>		
55.23	<u>race, color, national origin, and sex of</u>		
55.24	<u>applicants for agency programs intended to</u>		
55.25	<u>benefit homeowners and homebuyers.</u>		
53.20	Subd. 10. Affordable Rental Investment Fund	<u>4,218,000</u>	<u>4,218,000</u>
53.21	<u>(a) This appropriation is for the affordable</u>		
53.22	<u>rental investment fund program under</u>		
53.23	<u>Minnesota Statutes, section 462A.21,</u>		
53.24	<u>subdivision 8b, to finance the acquisition,</u>		
53.25	<u>rehabilitation, and debt restructuring of</u>		
53.26	<u>federally assisted rental property and for</u>		
53.27	<u>making equity take-out loans under Minnesota</u>		
53.28	<u>Statutes, section 462A.05, subdivision 39.</u>		
53.29	<u>(b) The owner of federally assisted rental</u>		
53.30	<u>property must agree to participate in the</u>		
53.31	<u>applicable federally assisted housing program</u>		
53.32	<u>and to extend any existing low-income</u>		
53.33	<u>affordability restrictions on the housing for</u>		
53.34	<u>the maximum term permitted. The owner must</u>		
54.1	<u>also enter into an agreement that gives local</u>		

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

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

43.13 **Subd. 12. Housing Rehabilitation** 6,015,000 6,015,000

43.14 This appropriation is for the housing
43.15 rehabilitation program under Minnesota
43.16 Statutes, section 462A.05, subdivision 14. Of
43.17 this amount, \$2,772,000 each year is for the
43.18 rehabilitation of owner-occupied housing and
43.19 \$3,243,000 each year is for the rehabilitation
43.20 of eligible rental housing. In administering a
43.21 rehabilitation program for rental housing, the
43.22 agency may apply the processes and priorities
43.23 adopted for administration of the economic
43.24 development and housing challenge program
43.25 under Minnesota Statutes, section 462A.33,
43.26 and may provide grants or forgivable loans if
43.27 approved by the agency.

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

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

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

54.25 **Subd. 11. Housing Rehabilitation** 6,515,000 6,515,000

54.26 (a) This appropriation is for the housing
54.27 rehabilitation program under Minnesota
54.28 Statutes, section 462A.05, subdivision 14. Of
54.29 this amount, \$2,772,000 each year is for the
54.30 rehabilitation of owner-occupied housing and
54.31 \$3,743,000 each year is for the rehabilitation
54.32 of eligible rental housing. In administering a
54.33 rehabilitation program for rental housing, the
54.34 agency may apply the processes and priorities
54.35 adopted for administration of the economic
55.1 development and housing challenge program
55.2 under Minnesota Statutes, section 462A.33,
55.3 and may provide grants or forgivable loans if
55.4 approved by the agency.

55.5 (b) Notwithstanding any law to the contrary,
55.6 grants or loans under this subdivision may be

43.30	<u>made without rent or income restrictions of</u>		
43.31	<u>owners or tenants. To the extent practicable,</u>		
43.32	<u>grants or loans must be made available</u>		
43.33	<u>statewide.</u>		
44.1	Subd. 13. <u>Homeownership Capacity, Counseling,</u>		
44.2	<u>and Stabilization Grants</u>	<u>1,252,000</u>	<u>1,252,000</u>
44.3	<u>This appropriation is for homeownership</u>		
44.4	<u>education, counseling, and training under</u>		
44.5	<u>Minnesota Statutes, section 462A.209, and for</u>		
44.6	<u>capacity-building grants under Minnesota</u>		
44.7	<u>Statutes, section 462A.21, subdivision 3b. The</u>		
44.8	<u>commissioner shall award competitive grants</u>		
44.9	<u>to nonprofit housing organizations, housing</u>		
44.10	<u>and redevelopment authorities, or other</u>		
44.11	<u>political subdivisions to provide intensive</u>		
44.12	<u>financial education and coaching services to</u>		
44.13	<u>individuals or families who have the goal of</u>		
44.14	<u>homeownership and family stabilization.</u>		
44.15	<u>Financial education and counseling services</u>		
44.16	<u>include, but are not limited to, asset building,</u>		
44.17	<u>development of spending plans, credit report</u>		
44.18	<u>education, repair and rebuilding, consumer</u>		
44.19	<u>protection training, and debt reduction. Priority</u>		
44.20	<u>must be given to organizations that have</u>		
44.21	<u>experience serving underserved populations.</u>		

55.7	<u>made without rent or income restrictions of</u>		
55.8	<u>owners or tenants. To the extent practicable,</u>		
55.9	<u>grants or loans must be made available</u>		
55.10	<u>statewide.</u>		
56.6	Subd. 14. <u>Homeownership Education,</u>		
56.7	<u>Counseling, and Training</u>	<u>857,000</u>	<u>857,000</u>
56.8	<u>This appropriation is for the homeownership</u>		
56.9	<u>education, counseling, and training program</u>		
56.10	<u>under Minnesota Statutes, section 462A.209.</u>		
56.11	Subd. 15. <u>Capacity-Building Grants</u>	<u>745,000</u>	<u>745,000</u>
56.12	<u>This appropriation is for nonprofit</u>		
56.13	<u>capacity-building grants under Minnesota</u>		
56.14	<u>Statutes, section 462A.21, subdivision 3b. Of</u>		
56.15	<u>this amount, \$125,000 each year is for support</u>		
56.16	<u>of the Homeless Management Information</u>		
56.17	<u>System (HMIS). Of this amount, \$300,000</u>		
56.18	<u>each year is for a statewide tenant hotline that</u>		
56.19	<u>provides free and confidential legal advice for</u>		
56.20	<u>all Minnesota renters.</u>		
56.21	Subd. 16. <u>Build Wealth MN</u>	<u>500,000</u>	<u>500,000</u>
56.22	<u>This appropriation is for a grant to Build</u>		
56.23	<u>Wealth Minnesota to provide a family</u>		
56.24	<u>stabilization plan program including program</u>		
56.25	<u>outreach, financial literacy education, and</u>		
56.26	<u>budget and debt counseling.</u>		
56.27	Subd. 17. <u>Homeownership Capacity</u>	<u>400,000</u>	<u>400,000</u>
56.28	<u>This appropriation is for competitive grants</u>		
56.29	<u>to nonprofit housing organizations, housing</u>		
56.30	<u>and redevelopment authorities, or other</u>		
56.31	<u>political subdivisions to provide intensive</u>		
56.32	<u>financial education and coaching services to</u>		

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

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

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

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

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

55.30 (b) At least one grant must be to a nonprofit
55.31 organization or political subdivision serving
55.32 an area in the seven-county metropolitan area,
55.33 as defined in Minnesota Statutes, section
55.34 473.121, and at least one grant must be to a
56.1 nonprofit organization or political subdivision
56.2 serving an area outside the seven-county
56.3 metropolitan area.

56.4 (c) The base for this program in fiscal year
56.5 2022 and beyond is \$500,000.