

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH LEGISLATURE

S.F. No. 960

(SENATE AUTHORS: SPARKS, Stumpf, Senjem, Hayden and Tomassoni)

DATE	D-PG	OFFICIAL STATUS
03/04/2013	470	Introduction and first reading Referred to Finance

A bill for an act

1.1 relating to capital investment; appropriating money for public housing
 1.2 rehabilitation; authorizing bonds under the housing infrastructure bonds program;
 1.3 authorizing sale and issuance of state bonds; amending Minnesota Statutes 2012,
 1.4 section 462A.37, subdivisions 2, 4.
 1.5

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2012, section 462A.37, subdivision 2, is amended to read:

1.8 Subd. 2. **Authorization.** (a) The agency may issue up to \$30,000,000 in aggregate
 1.9 principal amount of housing infrastructure bonds in one or more series to which the
 1.10 payment made under this section may be pledged.

1.11 (b) The agency may issue up to \$35,000,000 in aggregate principal amount of
 1.12 housing infrastructure bonds in one or more series to which the payment made under this
 1.13 section may be pledged.

1.14 (c) The housing infrastructure bonds authorized in this subdivision may be issued
 1.15 to fund loans, on terms and conditions the agency deems appropriate, made for one or
 1.16 more of the following purposes:

1.17 (1) to finance the costs of the construction, acquisition, and rehabilitation of
 1.18 supportive housing for individuals and families who are without a permanent residence;

1.19 (2) to finance the costs of the acquisition and rehabilitation of foreclosed or
 1.20 abandoned housing to be used for affordable rental housing and the costs of new
 1.21 construction of rental housing on abandoned or foreclosed property where the existing
 1.22 structures will be demolished or removed;

1.23 (3) to finance that portion of the costs of acquisition of abandoned or foreclosed
 1.24 property that is attributable to the land to be leased by community land trusts to low-
 1.25 and moderate-income homebuyers; and

2.1 (4) to finance the costs of acquisition and rehabilitation of federally assisted rental
 2.2 housing and for the refinancing of costs of the construction, acquisition, and rehabilitation
 2.3 of federally assisted rental housing, including providing funds to refund, in whole or in
 2.4 part, outstanding bonds previously issued by the agency or another government unit to
 2.5 finance or refinance such costs.

2.6 ~~(b)~~ (d) Among comparable proposals for permanent supportive housing, preference
 2.7 shall be given to permanent supportive housing for individuals or families who:

2.8 (1) either have been without a permanent residence for at least 12 months or at
 2.9 least four times in the last three years; or

2.10 (2) are at significant risk of lacking a permanent residence for 12 months or at least
 2.11 four times in the last three years.

2.12 Sec. 2. Minnesota Statutes 2012, section 462A.37, subdivision 4, is amended to read:

2.13 Subd. 4. **Appropriation; payment to agency or trustee.** (a) The agency must
 2.14 certify annually to the commissioner of management and budget the actual amount of
 2.15 annual debt service on each series of bonds issued under subdivision 2.

2.16 (b) Each July 15, beginning in 2013 and through 2035, if any housing infrastructure
 2.17 bonds issued under subdivision 2, paragraph (a), remain outstanding, the commissioner of
 2.18 management and budget must transfer to the affordable housing bond account established
 2.19 under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to
 2.20 exceed \$2,200,000 annually. The amounts necessary to make the transfers are appropriated
 2.21 from the general fund to the commissioner of management and budget.

2.22 (c) Each July 15, beginning in 2014 and through 2036, if any housing infrastructure
 2.23 bonds issued under subdivision 2, paragraph (b), remain outstanding, the commissioner of
 2.24 management and budget must transfer to the affordable housing bond account established
 2.25 under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to
 2.26 exceed \$..... annually. The amounts necessary to make the transfers are appropriated
 2.27 from the general fund to the commissioner of management and budget.

2.28 (d) The agency may pledge to the payment of the housing infrastructure bonds the
 2.29 payments to be made by the state under this section.

2.30 Sec. 3. **HOUSING FINANCE AGENCY; PUBLIC HOUSING**
 2.31 **REHABILITATION.**

2.32 Subdivision 1. **Appropriation.** \$15,000,000 is appropriated from the bond proceeds
 2.33 fund to the Housing Finance Agency for transfer to the housing development fund to
 2.34 finance the costs of rehabilitation to preserve public housing under Minnesota Statutes,

3.1 section 462A.202, subdivision 3a. For purposes of this section, "public housing" means
3.2 housing for low-income persons and households financed by the federal government and
3.3 owned and operated by the public housing authorities and agencies formed by cities and
3.4 counties. Public housing authorities receiving a public housing assessment composite
3.5 score of 80 or above are eligible to receive funding. Priority must be given to proposals
3.6 that maximize federal or local resources to finance the capital costs. The priority in
3.7 Minnesota Statutes, section 462A.202, subdivision 3a, for projects to increase the supply
3.8 of affordable housing and the restrictions of Minnesota Statutes, section 462A.202,
3.9 subdivision 7, do not apply to this appropriation.

3.10 Subd. 2. **Bond sale.** To provide the money appropriated in this section from the
3.11 bond proceeds fund, the commissioner of management and budget shall sell and issue
3.12 bonds of the state in an amount up to \$15,000,000 in the manner, upon the terms, and with
3.13 the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the
3.14 Minnesota Constitution, article XI, sections 4 to 7.

3.15 Sec. 4. **EFFECTIVE DATE.**

3.16 Sections 1 to 3 are effective the day following final enactment.