

**SENATE  
STATE OF MINNESOTA  
NINETY-FIRST SESSION**

**S.F. No. 1577**

(SENATE AUTHORS: DRAHEIM, Dziejczak, Frenz, Goggin and Weber)

DATE  
02/21/2019

D-PG

Introduction and first reading  
Referred to Agriculture, Rural Development, and Housing Policy

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to housing; appropriating money to the Housing Finance Agency for  
1.3 housing programs.

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

1.5 Section 1. **APPROPRIATIONS.**

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

1.13		<b><u>APPROPRIATIONS</u></b>	
1.14		<b><u>Available for the Year</u></b>	
1.15		<b><u>Ending June 30</u></b>	
1.16		<b><u>2020</u></b>	<b><u>2021</u></b>

1.17 Sec. 2. **HOUSING FINANCE AGENCY**

1.18	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>52,282,000</u></b>	<b><u>\$</u></b>	<b><u>42,092,000</u></b>
------	--	------------------	--------------------------	------------------	--------------------------

1.19 Unless otherwise specified, this appropriation  
1.20 is for transfer to the housing development fund  
1.21 for the programs specified in this section.

1.22 Except as otherwise indicated, this transfer is

2.1	<u>part of the Housing Finance Agency's</u>		
2.2	<u>permanent budget base.</u>		
2.3	<b><u>Subd. 2. Challenge Program</u></b>	<u>22,425,000</u>	<u>22,425,000</u>
2.4	<u>For the economic development and housing</u>		
2.5	<u>challenge program under Minnesota Statutes,</u>		
2.6	<u>section 462A.33.</u>		
2.7	<b><u>Subd. 3. Rental Assistance for Mentally III</u></b>	<u>5,088,000</u>	<u>5,088,000</u>
2.8	<u>For the rental housing assistance program for</u>		
2.9	<u>persons with a mental illness or families with</u>		
2.10	<u>an adult member with a mental illness under</u>		
2.11	<u>Minnesota Statutes, section 462A.2097.</u>		
2.12	<b><u>Subd. 4. Family Homeless Prevention and</u></b>		
2.13	<b><u>Assistance Program</u></b>	<u>10,769,000</u>	<u>10,519,000</u>
2.14	<u>For the family homeless prevention and</u>		
2.15	<u>assistance program under Minnesota Statutes,</u>		
2.16	<u>section 462A.204.</u>		
2.17	<b><u>Subd. 5. Homework Starts With Home</u></b>	<u>4,000,000</u>	<u>4,000,000</u>
2.18	<u>(a) Of this appropriation, \$1,000,000 each year</u>		
2.19	<u>is for grants to programs under Minnesota</u>		
2.20	<u>Statutes, section 462A.204, subdivision 8.</u>		
2.21	<u>(b) Of this appropriation, \$3,000,000 each year</u>		
2.22	<u>is from the housing trust fund for the rental</u>		
2.23	<u>assistance to highly mobile students program</u>		
2.24	<u>under Minnesota Statutes, section 462A.201,</u>		
2.25	<u>subdivision 2, paragraph (a), clause (4).</u>		
2.26	<b><u>Subd. 6. Capacity Building Grants</u></b>	<u>845,000</u>	<u>845,000</u>
2.27	<u>For nonprofit capacity building grants under</u>		
2.28	<u>Minnesota Statutes, section 462A.21,</u>		
2.29	<u>subdivision 3b.</u>		
2.30	<b><u>Subd. 7. Local Housing Trust Fund Grants</u></b>	<u>10,000,000</u>	<u>-0-</u>
2.31	<u>(a) This appropriation is for grants to housing</u>		
2.32	<u>trust funds established under Minnesota</u>		

3.1 Statutes, section 462C.16, to incentivize local  
3.2 funding. This is a onetime appropriation.

3.3 (b) A grantee is eligible to receive a grant  
3.4 amount equal to 100 percent of the public  
3.5 revenue committed to the local housing trust  
3.6 fund from any source other than the state or  
3.7 federal government, up to \$150,000, and in  
3.8 addition, an amount equal to 50 percent of the  
3.9 public revenue committed to the local housing  
3.10 trust fund from any source other than the state  
3.11 or federal government that is more than  
3.12 \$150,000 but not more than \$300,000.

3.13 (c) \$100,000 of this appropriation is for  
3.14 technical assistance grants to local and  
3.15 regional housing trust funds. A housing trust  
3.16 fund may apply for a technical assistance grant  
3.17 at the time and in the manner and form  
3.18 required by the agency. The agency shall make  
3.19 grants on a first-come, first-served basis. A  
3.20 technical assistance grant must not exceed  
3.21 \$5,000.

3.22 (d) A grantee must use grant funds within  
3.23 eight years of receipt for purposes (1)  
3.24 authorized under Minnesota Statutes, section  
3.25 462C.16, subdivision 3, and (2) benefiting  
3.26 households with incomes at or below 115  
3.27 percent of the state median income. A grantee  
3.28 must return any grant funds not used for these  
3.29 purposes within eight years of receipt to the  
3.30 commissioner of the Housing Finance Agency  
3.31 for deposit into the housing development fund.

3.32 **Sec. 3. EFFECTIVE DATE.**

3.33 This act is effective July 1, 2019.