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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-NINTH SESSION

**H. F. No. 3377**

03/21/2016 Authored by Fabian, Davids, Gunther, Clark, Marquart and others

The bill was read for the first time and referred to the Committee on Greater Minnesota Economic and Workforce Development Policy

03/30/2016 Adoption of Report: Amended and re-referred to the Committee on Job Growth and Energy Affordability Policy and Finance

1.1 A bill for an act  
1.2 relating to housing; establishing a workforce and affordable homeownership  
1.3 development program; requiring reports; appropriating a portion of proceeds of  
1.4 the mortgage registry tax and the deed tax to the Minnesota Housing Finance  
1.5 Agency to be used for creation of workforce and affordable ownership housing;  
1.6 proposing coding for new law in Minnesota Statutes, chapter 462A.

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

1.8 Section 1. **[462A.38] WORKFORCE AND AFFORDABLE HOMEOWNERSHIP**  
1.9 **DEVELOPMENT PROGRAM.**

1.10 Subdivision 1. Establishment. A workforce and affordable homeownership  
1.11 development program is established to award homeownership development grants  
1.12 to nonprofit organizations, cooperatives created under chapter 308A or 308B, and  
1.13 community land trusts created for the purposes outlined in section 462A.31, subdivision  
1.14 1, for development of workforce and affordable homeownership projects. The purpose  
1.15 of the program is to increase the supply of workforce and affordable, owner-occupied  
1.16 multifamily or single-family housing throughout Minnesota.

1.17 Subd. 2. Use of funds. (a) Grant funds awarded under this program may be used for:

1.18 (1) development costs;

1.19 (2) rehabilitation;

1.20 (3) land development; and

1.21 (4) residential housing, including storm shelters and community facilities.

1.22 (b) A project funded through the grant program shall serve households that meet the

1.23 income limits as provided in section 462A.33, subdivision 5, unless a project is intended

1.24 for the purpose outlined in section 462A.02, subdivision 6.

2.1 Subd. 3. **Application.** The commissioner shall develop forms and procedures for  
2.2 soliciting and reviewing applications for grants under this section. The commissioner shall  
2.3 consult with interested stakeholders when developing the guidelines and procedures for  
2.4 the program. In making grants, the commissioner shall establish semiannual application  
2.5 deadlines in which grants will be authorized from all or part of the available appropriations.

2.6 Subd. 4. **Awarding grants.** Among comparable proposals, preference must be  
2.7 given to proposals that include contributions from nonstate resources for the greatest  
2.8 portion of the total development cost.

2.9 Subd. 5. **Statewide program.** The agency shall attempt to make grants in  
2.10 approximately equal amounts to applicants outside and within the metropolitan area.

2.11 Subd. 6. **Report.** Beginning January 15, 2018, the commissioner must annually  
2.12 submit a report to the chairs and ranking minority members of the senate and house of  
2.13 representatives committees having jurisdiction over housing and workforce development  
2.14 specifying the projects that received grants under this section and the specific purposes for  
2.15 which the grant funds were used.

2.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.17 Sec. 2. **APPROPRIATIONS; WORKFORCE AND AFFORDABLE**  
2.18 **HOMEOWNERSHIP DEVELOPMENT.**

2.19 Subdivision 1. **Appropriations.** In fiscal years 2017 to 2025, the amount determined  
2.20 under subdivision 2 is annually appropriated from the general fund to the Minnesota  
2.21 Housing Finance Agency for the workforce and affordable homeownership development  
2.22 program under Minnesota Statutes, section 462A.38. The dedicated money under this  
2.23 section must supplement traditional sources of funding for this purpose and may not be  
2.24 used as a substitute. The dedicated money may not be used to pay debt service on bonds.

2.25 Subd. 2. **Determination of funding amount.** By September 1, 2016, and each year  
2.26 thereafter through 2025, the commissioner of revenue shall determine the total amount  
2.27 of the proceeds of the mortgage registry tax imposed under Minnesota Statutes, section  
2.28 287.035, and the deed tax imposed under Minnesota Statutes, section 287.21, that was  
2.29 collected during the fiscal year ending in that calendar year and deposited in the general  
2.30 fund, and shall determine the amount by which that exceeds the amount so collected in the  
2.31 previous tax year, but shall never be an amount less than \$0.