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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 2869

05/06/2019 Authored by Howard
The bill was read for the first time and referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to housing; appropriating money for a grant to an organization to preserve
1.3 naturally occurring affordable housing.

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

1.5 Section 1. HOUSING FINANCE AGENCY; NOAH APPROPRIATION.

1.6 Subdivision 1. Naturally occurring affordable housing; appropriation. \$..... in 2020
1.7 is appropriated from the general fund to the Housing Finance Agency for a grant to the
1.8 greater Minnesota housing fund to make loans to the NOAH impact fund and other
1.9 organizations, whether nonprofit or for-profit, with demonstrated experience and capacity
1.10 in owning and operating high-quality and well-managed affordable housing. A loan must
1.11 be used to acquire and rehabilitate NOAH property that is of good quality without significant
1.12 deferred maintenance needs that the lending organization determines is at risk of increased
1.13 rents and that is occupied by tenants at risk of involuntary displacement.

1.14 Subd. 2. Loans. (a) A loan applicant must demonstrate that its plan for the NOAH
1.15 property includes establishing a sufficient capital reserve to maintain and improve the
1.16 property over the term of the loan.

1.17 (b) A loan applicant must agree to maintain at least 75 percent of the units in the property
1.18 acquired with the loan at rents affordable to households at 80 percent or less of the area
1.19 median income for at least 15 years.

1.20 (c) A loan applicant must provide the details of the total financing package.

1.21 (d) The greater Minnesota housing fund may require other criteria and application
1.22 information that will promote preserving NOAH properties.

2.1 (e) A loan may be for up to 40 percent of the total acquisition cost of the NOAH property
2.2 but no more than \$40,000 per individual rental housing unit acquired. A loan may be for
2.3 up to 15 years at no- or low-interest rates, at the discretion of the lending organization.

2.4 Subd. 3. **Report.** The greater Minnesota housing fund must report to the Housing Finance
2.5 Agency information required by the agency as a condition of the grant.