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S.F. No. 4158 – Expanding eligible uses for housing infrastructure bonds

Author: Senator Lindsey Port

Prepared by: Laura Paynter, Legislative Analyst, (651/296-5079)

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S.F. 4158 amends the housing infrastructure program to allow funds to be used for recapitalization and subsidized housing, authorizes the issuance of up to \$500 million in housing infrastructure bonds.

Section 1 (462A.37, subdivision 1) adds definitions of recapitalization and subsidized housing to the section relating to housing infrastructure bonds. Recapitalization is defined as financing to address the needs of distressed buildings. Subsidized housing is defined as a nonprofit-owned residential property for low-income households that received funding from the state when constructed or acquired.

Section 2 (462A.37, subdivision 2) adds uses to the authorized agency uses for housing infrastructure bonds, including recapitalization and operations costs of supportive housing, financing for cooperatively owned housing, and recapitalization for subsidized housing. Priority must be given to preservation and recapitalization projects in fiscal years 2025 and 2026. In 2027, preservation or recapitalization projects are to be given equal priority. The agency is required to engage with stakeholders when considering project priorities. The section states that an owner-operator who is a loan recipient is entitled to cash flow to support ongoing project needs.

Section 3 (462A.37) adds a subdivision to the housing infrastructure bonds section authorizing an additional authorization of up to \$500 million, with a maximum of \$250 million issued in one fiscal year.

Section 4 (462A.37, subdivision 5) adds a paragraph to the additional appropriation subdivision of the housing infrastructure bonds section allowing the transfer of funds to the housing infrastructure bonds account.

Section 5 includes a revisor instruction to amend the law to include the new chapter 308C relating to housing cooperatives in the references in section 2 if both bills are enacted.