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## **S.F. No. 4940 – Expanding eligible uses for housing infrastructure bonds**

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**S.F. 4940** amends the housing infrastructure program to allow funds to be used for recapitalization and establishes two task forces. One of the task forces would evaluate insurance costs and recommend legislative changes to lower insurance rates for affordable housing providers. The other would evaluate the process of awarding low-income housing tax credits and housing infrastructure funds and recommend improvements to help support affordable housing providers. The effective date for all sections of the bill is the day following final enactment.

**Section 1 (462A.37, subdivision 1)** adds a definition of recapitalization to the section relating to housing infrastructure bonds, defining it as financing to address needs of distressed buildings.

**Section 2 (462A.37, subdivision 2)** adds recapitalization to the authorized agency uses for housing infrastructure bonds. The section inserts criteria for prioritizing proposals requesting funds for recapitalization, allows supporting housing providers to use funds to support operations, and requires the agency to engage with stakeholders when considering priorities. When more than \$20,000,000 of housing infrastructure bonds are awarded between July 1, 2024, and June 30, 2033, half of the funds awarded must be for recapitalization.

**Section 3 (Laws 2023, chapter 37, article 1, section 2, subdivision 17)** requires that \$50 million of the \$100 million cash appropriation for the housing infrastructure program be used for recapitalization.

**Section 4** establishes the affordable housing insurance costs task force to evaluate insurance costs and recommend legislative changes to lower insurance rates for affordable housing providers.

**Section 5** establishes the task force on long-term sustainability of affordable housing to evaluate the process of awarding low-income housing tax credits and housing infrastructure funds and recommend improvements to help support affordable housing providers.