



S.F. No. 4571 – Greater Minnesota housing infrastructure grant program eligible projects modifications, appropriation and bond issuance authorization

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Section 1 [Eligible projects; 462A.395, subd. 3] adds housing projects funded under the Workforce Housing Development program as eligible for grants through the Greater Minnesota Housing Infrastructure grant program.

Section 2 [General Obligation Bonds; Greater Minnesota Housing Infrastructure Grant Program] appropriates \$15,000,000 in general obligation bonds to the Minnesota Housing Finance Agency (MHFA) for grants under the Greater Minnesota Housing Infrastructure grant program. Authorizes the sale of bonds.

Background Information on the Two Implicated Grant Programs

The Greater Minnesota Housing Infrastructure Grant Program (462A.395)

The Greater Minnesota Housing Infrastructure grant program authorizes MHFA to award grants to counties and cities for up to 50 percent of the capital costs of public infrastructure necessary for an eligible workforce housing development project.

To be eligible, a city has to be outside of the metropolitan area. Infrastructure that can be funded with these grants includes, but is not limited to, sewers, water supply systems, utility extensions, streets, wastewater treatment systems, stormwater management systems, and facilities for pretreatment of wastewater to remove phosphorus. The infrastructure may be to support single- or multi-family housing projects that can be owner-occupied or rental. This program was established in 2023. The table below shows appropriations for the program.

Greater Minnesota Housing Infrastructure Appropriations Table

Enacting Chapter	Fund	FY 2024-25	FY 2026-27
2023 - Chapter 37 - Housing and Homelessness Prevention Budget and Policy Omnibus	General Fund	\$5,000,000	
2023 - Chapter 72 – Capital Investment Omnibus	General Obligation	\$3,000,000	
2025 - Chapter 32 - Housing and Homelessness Prevention Budget and Policy Omnibus	General Fund		\$2,000,000

The Workforce Housing Development Program (462A.39)

The Workforce Housing Development program authorizes MHFA to award grants or deferred loans to:

- 1) Home rule charter or statutory cities located outside of a metropolitan county;
- 2) Federally recognized Tribal reservations; or
- 3) the Cook County/Grand Marais joint economic development authority.

Money granted or loaned through this program can be used for market rate residential rental properties, including to acquire property, construct improvements and provide loans, subsidies, grants, interest rate subsidies, public infrastructure, and related financing costs. The program also requires that the housing meet criteria relating to addressing a need for housing for employees of businesses. This program was established in 2017.



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