Housing Finance

Projects Summary

($ in thousands)

Project Title	Rank	Fund	Project Requests for State Funds 2016	2018	2020	Gov's Rec 2016	Gov's Planning Estimates 2018	2020
Housing Infrastructure Bonds	1	AP	70,000	40,000	40,000	70,000	70,000	70,000
Public Housing Rehabilitation	2	GO	20,000	10,000	10,000	20,000	20,000	20,000
Total Project Requests			90,000	50,000	50,000	90,000	90,000	90,000
Appropriation Bonds (AP) Total			70,000	40,000	40,000	70,000	70,000	70,000
General Obligation Bonds (GO) Total			20,000	10,000	10,000	20,000	20,000	20,000

www.mnhousing.gov

AT A GLANCE

- Minnesota Housing served 59,129 households in 2014
- We continue to hold Aa1 and AA+ credit ratings with Moody's and Standard & Poor's
- We ranked 3rd among state housing finance agencies for the number of mortgage loans closed in 2013
- We provided loans to 2,400 homebuyers with a median annual income of $50,000
- We created or rehabilitated more than 2,700 units of affordable rental housing

Unless otherwise indicated, numbers are for Federal Fiscal Year 2014.

PURPOSE

At Minnesota Housing, we believe housing is the foundation for success, so we collaborate with individuals, communities and partners to create, preserve and finance affordable housing. In Minnesota, nearly 600,000 households are considered to be cost-burdened, meaning they pay more than 30% of their income for housing. More than 10,000 households are homeless on a given night. We finance affordable homeownership and rental housing opportunities to address these issues. We support the following statewide outcomes:

- **A thriving economy that encourages business growth and employment opportunities**
- **Strong and stable families and communities**

We finance our programs through a combination of private activity bond proceeds, federal resources, state appropriations and agency resources. We do not rely on state appropriations to fund our operating expenses. We issue tax exempt mortgage revenue bonds and use the proceeds to make loans to low- to moderate- income Minnesota homebuyers. We pay for our operating expenses using the spread that remains from loan repayments after we have repaid our bond holders. We have a board of directors, which has management and control of our activities. Legally, the board is the agency. The board is comprised of six citizen members appointed by the Governor. The state auditor is an ex-officio member. The board directs our policies and approves all funding decisions. The board meets monthly in public meetings.

We are the state's second largest issuer of tax exempt bonds. As of June 2014, our bond issuer ratings were AA+ and Aa1 from Standard and Poor's Rating Services and Moody's Investor Services, Inc. Our credit ratings are separate from, and are not directly dependent on, ratings on debt issued by the State of Minnesota.

STRATEGIES

We achieve our mission by delivering a wide range of programs that meet both the rental and home ownership needs of low- to moderate- income Minnesotans. We deliver assistance through a statewide network of local lenders, community action agencies, local housing and redevelopment authorities, and for-profit and nonprofit developers. We work with other public and private funders to make funds for housing development and redevelopment available in a comprehensive, one-stop competitive application process.

To help communities identify their housing needs, we have developed Community Profiles that have demographic indicators in each of Minnesota's 87 counties.

We meet our mission by providing affordable rental housing and homeownership opportunities to households across Minnesota:

Affordable Rental Housing: We finance the new construction, rehabilitation and preservation of affordable rental housing. We finance affordable rental housing using federal low income housing tax credits, state appropriations, and first mortgages. We provide rental assistance and administer federal Section 8 contracts.

- We served more than 45,000 Minnesota households through our multifamily rental programs in 2014.
- Seventy-five percent of renters we serve earn less than $20,000 per year.
- We funded the new construction and preservation of 2,747 units of affordable rental housing in 2014.
- We preserved nearly 300 units of federally assisted rental housing. Federally-assisted rental housing includes housing financed by the U.S. Department of Housing and Urban Development (HUD) and USDA Rural Development.

Homeownership Opportunities: We offer first time homebuyer loans, down payment assistance programs, a refinance program, and two home improvement loan programs.

- We provided home mortgage loans to 2,417 Minnesota households in 2014.
- The homebuyers we served had a median annual household income of $50,906.
- Nearly 25% of the homebuyers we served were households of color or Hispanic ethnicity.
- We provided down payment assistance to 1,839 households.
- 76% of the homebuyers we served also received down payment assistance.

Preventing and Ending Homelessness: We provide rental assistance and short-term financial assistance to individuals and families who are homeless or who face homelessness.

- We provided state funded rental assistance to 1,792 households in 2014. These households have a median annual household income of $8,796.
- We provided assistance for homelessness prevention to 7,913 households.
- 11 state agencies, including Minnesota Housing, are implementing a new Plan to Prevent and End Homelessness. The goals of the plan are to end veterans' homelessness by 2015 and to prevent and end homelessness for families with children and unaccompanied youth by 2020.

M.S. 462A (https://www.revisor.mn.gov/statutes/?id=462A) provides the legal authority for Minnesota Housing.

At A Glance

We have identified five strategic priorities in our 2016 – 2019 Strategic Plan:

- Preserve housing with federal project-based rent assistance
- Reduce Minnesota's racial and ethnicity homeownership disparity
- Prevent and end homelessness
- Finance housing responsive to Minnesota's changing demographics
- Address specific and critical local housing needs

Factors Impacting Facilities or Capital Programs

Minnesota Housing's capital bonding requests supports three of our strategic priorities:

- Prevent and end homelessness
- Preserve housing with federal project-based rent assistance
- Address specific and critical local housing needs

Homelessness Trends

The U.S. Department of Housing and Urban Development (HUD) conducts an annual point in time survey to determine the number of homeless people in the state on a given night. The 2015 point in time count found that there were 7,509 homeless individuals in Minnesota. This was a ten percent (10%) decline from 2014. The overall decrease was largely driven by a decrease in homelessness among families with children, which dropped by 17 percent from 4,725 people in families in 2014 to 3,912 people in families in 2015. Homelessness among Veterans also continues to decline, with a 50 percent decrease since 2010.

While we saw an overall decline in the number of homeless individuals in 2015, we saw a nearly six percent (6%) increase in unsheltered homelessness, or people living outdoors, in vehicles, or in places not meant for habitation, with a total of 842 people identified. A total of 942 youth experiencing homelessness under age 25 were identified in this year's count, including 145 minors (under age 18) who were without a parent, guardian, or other adult. Of the total youth population, 676 were homeless without children and 266 were parenting children of their own, including 12 homeless parenting minors. The 266 parenting youth had 366 children with them.

While the overall trends are encouraging, the increase in homelessness among certain populations demonstrates a continued need for investments in supportive housing. Supportive housing is housing with services, which help reduce the social costs of homelessness by keeping individuals out of emergency rooms, shelters and the corrections system.

Preservation Trends

Minnesota has approximately 72,000 units of privately-owned rental housing that have received or currently receive federal or state assistance to keep them affordable. These properties are located throughout the state, in large and small communities alike. The affordable housing stock is an essential part of communities' infrastructure and its preservation is critical to communities' continued vitality. As these properties age, or as the subsidy contracts and regulatory agreements expire, there is a risk that these units may be lost due to physical deterioration or diminished capacity of the ownership entity. There is additional risk that some properties may convert to market rate housing and no longer be affordable for low income residents.

Thirty-one thousand (31,000) of these privately-owned affordable housing units are federally subsidized through the Section 8 program. Section 8 housing is among the most affordable housing available because the tenant is required to pay only 30% of household income towards rent. The federal government makes up the difference between the tenant's contribution and an agreed upon contract rent. Another 7,000 privately-owned affordable housing units are federally subsidized through USDA Rural Development.

The Section 8 and USDA Rural Development portfolios were developed primarily from the 1960s to the 1980s. Due to the age of the housing stock, rents may not be able to keep up with the physical demands of the properties. Capital investments are needed to make physical improvements so that the properties can remain intact and affordable for decades to come. Funding is used to ensure that the health, safety and quality of this critical affordable housing stock is maintained for its low income residents well into the future.

Minnesota Housing, along with its philanthropic funding partners and local and federal partners, has taken a systematic, long-term approach to stabilization and preservation that recognizes that preservation of existing housing is often the most cost-effective means of providing affordable housing. Since 1998, Minnesota Housing has invested in the preservation or stabilization of more than 18,800 federally subsidized rental units. For every $1 of state funding, $4 in anticipated federal assistance is preserved. Without Housing Infrastructure Bonds, we typically receive three times as many applications for preservation as we are able to fund.

Public Housing

Minnesota has more than 21,000 public housing units funded by the federal government and owned and operated by local public housing authorities. These units are located across the state. Public housing serves the lowest income households in the state. Seventy-five percent (75%) of public housing residents earn less than $15,000 per year. Thirty-three percent (33%) of public housing residents are seniors and 45 percent (45%) are disabled (this includes seniors and non-seniors). Over one-third of public housing residents have earned income, while most of the rest receive Social Security or pension income. Two percent (2%) of public housing residents have no income.

The federal government's commitment to support public housing has diminished as appropriations for operations and maintenance of the housing stock have been reduced to inadequate levels. As a consequence, some public housing authorities have been forced to sell some of their units to reduce operating costs and generate enough revenue to properly maintain the remaining inventory. Others have delayed needed maintenance and repairs, putting units at risk of becoming uninhabitable. Federal sequestration is further impacting public housing authorities' ability to keep up with needed capital improvements.

Self-Assessment of Agency Facilities and Assets

Minnesota Housing does not own or operate facilities covered by this request. The request is for financing of activities that improve and augment the infrastructure of affordable housing in communities throughout the state. Without these critical funds, communities stand to lose housing units that are vital to serving the needs of citizens in these communities.

Agency Process for Determining Capital Requests

The need for affordable housing is significant and growing. In Minnesota, nearly 30 percent of households (roughly 600,000 households) are considered to be cost-burdened, meaning they pay more than 30 percent of their income for housing. New affordable housing opportunities are needed in order to reduce the number of cost-burdened households in the state. Preservation is also an important strategy for preventing the rate of cost-burdened households from increasing. Since 2000, median household incomes have declined 7.1 percent (7.1%) while median housing costs have increased by 4.7 percent (4.7%). The growing need for affordable housing aligns with the increased need for funding. In

2014, we received three times as many applications for Housing Infrastructure Bonds as we were able to fund, leaving $117 million in unfunded requests. The level of demand further demonstrates the need for this important resource.

Minnesota Housing is a member of three Interagency Stabilization Groups that, together with other state, federal and local units of government and philanthropic lending partners, collaborate on efforts to preserve and stabilize affordable and supportive housing across the state. These groups have informed the agency's preservation priorities, activities and funding requests. The agency is also part of the Preservation Plus Initiative, which was originally funded by the MacArthur Foundation. The collaborative efforts created by that initiative are focused upon the state and its philanthropic lending partners enhancing the existing preservation infrastructure (including funding programs and data analysis), expanding successful strategies for preservation, and developing new preservation tools.

The Minnesota Interagency Council on Homelessness, lead by the State Director to Prevent and End Homelessness, is made up of 11 state agencies. Along with key agency leaders, the Council's 11 commissioners identified 12 strategies and associated actions to prevent and end homelessness that state government is currently implementing. The Interagency Council will be updating the plan in 2015 and creating new goals to work toward preventing and ending homelessness. Creating supportive housing opportunities is a key strategy in any plan to address homelessness.

Major Capital Projects Authorized in 2014 & 2015

In 2014, the agency was authorized to issue $80 million in Housing Infrastructure Bonds. The bonding authority has been used to finance the construction or preservation of nearly 1,200 units of affordable housing in 11 multifamily and six (6) single family projects. Ninety percent (90%) of the bonding authority was committed within six months of authorization, and eight of the 11 multifamily projects are currently in the closing process.

The Legislature also approved $20 million in GO Bonds for public housing in 2014. Thirty-five (35) projects were selected to receive funds, with 28 projects located in Greater Minnesota. All of the funds were committed within six months.

In 2015, the Legislature authorized Minnesota Housing to issue $10 million in Housing Infrastructure Bonds. These funds, along with a small amount of Housing Infrastructure Bonds from 2014, will be awarded to projects in October 2015.

($ in thousands)

Housing Infrastructure Bonds

AT A GLANCE

2016 Request Amount:	$70,000
Priority Ranking:	1
Project Summary:	Minnesota Housing requests $5.6 million annually for 20 years for debt service on $70 million in Housing Infrastructure Bonds. Housing Infrastructure Bond proceeds can be used for the acquisition and rehabilitation or new construction of permanent supportive housing, for the preservation of existing federally-assisted housing, or for the cost of the acquisition of land that will be held by community land trusts for single family homeownership. We will award funds on a competitive basis to projects located throughout the state.

Project Description

The request is for a general fund appropriation to pay the debt service on $70 million in Housing Infrastructure Bond proceeds. Housing Infrastructure Bond proceeds will be awarded through a competitive Request for Proposal (RFP) process to private for profit and non-profit developers.

Supportive Housing

A portion of the bond proceeds would be used to construct or acquire and rehabilitate properties for use as permanent supportive housing for households who are experiencing homelessness, including youth, veterans, those experiencing long-term homelessness and for persons with disabilities who desire to live in more integrated settings in the community. This sub-population of those experiencing homelessness saw a 27 percent increase in 2015 compared to 2014.

Permanent supportive housing is affordable rental housing with links to the services necessary to enable tenants to live in the community and lead successful lives.

Supportive housing stabilizes housing for the poorest households and households with special needs so they can successfully address barriers to employment, complete school or training and achieve independent living.

Preservation

The federal Section 8 program has provided the largest portion of the privately owned, federally assisted rental housing in the state. Thirty-one thousand units (31,000) were financed under this program. The privately owned Section 8 portfolio was developed primarily from the 1960s to the 1980s. As these properties age, or as the subsidy contracts and regulatory agreements expire, there is risk that these units may be lost due to physical deterioration or diminished capacity of the ownership entity. Significant injections of capital are needed to make physical improvements so that properties can remain intact and affordable for decades into the future.

By using tax-exempt private activity bonding authority to provide construction financing for these

projects, federal tax credits can be obtained to attract private equity investment. Housing Infrastructure Bonds will be used to provide a portion of the permanent financing for these projects because income generated by the projects will likely be insufficient to cover the full cost of rehabilitation.

Homeownership Activities

Housing Infrastructure Bond proceeds can be used by community land trusts for the cost of the acquisition of the land that will be held by the land trusts for single family homes for homeownership. Community land trusts, which are located throughout the state, provide an opportunity for low- to moderate- income households to become homeowners. The community land trust holds the land and the homeowner receives a mortgage only for the cost of the home, lowering the cost for the homeowner. The community land trust must own the land for the term of the bonds. This ensures that the state's investment in affordable housing is preserved for the life of the bonds.

Project Rationale

There continues to be significant affordable housing needs throughout the state. Thirty percent (30%) of households are considered to be cost-burdened, meaning they pay more than 30 percent of their income for housing. There are nearly 600,000 households that cost-burdened. Additionally, too many Minnesotans are homeless on a given night. According to the most recent U.S. Department of Housing and Urban Development (HUD) point in time count (2015), there are 7,509 people who are homeless in Minnesota. Overall, this was a 10 percent decline from 2014; however, the count identified an increase of 27 percent for people experiencing chronic homelessness. Finally, the state's Section 8 portfolio is aging and in need of capital for rehabilitation to preserve the affordability of properties.

We received three times as much in requests for deferred financing as there was funding available in our 2014 consolidated Request for Proposal, which is the process through which we award most of our competitive development resources. There were 26 applications for $117 million in requests that remained unfunded for the $80 million we had available in Housing Infrastructure Bond proceeds in 2014.

Housing Infrastructure Bonds are a critical financing tool because of the fact that most of the housing in the state is privately owned and general obligation bonds are limited to funding projects under public ownership. Additionally, the rents of low to moderate-income tenants limit the ability of these housing projects to attract private financing. Housing Infrastructure Bond proceeds provide the needed gap financing.

Other Considerations

Statewide Plan to Prevent and End Homelessness

In 2013, the Minnesota Interagency Council on Homelessness released a Statewide Plan to Prevent and End Homelessness. The plan outlines 12 specific strategies that state agencies will undertake in an effort to prevent and end homelessness across the state. The two primary goals of the plan are to prevent and end homelessness for children and families by 2020 and to finish the job of ending homelessness for veterans and people who are chronically homeless by 2015. Increasing investments in affordable housing and creating new supportive housing opportunities for the most vulnerable families experiencing homelessness are critical pieces of meeting the goals outlined in

the plan.

Leverage

For every $1 in state funding for preservation of federally assisted housing, $4 in future federal funding is secured. In our 2014 RFP, every $1 in state funding for gap financing for preservation leveraged approximately $3 in private capital funding.

Green Communities Criteria

Minnesota Housing has adopted a sustainability policy and implemented the Enterprise Green Communities criteria for all new developments and for substantial rehabilitation projects funded by the agency. The Green Communities criteria will apply to developments that are selected to receive housing infrastructure bond proceeds. The criteria cover a range of items related to energy efficiency and the environment including efficient lighting, use of renewable energy, low-impact development, water-conserving fixtures, and integrative design.

Impact on Agency Operating Budgets

Minnesota Housing does not budget operating assistance for specific projects in its requests for state appropriations. The developments acquired and rehabilitated with bond proceeds are expected to meet their operating costs through the income from tenants' rents, or in the case of community land trusts, through income from the land lease.

Description of Previous Appropriations

Minnesota Housing received past appropriations for the construction of permanent supportive housing as follows:

2005	$12 million	-	GO bond proceeds
2006	$19.5 million	-	GO bond proceeds
2008	$30 million	-	501 (c) (3) bond proceeds, $2.4 million in annual debt service appropriated

In 2010, the agency was able to issue $6 million in additional bonds based on the annual $2.4 million debt service appropriated in 2008 due to lower-than-expected interest rates.

In 2012, we awarded $30 million in Housing Infrastructure Bond proceeds to projects that preserve existing federally subsidized rental housing, create new permanent supportive housing opportunities, and to stabilize communities impacted by the foreclosure crisis. The bond proceeds were committed in 2012 and were used to construct or preserve nearly 620 units of housing.

In 2014, we awarded $80 million in Housing Infrastructure Bond proceeds to projects for the same purposes. The bond proceeds were committed in 2014 and will be used to construct or preserve more than 1,200 units of housing.

In 2015, the Legislature authorized an additional $10 million in Housing Infrastructure Bond proceeds. These proceeds will be used to construct or preserve an estimated 150–200 units of affordable housing.

Project Contact Person

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Governor's Recommendation

The Governor recommends $70 million in appropriation bonds for this request. Also included are budget estimates of $70 million for each planning period for 2018 and 2020.

($ in thousands)

Housing Infrastructure Bonds

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2016	FY 2018	FY 2020
State Funds Requested				
Appropriation Bonds	$ 126,000	$ 70,000	$ 40,000	$ 40,000
Funds Already Committed				
Pending Contributions				
TOTAL	**$ 126,000**	**$ 70,000**	**$ 40,000**	**$ 40,000**

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2016	FY 2018	FY 2020
Property Acquisition	$ 0	$ 17,500	$ 10,000	$ 10,000
Predesign Fees	$ 0	$ 0	$ 0	$ 0
Design Fees	$ 0	$ 0	$ 0	$ 0
Project Management	$ 0	$ 0	$ 0	$ 0
Construction	$ 126,000	$ 52,500	$ 30,000	$ 30,000
Relocation Expenses	$ 0	$ 0	$ 0	$ 0
One Percent for Art	$ 0	$ 0	$ 0	$ 0
Occupancy Costs	$ 0	$ 0	$ 0	$ 0
Inflationary Adjustment	$ 0	$ 0	$ 0	$ 0
TOTAL	**$ 126,000**	**$ 70,000**	**$ 40,000**	**$ 40,000**

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2016	FY 2018	FY 2020
IT Costs	$ 0	$ 0	$ 0
Operating Budget Impact ($)	$ 0	$ 0	$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	$ 70,000	100 %
User Financing	$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

M.S. 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)	No
M.S. 16B.335(3): Predesign Review Required (by Dept. of Administration)	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
M.S. 16B.325(1): Sustainable Building Guidelines Met	N/A
M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines	
Do the project designs meet the guidelines?	N/A
Does the project demonstrate compliance with the standards?	N/A
M.S. 16B.335(5 & 6): Information Technology Review (by MN.IT)	N/A
M.S. 16A.695: Public Ownership Required	N/A
M.S. 16A.695(2): Use Agreement Required	N/A
M.S. 16A.695(5): Program Funding Review Required (by granting agency)	N/A
M.S. 16A.86 (4b): Matching Funds Required	N/A
M.S. 16A. 642: Project Cancellation in 2021	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	N/A
M.S. 174.93: Guideway Project	
Is this a Guideway Project?	N/A
Is the required information included in this request?	N/A

($ in thousands)

Public Housing Rehabilitation

AT A GLANCE

2016 Request Amount:	$20,000
Priority Ranking:	2
Project Summary:	$20 million in GO Bonds to preserve existing public housing to keep it decent, safe and healthy for its low income residents. Approximately 2,500 units of housing will be rehabilitated with this funding.

Project Description

The requested funding will provide investments in more energy efficient windows, heating and cooling systems and other conservation items in public housing across the state. Priority will be given to projects that address health and safety needs and reduce operating costs by conserving energy.

Funding will be awarded through a competitive request for proposal process. Eligible applicants are public housing authorities. Priority will be given to projects that include funding from other sources.

Project Rationale

Public housing is existing affordable housing that serves some of the lowest income residents of the state, including many seniors and families with children. Public housing is housing owned and managed by local public housing authorities and financed by the federal government. More than 21,000 public housing units are owned and operated by 124 public housing authorities throughout 87 Minnesota counties. Nearly 75 percent of the residents have income of under $15,000 per year. Residents pay 30 percent of their income toward rent. More than 90 percent of public housing units in the state are greater than 20 years old.

In January 2015 we awarded $20 million in GO Bond proceeds for the rehabilitation of public housing. However, we had $31 million in additional requests that went unfunded.

Other Considerations

N/A.

Impact on Agency Operating Budgets

None for Minnesota Housing. Public housing authorities are responsible for operating expenses, which are obtained through funding from the U.S. Department of Housing and Urban Development. Investments in energy efficient windows, heating and cooling systems and other conservation items may reduce energy bills over the long-term.

Description of Previous Appropriations

In 2009, the agency received $2 million for public housing. In 2007, the Legislature appropriated $2.5 million in General Fund appropriations for preservation of public housing.

In 2012, the agency received $5.5 million in GO Bond proceeds. The funding was used for the rehabilitation of 950 units of public housing.

In 2014, the agency received $20 million in GO Bond proceeds. The funding has been committed and is being used for the rehabilitation of 2,500 units of public housing. Seventy-five percent (75%) of the units are located in Greater Minnesota.

Project Contact Person

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Governor's Recommendation

The Governor recommends $20 million in general obligation bonds for this request. Also included are budget estimates of $20 million for each planning period for 2018 and 2020.

($ in thousands)

Public Housing Rehabilitation

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2016	FY 2018	FY 2020
State Funds Requested				
General Obligation Bonds	$ 25,500	$ 20,000	$ 10,000	$ 10,000
Funds Already Committed				
Pending Contributions				
TOTAL	**$ 25,500**	**$ 20,000**	**$ 10,000**	**$ 10,000**

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2016	FY 2018	FY 2020
Property Acquisition	$ 0	$ 0	$ 0	$ 0
Predesign Fees	$ 0	$ 0	$ 0	$ 0
Design Fees	$ 0	$ 0	$ 0	$ 0
Project Management	$ 0	$ 0	$ 0	$ 0
Construction	$ 25,500	$ 20,000	$ 10,000	$ 10,000
Relocation Expenses	$ 0	$ 0	$ 0	$ 0
One Percent for Art	$ 0	$ 0	$ 0	$ 0
Occupancy Costs	$ 0	$ 0	$ 0	$ 0
Inflationary Adjustment	$ 0	$ 0	$ 0	$ 0
TOTAL	**$ 25,500**	**$ 20,000**	**$ 10,000**	**$ 10,000**

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2016	FY 2018	FY 2020
IT Costs	$ 0	$ 0	$ 0
Operating Budget Impact ($)	$ 0	$ 0	$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	$ 20,000	100 %
User Financing	$ 0	0 %

STATUTORY REQUIREMENTS	
The following requirements will apply to projects after adoption of the bonding bill.	
M.S. 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)	No
M.S. 16B.335(3): Predesign Review Required (by Dept. of Administration)	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
M.S. 16B.325(1): Sustainable Building Guidelines Met	Yes
M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines	
Do the project designs meet the guidelines?	N/A
Does the project demonstrate compliance with the standards?	N/A
M.S. 16B.335(5 & 6): Information Technology Review (by MN.IT)	N/A
M.S. 16A.695: Public Ownership Required	Yes
M.S. 16A.695(2): Use Agreement Required	N/A
M.S. 16A.695(5): Program Funding Review Required (by granting agency)	Yes
M.S. 16A.86 (4b): Matching Funds Required	N/A
M.S. 16A. 642: Project Cancellation in 2021	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 174.93: Guideway Project	
Is this a Guideway Project?	N/A
Is the required information included in this request?	N/A