

CHAPTER 4900
MINNESOTA HOUSING FINANCE AGENCY
HOUSING LOANS AND GRANTS

4900 0010	DEFINITIONS	4900 3373	PROJECT-BASED OPTION
4900 1576	HOMEOWNERSHIP ASSISTANCE FUND, URBAN INDIAN HOUSING LOAN PROGRAM	4900 3377	SELECTION OF ELIGIBLE FAMILIES
4900 1910	ELIGIBILITY	4900 3380	TERMINATION OF ASSISTANCE NOTICE AND APPEAL RIGHTS
4900 1923	ELIGIBLE APPLICANTS		AFFORDABLE RENTAL INVESTMENT FUND PROGRAM
4900 2005	PURCHASE AND REHABILITATION OR REFINANCE AND REHABILITATION MORTGAGE LOANS	4900 3500	SCOPE
4900 3010	DEFINITIONS	4900 3510	DEFINITIONS
4900 3371	DEFINITIONS	4900 3520	ELIGIBLE APPLICANTS
4900 3372	VOUCHER OPTION	4900 3530	ELIGIBLE APPLICATIONS
		4900 3540	REQUIRED OCCUPANCY
		4900 3550	SELECTION CRITERIA

4900.0010 DEFINITIONS.

[For text of subps 1 to 15, see M R]

Subp 16 **Local community.** "Local community" means and refers to a city, village, or borough, however organized, in the state of Minnesota, and any housing and redevelopment authority created pursuant to the provisions of Minnesota Statutes, sections 469.001 to 469 047

[For text of subps 17 to 20, see M R]

Subp 21 **Nonprofit or nonprofit entity.** "Nonprofit" or "nonprofit entity" means and refers to housing and redevelopment authorities established under and pursuant to the provisions of Minnesota Statutes, sections 469.001 to 469 047, and those partnerships, joint ventures, corporations, and associations which are established for a purpose not involving pecuniary gain to the members, partners, or shareholders thereof, pay no dividends or other pecuniary remuneration, directly or indirectly, to the members, partners, or shareholders thereof, and in the case of private, nonprofit corporations, are established under and pursuant to Minnesota Statutes, chapter 317A and are in compliance with all the provisions thereof, provided, however, that in no event shall a limited dividend entity be deemed a nonprofit entity

[For text of subps 22 and 23, see M R.]

Statutory Authority: *MS s 462A 06*

History: *18 SR 2277*

4900.1576 HOMEOWNERSHIP ASSISTANCE FUND; URBAN INDIAN HOUSING LOAN PROGRAM.

Under the homeownership mortgage participation component of the urban Indian housing loan program, recipients are eligible for homeownership assistance fund loans as described in parts 4900 1315 to 4900 1359, except as modified by parts 4900.1500 to 4900 1586 All loan recipients are eligible for downpayment assistance under part 4900.1300 Recipients are eligible for monthly assistance under part 4900.1331 only in the event that the first mortgage note or coupon rate exceeds an interest rate of eight percent per annum

Statutory Authority: *MS s 462A 06*

History: *18 SR 2277*

4900.1910 ELIGIBILITY.

[For text of subpart 1, see M R]

Subp. 2 **Applicant.** To be eligible for selection as a recipient of a grant under the program, an applicant must be either

[For text of items A and B, see M R]

C a Minnesota Housing and Redevelopment Authority created under Minnesota Statutes, sections 469 001 to 469 047, or

[For text of item D, see M R]

Statutory Authority: *MS s 462A.06*

History: *18 SR 2277*

4900.1923 ELIGIBLE APPLICANTS.

To be eligible for selection as a recipient of a grant or loan under the program, an applicant must be an individual, a nonprofit entity, a for profit entity, a cooperative housing corporation, a Minnesota city, a joint powers board established by two or more cities, or a Minnesota housing and redevelopment authority created under Minnesota Statutes, sections 469 001 to 469 047, with the authority to enter into any loan or grant documents that may be required by the agency

Statutory Authority: *MS s 462A 06*

History: *18 SR 2277*

4900.2005 PURCHASE AND REHABILITATION OR REFINANCE AND REHABILITATION MORTGAGE LOANS.

[For text of subpart 1, see M.R.]

Subp 2 **Minimum rehabilitation.** Each property financed with a purchase and rehabilitation mortgage loan or a refinance and rehabilitation loan must require and receive rehabilitation in a dollar amount greater than or equal to the amounts in items A and B

A If the property to be financed is located in Anoka, Benton, Carver, Chisago, Clay, Dakota, Hennepin, Isanti, Olmsted, Ramsey, Scott, Sherburne, Stearns, Washington, or Wright county, the minimum required rehabilitation is \$5,000

B For properties located in all other counties, the minimum rehabilitation requirement is the lesser of \$5,000 or 15 percent of the value of the property before rehabilitation

[For text of subs 3 and 5, see M.R.]

Subp 6 **Maximum mortgage amount.** The maximum mortgage amount for any purchase and rehabilitation or refinance and rehabilitation mortgage loan must not exceed the maximum mortgage amount for the Minneapolis/St Paul Metropolitan Statistical Area for mortgage loans to be insured by the Federal Housing Administration as determined and adjusted from time to time by the United States Department of Housing and Urban Development

Statutory Authority: *MS s 462A 06*

History: *19 SR 157*

4900.3010 DEFINITIONS.

[For text of subpart 1, see M.R.]

Subp 2 **Agency.** "Agency" means the Minnesota Housing Finance Agency created by Minnesota Statutes, sections 462A 01 to 462A 24

[For text of subs 3 to 8, see M.R.]

Statutory Authority: *MS s 462A.06*

History: *18 SR 2277*

4900.3371 DEFINITIONS.

[For text of subs 1 to 8, see M.R.]

Subp 9 **Local housing organization.** "Local housing organization" means the agency of local government responsible for administering the United States Department of Housing and Urban Development's section 8 existing voucher and certificate program or a nonprofit or for-profit organization experienced in housing management

[For text of subs 10 and 11, see M.R.]

Statutory Authority: *MS s 462A 06*

History: *18 SR 2277*

4900.3372 VOUCHER OPTION.

Subpart 1 **General description.** Under the voucher option, the agency shall award a number of rental assistance vouchers to self-sufficiency program administrators for use by participating families. Participating families may use the rental assistance voucher for rental housing that is certified by the local housing organization as meeting section 8 existing housing quality standards

Subp 2 **Responsibilities of self-sufficiency program administrator.** Self-sufficiency program administrators must select the caretaker parents whose families will receive the rent assistance. The self-sufficiency program administrator must notify the local housing organization and the agency of the following

[For text of items A to C, see M R]

The self-sufficiency program administrator must provide the caretaker parent who has discontinued participation in a program before completion with the notice specified in part 4900 3379. The self-sufficiency program administrator must send a subsequent notice to the caretaker parent, the local housing organization, and the agency 60 days before termination of the housing assistance.

Subp 3 **Responsibilities of local housing organization.** The local housing organization must administer the monthly rent assistance. It must

[For text of items A to E, see M R]

Subp 4 **Eligible application.** A local housing organization and a self-sufficiency program administrator must submit an application jointly to the agency for the rent assistance for family stabilization demonstration program. The applicants must provide an application in the form prescribed by the agency. At a minimum, the application shall include the following

[For text of items A to E, see M R]

Subp 5 **Eligible applicants.** Eligible applicants are self-sufficiency program administrators that provide services to caretaker parents who reside in counties with high average housing costs and the local housing organization that administers the federal section 8 housing certificate and voucher program for the area.

Statutory Authority: *MS s 462A 06*

History: *18 SR 2277*

4900.3373 PROJECT-BASED OPTION.

Subpart 1 **General description.** Under the project-based rental assistance option, the agency shall award a number of vouchers to self-sufficiency program administrators for use by participating families who live in designated rental property. Either the agency or a local housing organization may administer the monthly rent assistance. The responsibilities of self-sufficiency program administrators and either a local housing organization or the agency are as specified under part 4900 3372, subparts 2 and 3.

[For text of subs 2 and 3, see M R]

Statutory Authority: *MS s 462A 06*

History: *18 SR 2277*

4900.3377 SELECTION OF ELIGIBLE FAMILIES.

[For text of subs 1 to 4, see M R]

Subp 5 **Change in income.** The self-sufficiency program administrator must inform caretaker parents receiving rent assistance of their responsibility to inform the local housing organization of increases or decreases in family income, allowances, and composition when they occur.

Statutory Authority: *MS s 462A 06*

History: *18 SR 2277*

4900.3380 TERMINATION OF ASSISTANCE; NOTICE AND APPEAL RIGHTS.

Before terminating rental assistance, the local housing organization or the agency must send a notice to the caretaker parent no later than ten days before the termination specifying the reasons for the termination of rental assistance and the right to appeal the termination within ten days of the receipt of the notice. Appeals under this part shall be heard by the Department of Human Services, under Minnesota Statutes, section 256 045.

Statutory Authority: *MS s 462A 06*

History: *18 SR 2277*

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11

HOUSING LOANS AND GRANTS 4900.3530

AFFORDABLE RENTAL INVESTMENT FUND PROGRAM

4900.3500 SCOPE.

Parts 4900 3500 to 4900.3550 govern the implementation of the Affordable Rental Investment Fund program authorized under Minnesota Statutes, section 462A 21, subdivision 8b

Statutory Authority: *MS s 462A 06*

History: *19 SR 1150*

4900.3510 DEFINITIONS.

Subpart 1 **Application.** The definitions in this part apply in parts 4900 3500 to 4900 3550

Subp 2 **Agency.** "Agency" means the Minnesota Housing Finance Agency created by Minnesota Statutes, chapter 462A

Subp 3 **Affordable rental housing.** "Affordable rental housing" means a development that includes at least four assisted units

Subp 4 **Affordable rental investment fund program.** "Affordable Rental Investment Fund program" means a loan program authorized by Minnesota Statutes, section 462A 21, subdivision 8b, to acquire, rehabilitate, or newly construct affordable rental housing

Subp. 5 **Area median income.** "Area median income" means the greater of the county median income or the Minnesota nonmetropolitan median income as each is provided annually to the agency by a notice from the United States Department of Housing and Urban Development

Subp 6 **Assisted unit.** "Assisted unit" means a unit of rental housing affordable to low-income households, as provided in part 4900 3540, in a development for which a loan has been made from the Affordable Rental Investment Fund program

Subp. 7 **Development.** "Development" means the affordable rental housing to be acquired, rehabilitated, or newly constructed by the applicant as described in the application

Statutory Authority: *MS s 462A 06*

History: *19 SR 1150*

4900.3520 ELIGIBLE APPLICANTS.

Subpart 1 **Property interest.** An applicant for the Affordable Rental Investment Fund program loan must, at the time of application, possess one of the following interests in the real property that is the site of the development:

A. a fee title,

B. a fee title subject to a mortgage or other lien securing a debt capable of prepayment or, at the option of the agency, subordination, or

C. a mutually binding contract or option for the purchase of fee title.

Subp 2 **Eligible entities.** To be eligible to receive a loan from the Affordable Rental Investment Fund program, an applicant must be:

A. a Minnesota nonprofit entity as defined in part 4900.0010, subpart 21, including, but not limited to, a housing and redevelopment authority established under Minnesota Statutes, sections 469 001 to 469 047;

B. a town, or a home rule charter or statutory city, in Minnesota;

C. a cooperative housing corporation as defined in part 4900 0010, subpart 8;

D. a limited dividend entity as defined in part 4900.0010, subpart 14, or

E. a for profit entity, but only for the purposes set out in Minnesota Statutes, section 462A.21, subdivision 8b.

Statutory Authority: *MS s 462A 06*

History: *19 SR 1150*

4900.3530 ELIGIBLE APPLICATIONS.

The applicant must submit an application in the form and at the time prescribed by the agency. At a minimum, the application must include pertinent details on the following:

A information describing the site of development, including the location, present use and zoning, surrounding land uses, and physical characteristics of the site that might affect construction,

B a description of the development, including the building type, the size and number of dwelling units, and the characteristics of the development that make it appropriate for residency by households,

C information with respect to the market for the development, including reports of market surveys or analyses and documentation of need for the development;

D a description of the acquisition, rehabilitation, or new construction to be completed, including a schedule of the proposed uses of any requested loan funds and the amounts proposed to be allocated to each use,

E a budget for the development showing all development costs, operating costs, sources of financing sought or secured, proposed rent schedule, and any other sources of income, and

F a timetable for completion of the development

Statutory Authority: *MS s 462A 06*

History: *19 SR 1150*

4900.3540 REQUIRED OCCUPANCY.

The assisted units in the development funded in whole or part with loans from the Affordable Rental Investment Fund program must be occupied by households whose adjusted income at the time of initial occupancy does not exceed 60 percent of the area median income. The household income ceiling for assisted units may be less than 60 percent of area median income to the extent required by other nonagency funding sources used in conjunction with this program, such as foundations and federal agencies.

Statutory Authority: *MS s 462A 06*

History: *19 SR 1150*

4900.3550 SELECTION CRITERIA.

The agency shall use the criteria in this part to determine whether an applicant will get a loan from the Affordable Rental Investment Fund program

A. the need, documented by the applicant, for the development in the proposed geographic area,

B the ability and capacity of the applicant to proceed expeditiously with the development,

C the applicant's prior experience in developing, owning, and operating similar development,

D the cost-reasonableness and quality of the development,

E the geographic distribution of loan funds, to the extent that loan funds can be used to assist developments throughout the state,

F the relationship of the proposed development to public facilities, sources of employment, and services, including public transportation, health, education, and recreation facilities,

G the extent to which other programs are available to assist the development,

H the extent to which the loan funds are combined with other sources of funding to make the development economically feasible and rents affordable for low-income families and individuals,

I the extent to which existing units of rental housing are available to low-income households, and

J. the extent to which the development encourages or maintains economic integration

Statutory Authority: *MS s 462A 06*

History: *19 SR 1150*