

4900.3646 HOUSING REQUIREMENTS.

Subpart 1. **Requirements for owner-occupied housing.** To be eligible for challenge program funds, owner-occupied housing must be:

- A. attached or detached, residential in nature, and able to be used profitably for a minimum of ten years after the end of the loan term;
- B. occupied by an eligible home buyer;
- C. affordable to the local work force; and
- D. able to be completed no later than the date that is 20 months after the date on which the successful applicant receives a written loan or grant agreement from the agency.

Subp. 2. **Requirements for rental housing.** To be eligible for challenge program funds, rental housing must satisfy the following requirements:

- A. the rental housing must be residential in nature, and each rental housing unit must contain a kitchen and a bathroom;
- B. the rental housing must be permanent housing for which the term of tenancy may be extended indefinitely beyond the initial lease term;
- C. the rental housing units must be occupied by households that satisfy the income limits provided in Minnesota Statutes, section 462A.33, subdivision 5, with respect to rental housing projects;
- D. the rent charged for the rental housing units must be affordable to the local work force;
- E. if the rental housing includes single-family or duplex properties, these properties must be located in the same city or county and contain a minimum of four units total; and
- F. the use restrictions in this subpart must remain in effect until the later of:
 - (1) the date on which the loan is repaid or the grant agreement is terminated; or
 - (2) the date that is 15 years from the closing date of the loan or grant.

Subp. 3. **Eligible contributions.**

A. An in-kind contribution satisfies the requirements of Minnesota Statutes, section 462A.33, subdivision 3, clause (1), if it is a quantifiable noncash contribution in support of housing funded from the challenge program. A waiver of fees by a unit of local government constitutes an in-kind contribution.

B. A premium paid for federal housing tax credits by an area employer satisfies the requirements of Minnesota Statutes, section 462A.33, subdivision 3, if the applicant provides evidence to the agency that the price to be paid for the tax credits is higher than the market price for tax credits.

Statutory Authority: *MS s 462A.06*

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