

**4900.3743 ELIGIBLE USES OF FUNDS.**

Subpart 1. **Generally.** At least 75 percent of funds in the housing trust fund program must be used for the benefit of persons and families whose gross incomes, at the time of the initial occupancy, do not exceed 30 percent of the median family income for the metropolitan area. This median income may be adjusted for family size for families with five or more people. A household with Section 8 project-based or voucher assistance is deemed to meet the income requirements of this subpart.

Subp. 2. **Operating subsidy-unique costs.** The agency may fund those costs of operating rental housing that are unique to the operation of low-income rental housing and supportive housing. To be eligible for operating subsidy-unique costs funding under the housing trust fund program, applicants must satisfy the requirements in items A and B.

A. The proposed operating costs must be critical both to the economic viability of the housing development and to serving the population for whom the housing is designed. Examples of operating costs that are eligible for funding under this subpart include front desk operation, costs of operating service-related space, security, tenant coordinator, and interpretative services.

B. The housing trust fund program funds must be used to provide an operating subsidy for a housing development in which the assisted units provide housing for persons and families whose gross incomes at the time of initial occupancy do not exceed 60 percent of median income as determined by HUD for the metropolitan area. This median income may be adjusted for family size for families with five or more people. A household with Section 8 project-based or voucher assistance is deemed to meet the income requirements of this item.

Subp. 3. **Operating subsidy-revenue shortfall.** The agency may provide an operating subsidy to cover a housing development's revenue shortfall. To be eligible for operating subsidy-revenue shortfall funding under the housing trust fund program, applicants must satisfy the requirements in items A and B.

A. The operating subsidy funds must be used to reduce the difference between the costs of operating the housing development and the rents that the tenants expected to reside in the assisted units can afford to pay. The operating subsidy funds may not be used to pay an asset management fee to the owner of the housing development.

B. The housing trust fund program funds must be used to provide an operating subsidy for a housing development in which the assisted units provide housing for persons and families whose gross incomes, at the time of initial occupancy, do not exceed 60 percent of median income as determined by HUD for the metropolitan area. This median income may be adjusted for family size for families with five or more people. A household with

Section 8 project-based or voucher assistance is deemed to meet the income requirements of this item.

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