

4900.3767 ADMINISTRATION OF TENANT-BASED AND SPONSOR-BASED RENTAL ASSISTANCE.

Subpart 1. **Amount of assistance.** There is no minimum amount of rental subsidy that an administrator must provide to each tenant. The maximum amount of rental subsidy provided to each tenant will be no greater than the difference between 30 percent of the tenant's gross income and the payment standard as established by the local public housing agency or housing and redevelopment authority according to Code of Federal Regulations, title 24, part 982.

Subp. 2. **Form of funding.** The agency shall provide tenant-based and sponsor-based rental assistance funding to the administrator according to the agreement between the administrator and the agency governing the use of the rental assistance funding.

Subp. 3. **Length of time.** An eligible tenant shall not receive rental assistance for longer than five consecutive years. This time limit does not apply to eligible tenants who have applied for federal rental assistance but have not been accepted in such programs due to funding limitations, or who are ineligible for federal rental assistance.

An administrator shall not commit to provide rental assistance to an eligible tenant for amounts or terms in excess of funding allowable under the grant agreement between the administrator and the agency.

Subp. 4. **Termination of rental subsidy.**

A. An administrator must terminate a tenant's rental subsidy, according to the termination procedures in subpart 5, item A, when, upon annual recertification and verification of income, it determines that 30 percent of the household's monthly gross income for the preceding four consecutive months equals or exceeds the market rent for the unit in which the household resides plus the utilities for which the tenant is responsible. The utilities for which the tenant is responsible will be determined by using the utility allowance calculation provided by the local public housing agency or housing and redevelopment authority.

B. An administrator may terminate a tenant's rental subsidy, according to the termination procedures in subpart 5, item B, if the tenant is evicted for (1) serious or repeated violations of terms and conditions of the lease or (2) violation of any federal, state, or local law that imposed obligation on the tenant in connection with occupancy or use of the unit in which the tenant resides.

C. An administrator may terminate a tenant's rental subsidy, according to the termination procedures in subpart 5, item C, if the tenant fails to cooperate with the annual recertification process, including property inspection.

Subp. 5. Notice of termination.

A. If an administrator gives notice to terminate a tenant's rental subsidy because the tenant's household gross income at recertification exceeds the limits in subpart 4, item A, the administrator shall provide written notice to both the tenant and the owner or management agent that the rental subsidy will end on the last day of the second month following the month in which the notice is given. A tenant shall be given an opportunity to meet with the administrator and submit any information documenting that income did not exceed the limits and justifies continuing the subsidy.

Example: if on January 12 the administrator determines that 30 percent of the tenant's gross income for each of the four months from September through December equals or exceeds the market rent for the unit in which the household resides plus the utilities for which the tenant is responsible, the administrator will provide notice to the tenant that the rental subsidy will end on the last day of March.

B. If an administrator gives notice to terminate a tenant's rental subsidy because the tenant is being evicted under the conditions in subpart 4, item B, the administrator shall provide written notice to both the tenant and the owner or management agent that the rental subsidy will end on the last day of the month in which the tenant vacates the unit.

C. If an administrator gives notice to terminate a tenant's rental subsidy because the tenant is not cooperating with the annual recertification process under the conditions in subpart 4, item C, the administrator shall submit written notice to the tenant and owner or management agent that the tenant has 60 days to comply with recertification requirements. If the tenant does not comply with recertification requirements within 60 days, the administrator shall submit written notice to the tenant and owner or management agent that the rental subsidy will end on the last day of the month in which the tenant receives the notice.

D. If an administrator gives notice to terminate a tenant's subsidy for reasons outlined in items B and C, the tenant shall be given an opportunity to meet with the administrator to determine if the conditions causing possible termination can be resolved and the tenant can continue receiving the subsidy.

Subp. 6. Administrative fees. The agency shall pay administrators of tenant-based and sponsor-based rental assistance a monthly administrative fee for each month in which an eligible household resides in a rental housing unit. The applicant shall propose an administrative fee in its application. The applicant's proposed monthly administrative fee may not exceed the fee paid by HUD to administrators of the Section 8 housing assistance program in the same jurisdiction, as described in Code of Federal Regulations, title 24, section 982.152.

Subp. 7. **Responsibilities of administrators.** Administrators of tenant-based and sponsor-based rental assistance are responsible for the following activities:

- A. recruiting tenants and owners;
- B. determining the eligibility of tenants according to Minnesota Statutes, section 462A.201, subdivision 2, paragraph (b);
- C. assuring the quality of the housing according to Minnesota Statutes, section 462A.201, subdivision 2, paragraph (c);
- D. conducting verification and annual recertifications of tenant incomes;
- E. requisitioning rental subsidy payments from the agency;
- F. paying rental subsidies directly to owners or management agents in a timely manner;
- G. meeting agency reporting requirements;
- H. maintaining and retaining records;
- I. implementing plans for transitioning tenants off housing trust fund program rental assistance, as described in part 4900.3762; and
- J. ensuring that a process is in place for notifying tenants of the opportunity for a meeting under part 4900.3767.

Subp. 8. **Termination of administrator.** The agency shall terminate an administrator if the administrator has failed to comply with any agreement with the agency governing the use of the rental assistance funds within the time allowed by any applicable cure period. Under such circumstances, the administrator shall provide written notice to all applicable tenants and owners or management agents that the rental subsidy will end on the last day of the second month following the month in which the notice is given.

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