

1 Housing Finance Agency

2
3 Adopted Rules Governing the Rental Rehabilitation Program

4
5 Rules as Adopted

6 4900.0290 SCOPE.

7 Parts 4900.0290 to 4900.0296 govern the implementation of
8 the rental rehabilitation program and the disbursement of rental
9 rehabilitation grants authorized by section 301 of the Housing
10 and Urban - Rural Recovery Act of 1983, Public Law No. 98-181
11 (November 30, 1983), codified at United States Code, title 42,
12 section 1437o.

13 4900.0291 DEFINITIONS.

14 Subpart 1. Scope. For the purposes of parts 4900.0290 to
15 4900.0296, the following terms have the meanings given them.

16 Subp. 2. Agency. "Agency" means the Minnesota Housing
17 Finance Agency.

18 Subp. 3. Application. "Application" means a submittal
19 requesting a rental rehabilitation grant.

20 Subp. 4. Lower income family. "Lower income family" has
21 the meaning used by the Department of Housing and Urban
22 Development as specified in the Code of Federal Regulations,
23 title 24, section 511.2.

24 Subp. 5. Rental rehabilitation program, or
25 program. "Rental rehabilitation program" or "program" means the
26 organization of agency procedures designed to distribute funds
27 for the purposes of rehabilitating rental dwelling units and to
28 provide for the distribution of subsidies for tenant rental
29 payments as specified in parts 4900.0290 to 4900.0296 and Code
30 of Federal Regulations, title 24, part 511.

31 Subp. 6. Rental rehabilitation program grant, or
32 grant. "Rental rehabilitation program grant" or "grant" means
33 an appropriation of money to an eligible applicant under the
34 program.

35 Subp. 7. Rental dwelling unit. "Rental dwelling unit"

1 means a housing unit containing cooking, sleeping, and bathroom
2 facilities that is occupied by a household other than the owner
3 of the structure in which the unit is located, and for which
4 rent is paid either in cash or in kind.

5 Subp. 8. Very low income family. "Very low income family"
6 has the meaning used by the Department of Housing and Urban
7 Development as specified in the Code of Federal Regulations,
8 title 24, section 511.2.

9 4900.0292 INCORPORATION OF FEDERAL REGULATIONS.

10 Except as further limited by parts 4900.0290 to 4900.0296,
11 the operation of the rental rehabilitation program and the
12 disbursement of grants under it are governed by the Rental
13 Rehabilitation Program Interim Rule, Code of Federal
14 Regulations, title 24, part 511, as published in the Federal
15 Register, volume 49, number 78, April 20, 1984, as amended and
16 modified by the final rule, and any waivers of the interim and
17 final rules obtained by the agency, which will be published in
18 the State Register.

19 4900.0293 ADDITIONAL AGENCY REQUIREMENTS FOR PARTICIPATION IN
20 RENTAL REHABILITATION PROGRAM.

21 Projects selected for grants under the rental
22 rehabilitation program, in addition to meeting the eligibility
23 and ineligibility criteria in Code of Federal Regulations, title
24 24, section 511.10, must comply with all of the following
25 requirements:

26 A. The project must consist of one or more buildings
27 that contain five or more rental dwelling units.

28 B. The project must consist of one or more buildings
29 situated within municipalities that are eligible to take part in
30 the program and that have entered into a participation agreement
31 with the agency.

32 C. The project must consist of one or more buildings
33 situated within the jurisdiction of a public housing authority,
34 housing development authority, or other entity that is
35 authorized to administer the Department of Housing and Urban

1 Development Section 8 Existing Housing Program or Department of
2 Housing and Urban Development Voucher Program and that entered
3 into a participation agreement with the agency.

4 4900.0294 AGENCY LOANS.

5 At its discretion the agency may make grants under the
6 rental rehabilitation program in conjunction with loans funded
7 by the agency under Minnesota Statutes, chapter 462A.

8 4900.0295 NOTICE OF FUND AVAILABILITY.

9 From time to time the agency shall publish a notice of fund
10 availability in the State Register prior to the date upon which
11 it first accepts applications for grants. The notice must
12 include the date upon which applications will first be accepted
13 and the specific requirements for obtaining forms and other
14 materials for the submission of applications.

15 4900.0296 SELECTION OF APPLICATIONS.

16 The agency shall review applications for grants to
17 determine their compliance with Code of Federal Regulations,
18 title 24, part 511. The agency may accept or reject
19 applications for grants based on the requirements of parts
20 4900.0290 to 4900.0296.

21 In the selection of an application for a grant, the agency
22 shall apply the following criteria:

23 A. the extent to which the building or buildings
24 proposed for rehabilitation are currently occupied by lower
25 income families;

26 B. the extent to which rental dwelling units with two
27 bedrooms or more will be rehabilitated;

28 C. the extent to which very low income families who
29 reside in the building or buildings that are proposed for
30 rehabilitation are housed in substandard conditions;

31 D. the extent to which the building or buildings
32 proposed for rehabilitation are free from serious adverse
33 environmental and site conditions;

34 E. the extent to which the proposed rehabilitation is
35 financially feasible, given the maximum grant per rental

1 dwelling unit, prevailing interest rates, proposed rents, and
2 market for rehabilitated units;

3 F. the extent to which displacement of existing
4 tenants will be minimized;

5 G. the extent to which the rehabilitated rental
6 dwelling units will be affordable to low and very low income
7 families;

8 H. the extent to which the proposed rehabilitation
9 will have a positive impact on the physical environment of the
10 surrounding neighborhood;

11 I. the extent to which the proposed rehabilitation
12 eliminates substandard housing and prevents the recurrence of
13 such conditions;

14 J. the extent to which a municipality rates
15 proposals, if such rating has been performed, within their
16 community;

17 K. the extent to which proposals selected by the
18 agency achieve a distribution of funds among participating
19 communities; and

20 L. the extent to which the grant funds will be
21 utilized for physical rehabilitation as opposed to relocation
22 expenses and other eligible nonconstruction costs.