

1 Department of Energy and Economic Development

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3 Adopted Permanent Rules Relating to Community Block Grants

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5 Rules as Adopted

6 4300.1100 TYPES OF COMPETITIVE GRANTS AVAILABLE.

7 Subpart 1. [Unchanged.]

8 Subp. 2. **Comprehensive grants.** The office shall approve
9 comprehensive grants for two or more projects which constitute a
10 comprehensive program as described in part 4300.0100.

11 Subp. 3. [See Repealer.]

12 4300.1200 APPLICATION PROCESS AND REQUIREMENTS.

13 Subpart 1. **Grant application manual.** The office shall
14 prepare a manual for distribution to eligible applicants no
15 later than 120 days before the application closing date for
16 competitive applications. The manual must instruct applicants
17 in the preparation of applications and describe the method by
18 which the office will evaluate and rank applications.

19 Subp. 2. to 6. [Unchanged.]

20 4300.2000 DETERMINATION OF GRANT AWARDS.

21 Subpart 1. **Funds available for grants.** The amount of
22 funds available for grants shall be equal to the total
23 allocation of federal funds made available to the State under
24 United States Code, title 42, section 5306 (1981), after
25 subtracting an amount for costs available to the office for
26 administration of the program, as allowed by that law. The
27 office is not liable for any grants under this chapter until
28 funds are received from the United States Department of Housing
29 and Urban Development.

30 Subp. 2. **Division of funds.** Of the funds available for
31 grants in each grant year, 30 percent shall be reserved by the
32 office to fund single purpose grants, 15 percent shall be
33 reserved for economic development grants, and 55 percent shall
34 be reserved by the office to fund comprehensive grants.

1 However, the office may modify the proportions of funds
2 available for single purpose and comprehensive grants if, after
3 review of all applications, it determines that there is a
4 shortage of fundable applications in either category.

5 At least 30 percent of the funds made available for single
6 purpose grants shall be awarded for applications in each of the
7 two categories: housing and public facilities. However, no
8 application with a rating below the median score for its
9 category shall be funded by the office solely for the purpose of
10 meeting this requirement.

11 If there are unawarded economic development funds available
12 at the end of the application year, two-thirds of the remaining
13 funds will be available for competitive single purpose projects
14 and one-third will be available for economic development
15 projects during the next application year.

16 Subp. 3. to 5. [Unchanged.]

17 Subp. 6. **Grant ceilings.** No competitive single purpose
18 grant may be approved for an amount over \$600,000. No
19 comprehensive grant may be approved for an amount over
20 \$1,400,000. No economic development grant may be approved for
21 an amount over \$500,000.

22 4300.3100 GRANT AGREEMENTS.

23 Subpart 1. and 2. [Unchanged.]

24 Subp. 3. **Use of program income.** Program income from
25 sources such as reimbursements to and interest from a grant
26 recipient's loan program, proceeds from disposition of real
27 property, and proceeds from special assessments must be used for
28 eligible activities. The office shall reduce future grant
29 payments by the amount of any unobligated program income that an
30 applicant has and shall take whatever additional action is
31 necessary to recover any remaining amounts owed.

32 Subp. 4. to 7. [Unchanged.]

33 4300.3200 RECORD KEEPING AND MONITORING.

34 Subpart 1. [Unchanged.]

35 Subp. 2. **Audits.** Grant recipients must arrange for and

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1 pay for an acceptable independent audit prepared in compliance
2 with OMB Circular A-128, which was published in the Federal
3 Register, volume 50, number 188, page 39083, on September 27,
4 1985, and the Single Audit Act of 1984, Public Law Number
5 98-502, codified as 31 U.S.C. sections 7501-7507. Costs
6 incurred pursuant to this requirement are eligible under this
7 program.

8 Subp. 3. to 5. [Unchanged.]

9

10 REPEALER. Minnesota Rules, part 4300.1100, subpart 3 is
11 repealed.