

1 Minnesota Housing Finance Agency

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3 Adopted Permanent Rules Relating to Housing Trust Fund

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5 Rules as Adopted

6 4900.1920 SCOPE.

7 Parts 4900.1920 to 4900.1924 govern the implementation of
8 the housing trust fund housing program for low-income persons
9 and families.

10 4900.1921 DEFINITIONS.

11 Subpart 1. **Agency.** "Agency" means the Minnesota Housing
12 Finance Agency created by Minnesota Statutes, sections 462A.01
13 to 462A.24.

14 Subp. 2. **Applicant.** "Applicant" means one or more
15 entities that submit an application to the agency for a grant or
16 loan from the housing trust fund account to assist in the
17 development, construction, acquisition, preservation, and
18 rehabilitation of rental and limited equity cooperative housing
19 units for low-income persons and families.

20 Subp. 3. **Application.** "Application" means a submittal
21 requesting a grant or loan from the housing trust fund account
22 to assist in the development, construction, acquisition,
23 preservation, and rehabilitation of rental and limited equity
24 cooperative housing units for low-income persons and families.

25 Subp. 4. **Low-income persons and families.** "Low-income
26 persons and families" means persons and families whose annual
27 gross income at the time the person or family originally
28 occupied the unit was at or below 30 percent of the median
29 family income for the metropolitan area as defined in Minnesota
30 Statutes, section 473.121, subdivision 2.

31 Subp. 5. **Housing trust fund account.** "Housing trust fund
32 account" means a separate account in the housing development
33 fund consisting of:

- 34 A. money appropriated and transferred from other
35 state funds;

1 B. interest accrued from real estate trust accounts;

2 C. gifts, grants, and donations received from the
3 United States, private foundations, and other sources; and

4 D. money made available to the agency for the purpose
5 of the account from other sources.

6 Subp. 6. Program. "Program" means the housing trust fund
7 housing program for low-income persons and families.

8 Subp. 7. Project. "Project" means housing receiving a
9 loan or grant under the housing trust fund housing program for
10 low-income persons and families.

11 4900.1922 ELIGIBLE APPLICATIONS.

12 To be eligible for selection as a recipient of a grant or
13 loan under the program, an applicant must satisfy the
14 requirements in items A and B.

15 A. The proposed project must substantially consist of
16 residential housing and other housing related services such as
17 community spaces or parking facilities, with at least 75 percent
18 of the units rented to or cooperatively owned by low-income
19 persons and families.

20 B. The application must include a comprehensive plan
21 for the development and management of housing for low-income
22 persons and document the ability of the applicant to develop and
23 maintain that housing for a period of time specified by the
24 agency. At a minimum, this plan must include:

25 (1) documentation of a need for the type of
26 housing in the proposed geographic area;

27 (2) a description of the applicants' goals and
28 objectives in meeting the area's need for the type of housing;

29 (3) a detailed description of how the housing
30 will be developed and managed, including:

31 (a) a description of the proposed site for
32 the housing;

33 (b) preliminary architectural plans for the
34 development;

35 (c) qualifications of the development and

1 management staff; and

2 (d) a proposed tenant selection plan;

3 (4) a detailed budget for the development of the
4 proposed housing showing all development costs and the sources
5 of funds to pay them;

6 (5) a detailed budget for the operation of the
7 housing showing all anticipated operating costs and the proposed
8 rents and other income; and

9 (6) documentation of the experience and fiscal
10 responsibility and capability of the applicant or fiscal agent
11 of the applicant in developing similar housing.

12 4900.1923 ELIGIBLE APPLICANTS.

13 To be eligible for selection as a recipient of a grant or
14 loan under the program, an applicant must be an individual, a
15 nonprofit entity, a for profit entity, a cooperative housing
16 corporation, a Minnesota city, a joint powers board established
17 by two or more cities, or a Minnesota housing and redevelopment
18 authority created under Minnesota Statutes, sections 462.415 to
19 462.705, with the authority to enter into any loan or grant
20 documents that may be required by the agency.

21 4900.1924 SELECTION CRITERIA.

22 The agency shall take the following criteria into
23 consideration when determining whether an application and
24 applicant will be selected for a grant or loan under the program:

25 A. the prior experience of the applicant in
26 development and managing similar residential housing;

27 B. the extent to which grant funds are combined with
28 other funds from private or public sources to make the
29 development economically feasible;

30 C. the ability of the applicant to proceed
31 expeditiously with the development;

32 D. the documented need for this type of residential
33 housing in the proposed geographic area;

34 E. the cost and quality of the proposed housing;

35 F. the extent to which the amount of rent to be

1 charged is less than 30 percent of the income of the low-income
2 person leasing the housing unit;

3 G. the geographic area to be serviced, to the end
4 that a reasonable distribution of low-income housing can be
5 achieved; and

6 H. the extent of community support for this type of
7 development.