

1 Department of Trade and Economic Development

2

3 Adopted Permanent Rules Relating to Community Block Grants

4

5 Rules as Adopted

6 4300.0100 DEFINITIONS.

7 Subpart 1. **Scope.** As used in this chapter, the following  
8 terms have the meanings given them.

9 Subp. 2. **Application year.** "Application year" means the  
10 state fiscal year beginning July 1 and ending June 30.

11 Subp. 2a. **Commissioner.** "Commissioner" means the  
12 commissioner of the Minnesota Department of Trade and Economic  
13 Development.

14 Subp. 2b. **Community development application.** "Community  
15 development application" means the official consolidated  
16 application form as developed by the Department of Trade and  
17 Economic Development to be used to apply for funding assistance  
18 from various community assistance programs administered by the  
19 community development division.

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

21 Subp. 5a. **Division.** "Division" means the community  
22 development division in the Department of Trade and Economic  
23 Development to which the program is assigned.

24 Subp. 6. to 9. [Unchanged.]

25 Subp. 10. **Grant close out.** "Grant close out" means the  
26 process by which the division determines that all applicable  
27 administrative actions and all required work have been completed  
28 by the grant recipient and the department.

29 Subp. 11. **Grant year.** "Grant year" means any period of  
30 time during which the United States Department of Housing and  
31 Urban Development makes funds from any federal fiscal year  
32 available to the state for distribution to local governments  
33 under United States Code, title 42, sections 5301 to 5316  
34 (1981), and includes the period of time during which the  
35 division solicits applications and makes grant awards.

1 Subp. 11a. **Housing and community development needs**  
2 **assessment.** "Housing and community development needs assessment"  
3 means an analysis of priority community needs as required by  
4 Section 104 of the Housing and Community Development Act of  
5 1974, United States Code, title 42, section 5304(b)(3).

6 Subp. 12. to 15. [Unchanged.]

7 Subp. 16. [See Repealer.]

8 Subp. 17. to 20. [Unchanged.]

9 Subp. 21. **Program area.** "Program area" means a defined  
10 geographic area within which an applicant has determined that  
11 there exists a need for community development activities. A  
12 program area may be a neighborhood in a community or an entire  
13 community.

14 Subp. 22. and 23. [Unchanged.]

15 Subp. 24. [See Repealer.]

16 Subp. 25. [Unchanged.]

17 Subp. 26. **Single purpose project.** "Single purpose project"  
18 means one or more activities designed to meet a specific housing  
19 or public facilities community development need within a defined  
20 program area.

21 Subp. 27. [Unchanged.]

## 22 4300.0200 PURPOSE.

23 This Chapter gives procedures for evaluating applications  
24 for grants and awarding them to eligible applicants by the  
25 Department of Trade and Economic Development under United States  
26 Code, title 42, sections 5301 to 5316 (1981), and regulations  
27 adopted in Code of Federal Regulations, title 24, part 570, and  
28 under Minnesota Statutes, section 116J.873.

## 29 4300.1100 TYPES OF COMPETITIVE GRANTS AVAILABLE.

30 Subpart 1. **Single purpose grants.** The division shall  
31 approve grant applications for funding for single purpose  
32 projects. The division shall place single purpose grant  
33 applications in one of the following categories for purposes of  
34 evaluation:

35 A. housing projects which include one or more

1 activities designed to increase the supply or quality of  
2 dwellings suited to the occupancy of individuals and families;  
3 or

4 B. public facilities projects which include one or  
5 more activities designed to acquire, construct, reconstruct, or  
6 install buildings or infrastructure which serve a neighborhood  
7 area or community.

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

11 4300.1101 **ECONOMIC DEVELOPMENT GRANTS; NONCOMPETITIVE.**

12 The division shall approve grants for economic development  
13 projects for funding throughout the application year, or until  
14 the funds reserved have been exhausted.

15 4300.1200 **APPLICATION PROCESS AND REQUIREMENTS.**

16 Subpart 1. **Community development application manual.** The  
17 division shall make the community development application  
18 manual, additional instructional materials, and forms available  
19 on a year-round basis. The manual and additional materials and  
20 forms shall instruct applicants in the preparation of  
21 applications and describe the method by which the division will  
22 evaluate and rank applications.

23 Subp. 2. **Eligibility requirements.** Any unit of general  
24 purpose local government, including cities, counties, and  
25 townships located in a nonentitlement area or electing exclusion  
26 from an urban county under United States Code, title 42, section  
27 5302 (1981), may apply for a grant. An eligible applicant may  
28 apply on behalf of other eligible applicants. Applications  
29 submitted on behalf of other applicants must be approved by the  
30 governing body of all local governments party to the  
31 application. An eligible applicant may receive only one  
32 competitive grant per grant year and no eligible applicant shall  
33 be included in more than one competitive application. An  
34 eligible applicant may receive one economic development grant in  
35 addition to a competitive grant each application year.

1           Subp. 3. Disqualification of applicants. Applications  
2 from otherwise eligible applicants shall be disqualified where  
3 for previously awarded grants under these parts or awarded by  
4 the Department of Housing and Urban Development under United  
5 States Code, title 42, section 5306 (1981), it is determined by  
6 the division that any of the following conditions exist:

7           A. there are outstanding audit findings on previous  
8 community development grants and the grantee has not objected on  
9 a reasonable basis to the findings or demonstrated a willingness  
10 to resolve the findings;

11           B. previously approved projects have passed scheduled  
12 dates for grant close out and the grantee's ability to complete  
13 the project in an expeditious manner is in question; or

14           C. the applicant has not made scheduled progress on  
15 previously approved projects and the grantee's ability to  
16 complete the project in an expeditious manner is in question.

17           Subp. 4. Contents of community development application.  
18 The contents of a community development application must be  
19 consistent with the informational requirements of this chapter  
20 and must be on a form prescribed by the division. A complete  
21 community development application shall include, but not be  
22 limited to:

23           A. needs narrative, summarizing the needs for the  
24 proposed project;

25           B. project summary, summarizing the activities to be  
26 completed and the scope of the project;

27           C. activities and budget, detailing the estimates  
28 associated with each proposed activity;

29           D. assurances, necessary to comply with the federal  
30 or state requirements as a prerequisite to receiving state or  
31 federal funding;

32           E. resolution, from the submission of the local  
33 government applicant approving the application and authorizing  
34 execution of the grant agreement according to the requirements  
35 of the community development division if funds are made  
36 available; and

1 F. supporting materials, attachments that are  
2 designed to verify or support information in items A to E.

3 The division may request additional information from the  
4 applicant if it is necessary to clarify and evaluate the  
5 application.

6 Subp. 5. Time limit for submitting applications. While  
7 competitive applications may be submitted at any time during the  
8 year, a formal yearly closing date for receipt of applications  
9 shall be established. Complete competitive applications shall  
10 be evaluated following the closing date for competitive  
11 applications. The notice must be published in the State  
12 Register at least 120 days before the closing date. Economic  
13 development project applications may be submitted at any time  
14 during the application year.

15 Subp. 6. Regional review. The applicant must submit a  
16 complete copy of the application to the Regional Development  
17 Commission, where such a commission exists, or the Metropolitan  
18 Council, where it has jurisdiction, for review and comment in  
19 accordance with Minnesota Statutes, section 462.391, subdivision  
20 3, or Minnesota Statutes, section 473.171, respectively.

21 4300.1400 COMPARISON OF ALL COMPETITIVE APPLICATIONS; GENERAL  
22 COMPETITION.

23 Subpart 1. Points available. Thirty percent of the total  
24 available points shall be awarded by the division based on a  
25 general competition involving a comparison of all applications.

26 Subp. 2. Evaluation of community need. Two-thirds of the  
27 points in the general competition shall be awarded based on  
28 evaluation of community need, which shall include:

29 A. the number of poverty persons in the area under  
30 the applicant's jurisdiction;

31 B. the percentage of persons resident in the area  
32 under the applicant's jurisdiction who are poverty persons; and

33 C. the per capita assessed valuation of the area  
34 under the jurisdiction of the applicant, such that points are  
35 awarded in inverse relationship to applicants' per capita

1 assessed valuation.

2 Subp. 3. Evaluation of other factors. One-third of the  
3 points in the general competition shall be awarded based on  
4 evaluation of:

5 A. the extent to which the proposed activities are  
6 compatible with the housing and community development needs  
7 assessment; and

8 B. adequacy of the applicant's management and  
9 financial plan.

10

11 REPEALER. Minnesota Rules, part 4300.0100, subparts 16 and  
12 24, are repealed.