

1 Housing Finance Agency

2

3 Adopted Permanent Rules Relating to Housing Preservation Program

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5 Rules as Adopted

6 4900.0010 DEFINITIONS.

7 [For text of subps 1 to 22, see M.R. 1989]

8 Subp. 23. **Persons and families of low and moderate**

9 **income.** "Persons and families of low and moderate income" means:

10 [For text of items A to E, see M.R. 1989]

11 F. With respect to the Housing Preservation Program
12 under parts 4900.2200 to 4900.2270, persons and families whose
13 gross annual income does not exceed 100 percent of the median
14 family income for the county in which the target area is
15 located, as determined from time to time by the United States
16 Department of Housing and Urban Development.

17 HOUSING PRESERVATION PROGRAM

18 4900.2200 SCOPE.

19 Parts 4900.2200 to 4900.2270 govern implementation of the
20 Housing Preservation Program established by Minnesota Statutes,
21 section 462A.203.

22 4900.2210 DEFINITIONS.

23 Subpart 1. **Scope.** As used in parts 4900.2200 to
24 4900.2270, the following terms have the meanings given them in
25 this part.

26 Subp. 2. **Agency.** "Agency" means the Minnesota Housing
27 Finance Agency.

28 Subp. 3. **City.** "City" has the meaning given in Minnesota
29 Statutes, section 462C.02, subdivision 6.

30 Subp. 4. **Eligible borrower.** "Eligible borrower" means:

31 A. eligible mortgagors as defined in Minnesota
32 Statutes, section 462A.03, subdivision 13; or

33 B. noneligible mortgagors who are natural persons or
34 families whose gross annual household income is greater than 100

1 percent, but no greater than 110 percent, of the median family
2 income for the county in which the target area is located, as
3 determined from time to time by the United States Department of
4 Housing and Urban Development.

5 Subp. 5. Housing Preservation Program. "Housing
6 Preservation Program" means the program administered under parts
7 4900.2200 to 4900.2270.

8 Subp. 6. Revolving loan. "Revolving loan" means an
9 extension of credit to an eligible borrower requiring repayment
10 of all principal at some future date, with or without interest,
11 for the acquisition, improvement, or rehabilitation of
12 residential buildings for the purpose of preserving eligible
13 housing.

14 Subp. 7. Target area. "Target area" is the area described
15 in Minnesota Statutes, section 462A.203, subdivision 2.

16 4900.2220 PROGRAM PURPOSE.

17 The agency shall make grants to cities to establish
18 revolving loan programs that will operate in target areas. Loan
19 recipients shall use the revolving loans for housing
20 acquisition, improvement, or rehabilitation.

21 4900.2230 LOAN TERMS.

22 Cities shall make loans with terms appropriate for the type
23 of building and useful life of improvements, unless conditions
24 documented by a city require more liberal terms as incentive for
25 owner participation.

26 4900.2240 TARGET AREAS.

27 Target areas shall be designated by city council resolution.
28 Changes in a target area's boundaries must also be designated by
29 city council resolution and approved by the agency.

30 4900.2250 MATCHING FUNDS.

31 A grant made under the Housing Preservation Program must be
32 equally matched by city commitment of one or more of the
33 following resources:

34 A. money from the general fund or a special fund;

1 B. funds paid or repaid to the community from other
2 grant awards;

3 C. funds to install, repair, or improve target area
4 infrastructure;

5 D. fees from community development activities;

6 E. financial contributions to support general
7 obligation or revenue bonds issued for the Housing Preservation
8 Program, or a project connected with the program; or

9 F. the greater of market value or cost to the city of
10 land, buildings, equipment, or other real or personal property
11 granted or loaned to a for-profit or nonprofit corporation or
12 other entity or individual for use in implementing the program.

13 4900.2260 ADVISORY COMMITTEE.

14 Before making any loans, a city must establish an advisory
15 committee to assist in implementing the program. The city shall
16 determine this committee's composition and responsibilities.

17 4900.2270 GRANT PROPOSAL SELECTION.

18 From time to time the agency may request proposals for
19 grants from cities and shall receive proposals for at least 60
20 days. Only one target area may be included in each proposal
21 submitted, but a city may submit proposals for more than one
22 target area.

23 The agency shall select grant proposals for funding based
24 on the following factors:

25 A. the extent of substandard or hazardous housing
26 conditions in the target area, the impact the program will have
27 in reducing or eliminating them;

28 B. the extent to which displacement of low and
29 moderate income tenants will be minimized;

30 C. adequacy of documentation, including that required
31 to establish target area eligibility;

32 D. revolving loan fund characteristics, and the
33 extent to which proposed lending activities do not duplicate
34 available agency programs that are adequately funded;

35 E. administrative capabilities of the city or the

1 entity that will administer the program on behalf of the city;
2 and

3 F. the geographic area to be serviced, the size of
4 grant request or other factors, to the end that a reasonable
5 distribution of resources can be achieved across the state.