

1 Minnesota Housing Finance Agency

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3 Adopted Permanent Rules Relating to Capacity Building Revolving  
4 Loan Program

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6 Rules as Adopted

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CAPACITY BUILDING REVOLVING LOAN PROGRAM

8 4900.1925 SCOPE.

9 Parts 4900.1925 to 4900.1930 govern the implementation of  
10 the capacity building revolving loan program.

11 4900.1926 DEFINITIONS.

12 Subpart 1. **Scope.** The terms used in parts 4900.1925 to  
13 4900.1930 have the meaning given them in this part.

14 Subp. 2. **Agency.** "Agency" means the Minnesota Housing  
15 Finance Agency created by Minnesota Statutes, sections 462A.01  
16 to 462A.24.

17 Subp. 3. **Application.** "Application" means a submittal  
18 requesting a loan from the capacity building revolving loan  
19 program.

20 Subp. 4. **Applicant.** "Applicant" means one or more  
21 entities that submit an application to the agency for a loan  
22 under the capacity building revolving loan program.

23 Subp. 5. **Capacity building loan or loan.** "Capacity  
24 building loan" or "loan" means a disbursement of funds to an  
25 eligible applicant under the capacity building revolving loan  
26 program.

27 Subp. 6. **Program.** "Program" means the capacity building  
28 revolving loan program as authorized by Minnesota Statutes,  
29 section 462A.21, subdivision 3a.

30 Subp. 7. **Project.** "Project" means the housing to be  
31 developed by the applicant as described in the program  
32 application.

33 4900.1927 ELIGIBLE APPLICANTS.

34 To be eligible for selection as a recipient of a loan under

1 this program, an applicant must be either:

2           A. a Minnesota nonprofit entity as defined in part  
3 4900.0010, subpart 21, including, but not limited to, a housing  
4 and redevelopment authority established under Minnesota  
5 Statutes, sections 469.001 to 469.047, or a regional development  
6 commission established under Minnesota Statutes, section  
7 462.387; or

8           B. a town or home rule charter or statutory city in  
9 the state of Minnesota.

10 4900.1928 ELIGIBLE APPLICATIONS.

11           The applicant must provide an application in the form  
12 prescribed by the agency. At a minimum, the application shall  
13 include the following:

14           A. a complete description of the project including:

15                   (1) a statement of the applicant's goals and  
16 objectives for the project;

17                   (2) a description of the site;

18                   (3) a description of the construction or  
19 rehabilitation to be completed; and

20                   (4) a description of the population for which the  
21 housing is being developed;

22           B. a proposed budget for the project including:

23                   (1) a budget for the development of the project  
24 showing all development costs;

25                   (2) a budget for the operation of the project  
26 showing all anticipated operating costs, the proposed rents, and  
27 other sources of income; and

28                   (3) sources of funding sought or secured for the  
29 project;

30           C. a proposed budget for the use of loan funds  
31 received from the capacity building revolving loan program; and

32           D. a proposed timetable for the project, including a  
33 schedule for repayment of loan funds.

34 4900.1929 ELIGIBLE USES OF LOAN FUNDS.

35           All expenses must be reimbursable under the sources of

1 financing proposed for the project. The following are eligible  
2 uses of loan funds:

3           A. architectural, engineering, or related  
4 professional services required in the preparation of  
5 construction or rehabilitation plans, drawings, or write-ups;

6           B. costs of processing and closing the financing for  
7 a project such as lender origination fees, credit reports, fees  
8 for title insurance, fees for recording and filing legal  
9 documents, attorney's fees, and appraisal fees;

10           C. costs of contracting with a consultant and  
11 in-house staff costs related to the planning, processing, or  
12 preparation of a project proposal. Costs must be documentable,  
13 directly related to a specific project, and tied to a  
14 recoverable source of funds at closing;

15           D. studies and analyses of housing needs related to a  
16 particular housing project, including market feasibility  
17 studies;

18           E. earnest money or option deposits on land and  
19 buildings; and

20           F. other activities necessary to finance, design, or  
21 plan a specific housing project for low- and moderate-income  
22 residents prior to the construction or rehabilitation of the  
23 project.

24 4900.1930 SELECTION CRITERIA.

25           The agency shall take the following criteria into  
26 consideration when determining whether an application and an  
27 applicant will be selected for a loan under the program:

28           A. the likelihood of repayment of the loan funds, as  
29 determined by standard underwriting procedures of the agency;

30           B. the ability of the applicant to proceed  
31 expeditiously with the project;

32           C. the cost and quality of the proposed housing;

33           D. the extent to which the proposed project meets the  
34 housing needs of the community;

35           E. the extent to which the project will build the

1 organization's capacity to provide housing and housing related  
2 services; and

3 F. the geographic distribution of loan funds, to the  
4 extent that loan funds can be used to assist projects throughout  
5 the state.