

1 Minnesota Housing Finance Agency

2

3 Adopted Permanent Rules Relating to Rental Housing Loans for  
4 Individuals

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6 Rules as Adopted

7 4900.2800 SCOPE.

8 Parts 4900.2800 to 4900.2805 govern the implementation of  
9 rental housing loan programs for individuals authorized under  
10 Minnesota Statutes, section 462A.21, subdivision 8c.

11 4900.2801 DEFINITIONS.

12 Subpart 1. **Scope.** The terms used in parts 4900.2800 to  
13 4900.2805 have the meanings 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. **Applicant.** "Applicant" means one or more  
18 entities that submit an application to the agency for a loan  
19 under a rental housing program for individuals.

20 Subp. 4. **Application.** "Application" means a submittal  
21 requesting a loan from a rental housing program for individuals.

22 Subp. 5. **Development.** "Development" means the housing to  
23 be constructed or rehabilitated by the applicant as described in  
24 the program application.

25 Subp. 6. **Loan.** "Loan" means a disbursement of funds to an  
26 eligible applicant under a rental housing program for  
27 individuals.

28 Subp. 7. **Rental housing for individuals.** "Rental housing  
29 for individuals" means rental housing consisting of single  
30 rooms, efficiency units, or one bedroom units.

31 Subp. 8. **Rental housing program for individuals.** "Rental  
32 housing program for individuals" means a loan program authorized  
33 by Minnesota Statutes, section 462A.21, subdivision 8c, for the  
34 acquisition or rehabilitation of rental housing for individuals.

1 4900.2802 ELIGIBLE APPLICANTS.

2 Subpart 1. **Property interest.** An applicant for a rental  
3 housing program loan for individuals must, at the time of  
4 application, possess one of the following interests in the  
5 property:

6 A. a fee title;

7 B. a fee title subject to a mortgage or other lien  
8 securing a debt capable of prepayment or, at the option of the  
9 agency, subordination; or

10 C. a mutually binding contract or option for the  
11 purchase of fee title.

12 Subp. 2. **Applicant eligibility.** To be eligible for  
13 selection as a recipient of a loan from a rental housing program  
14 for individuals, an applicant must be:

15 A. a Minnesota nonprofit entity as defined in part  
16 4900.0010, subpart 21, including, but not limited to, a housing  
17 and redevelopment authority established under Minnesota  
18 Statutes, sections 469.001 to 469.047;

19 B. a town or home rule charter or statutory city in  
20 Minnesota;

21 C. a cooperative housing corporation as defined in  
22 part 4900.0010, subpart 8;

23 D. a limited dividend entity as defined in part  
24 4900.0010, subpart 14; or

25 E. a for-profit entity to the extent authorized under  
26 Minnesota Statutes, section 462A.21, subdivision 8c.

27 4900.2803 ELIGIBLE APPLICATIONS.

28 The applicant must provide an application in the form  
29 prescribed by the agency. At a minimum, the application shall  
30 include the following:

31 A. information describing the site of the proposed  
32 development including the location, present use and zoning,  
33 surrounding land uses, and distance to transportation,  
34 commercial, and social services;

35 B. a description of the proposed housing development

1 including the building type, the size and number of dwelling  
2 units, and the characteristics of the development that make it  
3 appropriate for residency by individuals;

4 C. information with respect to the market for the  
5 proposed development including reports of market surveys or  
6 analyses, documentation of need for the development, and a  
7 proposed marketing and tenant selection plan;

8 D. a description of the construction or  
9 rehabilitation to be completed including a schedule of the  
10 proposed uses of any requested loan funds and the amounts  
11 proposed to be allocated to each use;

12 E. detailed budget for the development showing all  
13 development costs, operating costs, sources of financing sought  
14 and secured, proposed rent schedule, and any other sources of  
15 income; and

16 F. a timetable for completion of the development.

17 4900.2804 REQUIRED OCCUPANCY.

18 The dwelling units developed with loan funds from a rental  
19 housing program for individuals must be occupied by individuals  
20 whose adjusted income at the time of the initial occupancy does  
21 not exceed 30 percent of the area median income, with the area  
22 median income defined as: the greater of the county median  
23 income or the Minnesota nonmetro median average as either is  
24 defined by the United States Department of Housing and Urban  
25 Development.

26 4900.2805 SELECTION CRITERIA.

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

30 A. the documented need for the residential housing in  
31 the proposed geographic area;

32 B. the ability of the applicant to proceed  
33 expeditiously with the development;

34 C. the applicant's prior experience in developing,  
35 owning, and operating residential housing;

- 1           D. the cost and quality of the proposed housing;
- 2           E. geographic distribution of loan funds, to the
- 3 extent that loan funds can be used to assist projects throughout
- 4 the state;
- 5           F. the relationship of the proposed development to
- 6 public facilities, sources of employment, and services,
- 7 including public transportation, health, education, and
- 8 recreation facilities;
- 9           G. the appropriateness of the development for
- 10 occupancy by individuals; and
- 11           H. the extent to which the loan funds are combined
- 12 with other sources of funding to make the development
- 13 economically feasible and rents affordable for low income
- 14 individuals.