

1 Minnesota Housing Finance Agency

2

3 Adopted Permanent Rules Relating to Publicly-Owned Transitional
4 Housing

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6 Rules as Adopted

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PUBLICLY-OWNED TRANSITIONAL HOUSING

8 4900.3100 SCOPE.

9 Parts 4900.3100 to 4900.3130 govern the implementation of
10 the publicly-owned transitional housing program.

11 4900.3110 DEFINITIONS.

12 Subpart 1. **Scope.** The terms used in parts 4900.3100 to
13 4900.3130 have the meaning given them in this part.

14 Subp. 2. **Agency.** "Agency" means the Minnesota Housing
15 Finance Agency.

16 Subp. 3. **Applicant.** "Applicant" means one or more
17 entities that submit an application for a transitional housing
18 program grant.

19 Subp. 4. **Application.** "Application" means a submittal
20 requesting a transitional housing program grant to pay the cost
21 of the acquisition, improvement, or rehabilitation of a
22 structure to provide transitional housing for low and moderate
23 income persons.

24 Subp. 5. **Local government unit.** "Local government unit"
25 means a city as defined in Minnesota Statutes, section 462C.02,
26 subdivision 6.

27 Subp. 6. **Persons and families of low and moderate income.**
28 "Persons and families of low and moderate income" means those
29 persons and families whose income does not exceed 50 percent of
30 the statewide median household income as estimated by the United
31 States Department of Housing and Urban Development.

32 Subp. 7. **Resolution Trust Corporation.** "Resolution Trust
33 Corporation" means the corporation created pursuant to United
34 States Code, title 12, section 1811 et seq., or its subsidiaries
35 or assignees.

1 Subp. 8. **Structure.** "Structure" means a building to be
2 acquired, improved, or rehabilitated for use as transitional
3 housing.

4 Subp. 9. **Support services.** "Support services" means
5 services that identify the needs of individuals for independent
6 living, develop individualized plans to achieve independent
7 living, and arrange or provide for appropriate educational,
8 social, legal, advocacy, child care, employment, financial, or
9 information and referral services to meet these needs.

10 Subp. 10. **Transitional housing.** "Transitional housing"
11 means housing provided for a limited duration not exceeding 24
12 months and available for occupancy on a continuous 24-hour basis.

13 Subp. 11. **Transitional housing program grant.**
14 "Transitional housing program grant" means an appropriation of
15 money to an eligible applicant under the authority granted in
16 Minnesota Statutes, section 462A.202, subdivision 2.

17 4900.3120 ELIGIBILITY.

18 Subpart 1. **Applicants.** To be eligible for selection for a
19 grant, an applicant shall satisfy the requirements in items A to
20 E.

21 A. The applicant must be a local government unit.

22 B. The applicant must provide a comprehensive plan
23 for meeting the existing need for transitional housing and for
24 the placement of persons in independent housing. At a minimum,
25 this plan must include:

26 (1) documentation of a need for transitional
27 housing by the population to be served by the structure;

28 (2) a description of the applicant's goals and
29 objectives for meeting the special needs of the population to be
30 served;

31 (3) documentation of an ability to provide
32 support services to assist persons in moving into independent or
33 appropriate supportive living situations;

34 (4) a detailed budget for the operation of the
35 transitional housing program for the first year and projected

1 budgets for future years; and

2 (5) a detailed budget for the acquisition and
3 rehabilitation of the structure.

4 C. The applicant shall document fiscal responsibility
5 and the ability to complete the construction, acquisition, or
6 modification of the structure and to maintain the structure in
7 accordance with its funded use for a specific period of time.

8 D. The applicant must agree to retain ownership of
9 the property for at least 20 years. After 20 years, the sale of
10 a property before the expiration of its useful life must be at
11 its fair market value, and the net proceeds of the sale must be
12 used for the same purpose or repaid to the agency for deposit in
13 the local government unit housing account. The applicant may
14 contract with a nonprofit or for-profit organization to manage
15 the property, including the improvement or rehabilitation of the
16 property, and to operate a transitional housing program on the
17 property on behalf of the applicant.

18 E. Where the applicant intends to contract with a
19 nonprofit or for-profit organization to develop or manage the
20 property or to operate the transitional housing program, the
21 nonprofit or for-profit organization may provide any or all of
22 the information required under items B and C.

23 Subp. 2. Structures. To be eligible for selection for a
24 grant, a proposed transitional housing structure must satisfy
25 the requirements in items A to D.

26 A. The structure must provide transitional housing
27 for persons and families of low and moderate income.

28 B. The structure must provide a physical environment
29 that is responsive to the needs of the population to be served.

30 C. The structure must comply with applicable state
31 and local codes, zoning ordinances, land use provisions, and
32 laws.

33 D. The structure must be located in Minnesota.

34 4900.3130 SELECTION CRITERIA FOR GRANTS.

35 Preference shall be given to local units of government that

1 propose to acquire properties being sold by the Resolution Trust
2 Corporation or the Department of Housing and Urban Development.

3 In addition, the agency shall take the following criteria
4 into consideration when determining which applications will be
5 funded:

6 A. the extent to which the grant is combined with
7 funds or in-kind contributions from other public and private
8 sources;

9 B. the availability and source of funds to pay the
10 cost of acquisition, construction, or rehabilitation of the
11 structure not funded by the grant;

12 C. the availability and source of funds to pay the
13 ongoing costs of the support services;

14 D. the distribution of funds to service a variety of
15 populations including, but not limited to, families with
16 children, couples, single persons, and persons leaving a shelter
17 for family abuse;

18 E. the geographic distribution of the funded
19 applications within the state;

20 F. the immediacy of the need documented for temporary
21 housing in the area in which the structure is located;

22 G. if the applicant requests funding for a structure
23 in which a transitional housing program is currently operating:

24 (1) the need for additional transitional housing
25 in the area and the extent to which additional transitional
26 housing will be produced if the application is funded; or

27 (2) the extent to which funding for ongoing
28 operating costs is declining and government ownership of the
29 structure will ensure continued operation of the program;

30 H. the capacity of the applicant to proceed promptly
31 with the acquisition, improvement, or rehabilitation of the
32 structure;

33 I. the amount of the grant requested as compared to
34 the total resources available for these grants;

35 J. the extent to which the application receives the
36 support and participation of the local community;

1 K. the geographic location of the structure in
2 relation to support services, retail facilities, recreational
3 facilities, medical facilities, and transportation;

4 L. the reasonableness of the acquisition,
5 improvement, or rehabilitation cost with preference given to
6 applications that minimize the cost per transitional housing
7 units produced;

8 M. the extent to which the application uses
9 innovative cost-effective support services that are appropriate
10 to the needs of the population served; and

11 N. the experience of the applicant, or if the
12 applicant proposes to contract with a nonprofit or for-profit
13 organization, then the experience of the nonprofit or for-profit
14 organization in developing or managing housing, providing
15 support services, and servicing the specific target population
16 of homeless persons.