

1 Housing Finance Agency

2

3 Adopted Permanent Rules Relating to Rent Assistance for Family  
4 Stabilization Demonstration Program

5

6 Rules as Adopted

7 RENT ASSISTANCE FOR FAMILY STABILIZATION  
8 DEMONSTRATION PROGRAM

9 4900.3370 SCOPE.

10 Parts 4900.3370 to 4900.3380 govern the implementation of  
11 the rent assistance for family stabilization demonstration  
12 program under Minnesota Statutes, section 462A.205.

13 4900.3371 DEFINITIONS.

14 Subpart 1. **Scope.** The terms used in parts 4900.3372 to  
15 4900.3380 have the meanings given them in this part.

16 Subp. 2. **Agency.** "Agency" means the Minnesota Housing  
17 Finance Agency.

18 Subp. 3. **Caretaker parent.** "Caretaker parent" means a  
19 parent, caretaker relative, or minor parent as defined by the  
20 aid to families with dependent children program in Minnesota  
21 Statutes, sections 256.72 to 256.87.

22 Subp. 4. **Counties with high average housing costs.**  
23 "Counties with high average housing costs" means counties whose  
24 average federal section 8 fair market rents for existing housing  
25 as determined by the United States Department of Housing and  
26 Urban Development are in the highest one-third of average rents  
27 in the state at the time of application.

28 Subp. 5. **Designated rental property.** "Designated rental  
29 property" means rental property that:

30 A. is made available by a self-sufficiency program  
31 for use by participating families and meets federal section 8  
32 existing quality standards; or

33 B. has received federal, state, or local rental  
34 rehabilitation assistance since January 1, 1987, and meets  
35 federal section 8 existing housing quality standards.

1 Subp. 6. **Family or participating family.** "Family" or  
2 "participating family" means:

3 A. a family with a caretaker parent who is  
4 participating in a self-sufficiency program and with at least  
5 one minor child; or

6 B. a family that, at the time it began receiving rent  
7 assistance under parts 4900.3370 to 4900.3380, had a caretaker  
8 parent participating in a self-sufficiency program and had at  
9 least one minor child.

10 Subp. 7. **Gross family income.** "Gross family income" means  
11 the gross amount of the household's annual cumulative income  
12 including, but not limited to, wages, salaries, social security  
13 payments, pensions, workers' compensation, unemployment  
14 compensation, public assistance payments, alimony, child  
15 support, disability payments, veterans benefits, support and  
16 maintenance payments, and income from assets received by the  
17 family.

18 Subp. 8. **Housing cost.** "Housing cost" means the total  
19 monthly housing costs of a tenant including rent and utilities  
20 paid directly by the tenant, excluding, but not limited to cable  
21 television. (In most instances,) the utility allowance standard  
22 established by the United States Department of Housing and Urban  
23 Development for the section 8 existing program shall be used.

24 Subp. 9. **Local housing agency.** "Local housing agency"  
25 means the agency of local government responsible for  
26 administering the United States Department of Housing and Urban  
27 Development's section 8 existing voucher and certificate program.

28 Subp. 10. **Public assistance.** "Public assistance" means  
29 aid to families with dependent children as defined in Minnesota  
30 Statutes, sections 256.72 to 256.87, or family general  
31 assistance as defined in Minnesota Statutes, sections 256D.01 to  
32 256D.21.

33 Subp. 11. **Self-sufficiency program or program.**  
34 "Self-sufficiency program" or "program" means a program operated  
35 by a certified employment and training service provider as  
36 defined in Minnesota Statutes, section 256.736, subdivision 1a,

1 paragraph (e), an employability program administered by a  
2 community action agency as defined in Minnesota Statutes,  
3 section 268.53, or courses of study at an accredited institution  
4 of higher education pursued with at least half-time student  
5 status, or an established privately funded self-sufficiency  
6 program.

7 4900.3372 VOUCHER OPTION.

8 Subpart 1. **General description.** Under the voucher option,  
9 the agency shall award a number of rental assistance vouchers to  
10 self-sufficiency program administrators for use by participating  
11 families. Participating families may use the rental assistance  
12 voucher for rental housing that is certified by the local  
13 housing agency as meeting section 8 existing housing quality  
14 standards.

15 Subp. 2. **Responsibilities of self-sufficiency program**  
16 **administrator.** Self-sufficiency program administrators must  
17 select the caretaker parents whose families will receive the  
18 rent assistance. The self-sufficiency program administrator  
19 must notify the local housing agency and the agency of the  
20 following:

21 A. if the caretaker parent, before completion of a  
22 program, is no longer participating in or leaves a program;

23 B. if a caretaker parent who has discontinued  
24 participation in a program returns to the program; and

25 C. if a caretaker parent, after six months of  
26 discontinued participation in a program, has not returned to the  
27 program, is not employed at least half-time, or is not  
28 participating in another program.

29 The self-sufficiency program administrator must provide the  
30 caretaker parent who has discontinued participation in a program  
31 before completion with the notice specified in part 4900.3379.

32 The self-sufficiency program administrator must send a  
33 subsequent notice to the caretaker parent, the local housing  
34 agency, and the agency 60 days before termination of the housing  
35 assistance.

1           Subp. 3. **Responsibilities of local housing agency.** The  
2 local housing agency must administer the monthly rent  
3 assistance. It must:

4           A. certify that the rental property meets the federal  
5 section 8 existing housing quality standards before rent  
6 assistance is paid initially and must inspect the property  
7 annually, or as needed, to determine compliance with existing  
8 housing quality standards;

9           B. pay the rent assistance directly to the owner of  
10 the property;

11           C. require the property owner to enter into an  
12 approved standard lease agreement with the tenant that includes  
13 a clause providing for good cause evictions only;

14           D. recertify family eligibility on at least an annual  
15 basis to verify the family's current eligibility for housing  
16 assistance; and

17           E. if it has received a 60-day notice from a  
18 self-sufficiency program administrator under subpart 2 that a  
19 caretaker parent has discontinued participation in a program,  
20 notify the property owner that rental assistance may terminate  
21 and notify the caretaker parent of the termination of rental  
22 assistance under part 4900.3380.

23           Subp. 4. **Eligible application.** A local housing agency and  
24 a self-sufficiency program administrator must submit an  
25 application jointly to the agency for the rent assistance for  
26 family stabilization demonstration program. The applicants must  
27 provide an application in the form prescribed by the agency. At  
28 a minimum, the application shall include the following:

29           A. a description and history of the self-sufficiency  
30 program;

31           B. a description of how the caretaker parent  
32 participants are selected;

33           C. the amount of rental assistance subsidy requested;

34           D. descriptions and histories of the applicants,  
35 including funding sources; and

36           E. a three-year budget projection for the

1 self-sufficiency program.

2 Subp. 5. **Eligible applicants.** Eligible applicants are  
3 self-sufficiency program administrators that provide services to  
4 caretaker parents who reside in counties with high average  
5 housing costs and the local housing agency that administers the  
6 federal section 8 housing certificate and voucher program for  
7 the area.

8 4900.3373 PROJECT-BASED OPTION.

9 Subpart 1. **General description.** Under the project-based  
10 rental assistance option, the agency shall award a number of  
11 vouchers to self-sufficiency program administrators for use by  
12 participating families who live in designated rental property.  
13 Either the agency or a local housing agency may administer the  
14 monthly rent assistance. The responsibilities of  
15 self-sufficiency program administrators and either a local  
16 housing agency or the agency are as specified under part  
17 4900.3372, subparts 2 and 3.

18 Subp. 2. **Eligible application.** A self-sufficiency program  
19 administrator must submit an application to the agency for the  
20 rent assistance for family stabilization demonstration program.  
21 The applicant must provide an application in the form prescribed  
22 by the agency. At a minimum, the application shall include the  
23 following:

24 A. a description and history of the self-sufficiency  
25 program;

26 B. a description of how the caretaker parent  
27 participants are selected;

28 C. the amount of rental assistance subsidy requested;

29 D. a description and history of the applicant,  
30 including funding sources; and

31 E. a three-year budget projection for the  
32 self-sufficiency program.

33 Subp. 3. **Eligible applicants.** Eligible applicants are  
34 administrators of self-sufficiency programs as defined in part  
35 4900.3371, subpart 11, that provide services to caretaker

1 parents who reside in counties with high average housing costs.

2 4900.3374 SELECTION CRITERIA.

3 The agency must consider the following criteria when  
4 determining whether an applicant will receive rental assistance  
5 under the program:

6 A. the turnover rates of children in kindergarten  
7 through grade four in the area served by the self-sufficiency  
8 program;

9 B. the per capita public assistance usage in the area  
10 served by the self-sufficiency program;

11 C. the successful experience of the self-sufficiency  
12 program administrator in working with families on  
13 self-sufficiency goals;

14 D. the probability of funding for the duration of the  
15 program;

16 E. the extent to which the application results in  
17 broad geographic distribution;

18 F. the extent to which the program provides an  
19 alternative approach to achieving self-sufficiency; and

20 G. the extent to which the program demonstrates a  
21 coordinated, comprehensive approach to achieving  
22 self-sufficiency.

23 4900.3375 AMOUNT AND PAYMENT OF RENT ASSISTANCE.

24 Subpart 1. **Length of time.** Within the limits of available  
25 appropriations, eligible families may receive monthly rent  
26 assistance for up to a 36-month period starting with the month  
27 the family first receives rent assistance under this part.

28 Subp. 2. **Paid to property owner.** The rent assistance must  
29 be paid directly to the property owner.

30 Subp. 3. **Calculation of payment.** Subject to the  
31 limitations in subpart 4, the amount of monthly rent assistance  
32 is the difference between the monthly housing cost and the  
33 family's portion of the monthly housing cost. The family's  
34 portion of the monthly housing cost is equal to at least 30  
35 percent of its monthly gross income.

1 Subp. 4. **Limitations.** In no case:

2 A. may the amount of monthly rent assistance be more  
3 than \$200;

4 B. may the owner receive more rent for assisted units  
5 than for comparable unassisted units; or

6 C. may the amount of monthly rent assistance be more  
7 than the difference between the family's copayment and the fair  
8 market rent for the unit as determined by the United States  
9 Department of Housing and Urban Development.

10 4900.3376 FAMILY ELIGIBILITY.

11 Subpart 1. **Initial eligibility.** To be eligible for rent  
12 assistance initially, the caretaker parent must:

13 A. be receiving public assistance;

14 B. be participating in and complying with all  
15 requirements of a self-sufficiency program;

16 C. not be receiving other rental assistance;

17 D. have gross family income such that 30 percent of  
18 gross family income is less than the housing cost; and

19 E. live in a rental unit that meets the federal  
20 section 8 existing housing quality standards.

21 Subp. 2. **Continuing eligibility.** To be eligible for  
22 continued rent assistance upon successful completion of a  
23 program or during a period of discontinued participation in a  
24 program, a caretaker parent must:

25 A. not be receiving other rental assistance;

26 B. have gross family income such that 30 percent of  
27 gross family income is less than the housing cost; and

28 C. live in a rental unit that meets the federal  
29 section 8 existing housing quality standards.

30 Subp. 3. **Resumption of assistance.** If a caretaker parent  
31 discontinues participation in a program, the caretaker parent  
32 must, within six months, return to participation in the program,  
33 participate in a different program, or be employed at least  
34 half-time to continue receiving rent assistance.

35 4900.3377 SELECTION OF ELIGIBLE FAMILIES.

1       Subpart 1. **Notification.** The self-sufficiency program  
2 administrator must notify verbally and in writing all  
3 potentially eligible caretaker parents participating in its  
4 program of the availability of the rent assistance for family  
5 stabilization demonstration program.

6       Subp. 2. **Application.** The caretaker parent must submit a  
7 completed application and needed verifications to the  
8 self-sufficiency program administrator. Within 15 days of  
9 receiving a completed application and all needed verifications,  
10 the self-sufficiency program administrator must determine the  
11 family's eligibility for rent assistance.

12       Subp. 3. **Equal selection opportunity.** The  
13 self-sufficiency program administrator must select eligible  
14 families on an agency-approved basis that provides equal  
15 selection opportunity for qualified caretaker parent applicants.

16       Subp. 4. **Waiting list.** If available funds are  
17 insufficient to serve all eligible families, the  
18 self-sufficiency program administrator must establish a waiting  
19 list to determine which families are assisted when funds become  
20 available.

21       Subp. 5. **Change in income.** The self-sufficiency program  
22 administrator must inform caretaker parents receiving rent  
23 assistance of their responsibility to inform the local housing  
24 agency of increases or decreases in family income, allowances,  
25 and composition when they occur.

26 4900.3378 **TERMINATION OF ASSISTANCE.**

27       Assistance must be terminated under any of the following  
28 conditions:

29           A. the family is evicted from the property for cause;

30           B. the caretaker parent has discontinued  
31 participation in a program and, after six months, is not  
32 participating in a program or employed at least half-time;

33           C. 30 percent of the family's gross income equals or  
34 exceeds the amount of the housing cost for two or more  
35 consecutive months;

1 D. the family has received assistance under part  
2 4900.3370 to 4900.3380 for a 36-month period; or

3 E. the rental unit no longer meets federal section 8  
4 existing housing quality standards, the owner refuses to make  
5 necessary repairs or alterations to bring the rental unit into  
6 compliance within a reasonable time, and the caretaker parent  
7 refuses to relocate to a qualifying rental unit.

8 4900.3379 DISCONTINUED PARTICIPATION IN A PROGRAM;  
9 PRETERMINATION NOTICE.

10 If a self-sufficiency program administrator determines that  
11 a caretaker parent has discontinued participation in a  
12 self-sufficiency program, the administrator must notify the  
13 caretaker parent of that determination. The notice must be in  
14 writing and must explain the effect nonparticipation in a  
15 self-sufficiency program will have on the rental assistance.  
16 The notice must:

17 A. state that the rental assistance will end six  
18 months after participation in a program was discontinued;

19 B. specify the date the rental assistance will end;

20 C. explain that after the date specified, the  
21 caretaker parent will be responsible for the total housing  
22 costs;

23 D. describe the actions the caretaker parent may take  
24 to avoid termination of the rental assistance; and

25 E. inform the caretaker parent of the caretaker  
26 parent's responsibility to notify the self-sufficiency program  
27 administrator if the caretaker parent begins participation in  
28 another self-sufficiency program or is employed at least  
29 half-time.

30 4900.3380 TERMINATION OF ASSISTANCE; NOTICE AND APPEAL RIGHTS.

31 Before terminating rental assistance, the local housing  
32 agency or the agency must send a notice to the caretaker parent  
33 no later than ten days before the termination specifying the  
34 reasons for the termination of rental assistance and the right  
35 to appeal the termination within ten days of the receipt of the

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1 notice. Appeals under this part shall be heard by the  
2 Department of Human Services, under Minnesota Statutes, section  
3 256.045.