

1 Housing Finance Agency

2

3 Adopted Permanent Rules Relating to Special Needs for Homeless

4 Persons Program

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6 Rules as Adopted

7 4900.3410 SCOPE.

8 Parts 4900.3410 to 4900.3414 govern special needs housing
9 for homeless persons loans or grants for the construction,
10 acquisition, or rehabilitation of residential housing for
11 occupancy by the following persons: low-income individuals and
12 families having an immediate need for temporary or transitional
13 housing; including low-income individuals living in single room
14 occupancy housing; residential housing for migrant farmworkers;
15 and homeless individuals and families.

16 4900.3411 DEFINITIONS.

17 Subpart 1. **Scope.** The terms used in parts 4900.3410 to
18 4900.3414 have the meanings given them in this part.

19 Subp. 2. **Agency.** "Agency" means the Housing Finance
20 Agency.

21 Subp. 3. **Applicant.** "Applicant" means one or more
22 entities that submit an application for a special needs housing
23 for homeless persons loan or grant.

24 Subp. 4. **Application.** "Application" means a submittal
25 requesting a special needs housing for homeless persons loan or
26 grant to pay the cost of the construction, acquisition, or
27 rehabilitation of residential housing for occupancy by the
28 following persons: low-income individuals and families having
29 an immediate need for temporary or transitional housing;
30 low-income individuals living in single room occupancy housing;
31 residential housing for migrant farmworkers; and homeless
32 individuals and families.

33 Subp. 5. **Low-income and homeless individuals and**
34 **families.** "Low-income and homeless individuals and families"
35 means, with respect to homeless persons and persons living in

1 single room occupancy housing, those individuals and families
2 whose income does not exceed 30 percent of the metropolitan area
3 median income for a family of four adjusted for families of five
4 or more. With respect to those persons living in temporary or
5 transitional housing, low-income individuals and families means
6 those individuals and families whose incomes do not exceed 50
7 percent of the greater of the statewide or area median income
8 adjusted for families of five or more.

9 Subp. 6. Residential housing for migrant farmworkers.

10 "Residential housing for migrant farmworkers" means housing
11 which contains cooking, sleeping, bathroom facilities, and hot
12 and cold running water in the same structure.

13 Subp. 7. Temporary or transitional housing. "Temporary or
14 transitional housing" means housing provided for a limited
15 duration not exceeding 24 months and available for occupancy on
16 a continuous 24-hour basis.

17 4900.3412 ELIGIBILITY.

18 To be eligible for selection as a recipient of a loan or
19 grant under the program, the application must satisfy the
20 requirements in items A to E.

21 A. The proposed residential housing must be
22 exclusively for the use of low-income families and individuals.

23 B. All occupants of permanent housing financed under
24 this part must be offered a written lease that:

25 (1) complies with Minnesota Statutes, section
26 325G.31;

27 (2) offers the occupants the option to renew; and

28 (3) prohibits eviction of an occupant without
29 good cause.

30 C. The amount of the loan or grant requested must not
31 exceed 50 percent of the total development cost of the proposed
32 residential housing.

33 D. The application must include a comprehensive plan
34 for the development and management of housing for low-income
35 persons and document the ability of the applicant to develop and

1 maintain that housing for a period of time specified by the
2 agency. At a minimum, this plan must include:

3 (1) documentation of a need for the type of
4 housing in the proposed geographic area;

5 (2) a description of the applicants' goals and
6 objectives in meeting the area's need for the type of housing;

7 (3) a detailed description of how the housing
8 will be developed and managed, including:

9 (a) a description of the proposed site for
10 the housing;

11 (b) preliminary architectural plans for the
12 development;

13 (c) qualifications of the development and
14 management staff; and

15 (d) a proposed tenant selection plan;

16 (4) a detailed budget for the development of the
17 proposed housing showing all development costs and the sources
18 of funds to pay them;

19 (5) a detailed budget for the operation of the
20 housing showing all anticipated operating costs and the proposed
21 rents and other income;

22 (6) documentation of the experience and fiscal
23 responsibility and capability of the applicant or fiscal agent
24 of the applicant in developing similar housing; and

25 (7) where the applicant is providing transitional
26 housing, documentation of an ability to provide support services
27 to assist persons in moving into independent or appropriate
28 supportive living situations.

29 E. Loan or grant funds may not be used for
30 residential care facilities, for facilities that provide housing
31 available for occupancy on less than a 24-hour continuous basis,
32 or for any residential housing that requires occupants to accept
33 board as well as lodging.

34 4900.3413 ELIGIBLE MORTGAGOR.

35 To be eligible for selection as a recipient of a loan or

1 grant under the program, an applicant must be an eligible
2 mortgagor as defined in Minnesota Statutes, section 462A.03,
3 subdivision 13.

4 4900.3414 SELECTION CRITERIA.

5 In addition to priority being given to viable proposals
6 with the total lowest cost per person served, the agency shall
7 take the following criteria into consideration when determining
8 whether an application and applicant will be selected for a loan
9 or grant under the program:

10 A. the prior experience of the applicant in
11 development and managing similar residential agency;

12 B. the extent to which grant funds are combined with
13 other funds from private or public sources to make the
14 development economically feasible;

15 C. the ability of the applicant to proceed
16 expeditiously with the development;

17 D. the documented need for this type of residential
18 housing in the proposed geographic area;

19 E. the cost and quality of the proposed housing;

20 F. the extent to which the amount of rent to be
21 charged is less than 30 percent of the income of the low-income
22 person leasing the housing unit;

23 G. the geographic area to be serviced, to the end
24 that a reasonable distribution of low-income housing can be
25 achieved;

26 H. the extent of community support for this type of
27 development;

28 I. the extent to which proposals use donated, leased,
29 abandoned, or empty dwellings owned by a public entity or
30 property being sold by the Resolution Trust Corporation or the
31 Department of Housing and Urban Development;

32 J. the extent to which the applicant has consulted
33 with advocates for the homeless, representatives from
34 neighborhood groups, and representatives from labor
35 organizations in preparing the proposal;

1 K. if support services are to be provided in
2 conjunction with housing, the availability of funds to pay the
3 ongoing costs of those support services; and

4 L. the extent to which the structure provides a
5 physical environment that is responsive to the needs of the
6 population to be served.