

1 Housing Finance Agency

2

3 Adopted Permanent Rules Relating to Affordable Rental Investment

4 Fund Program

5

6 Rules as Adopted

7 4900.3500 SCOPE.

8 Parts 4900.3500 to 4900.3550 govern the implementation of  
9 the Affordable Rental Investment Fund program authorized under  
10 Minnesota Statutes, section 462A.21, subdivision 8b.

11 4900.3510 DEFINITIONS.

12 Subpart 1. **Application.** The definitions in this part  
13 apply in parts 4900.3500 to 4900.3550.

14 Subp. 2. **Agency.** "Agency" means the Minnesota Housing  
15 Finance Agency created by Minnesota Statutes, chapter 462A.

16 Subp. 3. **Affordable rental housing.** "Affordable rental  
17 housing" means a development that includes at least four  
18 assisted units.

19 Subp. 4. **Affordable rental investment fund program.**  
20 "Affordable Rental Investment Fund program" means a loan program  
21 authorized by Minnesota Statutes, section 462A.21, subdivision  
22 8b, to acquire, rehabilitate, or newly construct affordable  
23 rental housing.

24 Subp. 5. **Area median income.** "Area median income" means  
25 the greater of the county median income or the Minnesota  
26 nonmetropolitan median income as each is provided annually to  
27 the agency by a notice from the United States Department of  
28 Housing and Urban Development.

29 Subp. 6. **Assisted unit.** "Assisted unit" means a unit of  
30 rental housing affordable to low-income households, as provided  
31 in part 4900.3540, in a development for which a loan has been  
32 made from the Affordable Rental Investment Fund program.

33 Subp. 7. **Development.** "Development" means the affordable  
34 rental housing to be acquired, rehabilitated, or newly  
35 constructed by the applicant as described in the application.

## 1 4900.3520 ELIGIBLE APPLICANTS.

2 Subpart 1. Property interest. An applicant for the  
3 Affordable Rental Investment Fund program loan must, at the time  
4 of application, possess one of the following interests in the  
5 real property that is the site of the development:

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 the option of  
9 the agency, subordination; or

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

12 Subp. 2. Eligible entities. To be eligible to receive a  
13 loan from the Affordable Rental Investment Fund program, an  
14 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 a home rule charter or statutory city,  
20 in 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, but only for the purposes set  
26 out in Minnesota Statutes, section 462A.21, subdivision 8b.

## 27 4900.3530 ELIGIBLE APPLICATIONS.

28 The applicant must submit an application in the form and at  
29 the time prescribed by the agency. At a minimum, the  
30 application must include pertinent details on the following:

31 A. information describing the site of development,  
32 including the location, present use and zoning, surrounding land  
33 uses, and physical characteristics of the site that might affect  
34 construction;

35 B. a description of the development, including the

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

4 C. information with respect to the market for the  
5 development, including reports of market surveys or analyses and  
6 documentation of need for the development;

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

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

15 F. a timetable for completion of the development.

16 4900.3540 REQUIRED OCCUPANCY.

17 The assisted units in the development funded in whole or  
18 part with loans from the Affordable Rental Investment Fund  
19 program must be occupied by households whose adjusted income at  
20 the time of initial occupancy does not exceed 60 percent of the  
21 area median income. The household income ceiling for assisted  
22 units may be less than 60 percent of area median income to the  
23 extent required by other nonagency funding sources used in  
24 conjunction with this program, such as foundations and federal  
25 agencies.

26 4900.3550 SELECTION CRITERIA.

27 The agency shall use the criteria in this part to determine  
28 whether an applicant will get a loan from the Affordable Rental  
29 Investment Fund program:

30 A. the need, documented by the applicant, for the  
31 development in the proposed geographic area;

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

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

1           D. the cost-reasonableness and quality of the  
2 development;

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

6           F. the relationship of the proposed development to  
7 public facilities, sources of employment, and services,  
8 including public transportation, health, education, and  
9 recreation facilities;

10          G. the extent to which other programs are available  
11 to assist the development;

12          H. the extent to which the loan funds are combined  
13 with other sources of funding to make the development  
14 economically feasible and rents affordable for low-income  
15 families and individuals;

16          I. the extent to which existing units of rental  
17 housing are available to low-income households; and

18          J. the extent to which the development encourages or  
19 maintains economic integration.