

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

DEPARTMENT: Office of the Attorney General

STATE OF MINNESOTA

OFFICE MEMORANDUM

DATE: October 25, 1990

TO: JAMES SOLEM
Commissioner
Minnesota Housing Finance Agency

FROM: CHARLENE HATCHER
Special Assistant Attorney General
525 Park Street, Suite 500 (55103)

PHONE: 296-9422

SUBJECT: In the Matter of the Adopted Rule Relating to
the Rental Housing Program for Persons with a Mental Illness

The above-referenced rule has been approved as to its legality by the Attorney General on November 22, 1990.

Enclosed is your copy of the approved rule. This office has already filed two copies with the Secretary of State, who will forward one copy to the Revisor of Statutes. The fourth is being retained by this division of the Attorney General's Office for its records.

Also enclosed are any petitions, requests, submissions or comments along with any extra copies of documents which you submitted to the Attorney General.

Your next step is to arrange for publication of the Notice of Adoption in the State Register. In a day or two, you should receive from the Revisor's Office three copies of tne notice of adoption of your rule. You should submit two copies of the Notice of Adoption to the State Register for publication. A permanent rule without a hearing does not become effective until five days after a notice of adoption is published in the State Register in accordance with Minn. Stat. § 14.27. An emergency rule becomes effective five working days after approval by the Attorney General; however, the agency must publish a notice in the State Register in accordance with Minn. Stat. § 14.34.

If you have any questions in this regard, please contact me.

CH:sc
Enclosures
cc: William Brown, Chief Judge
MaryAnn Hruby
William Kuretsky

Minnesota Housing Finance Agency

Adopted Permanent Rules Relating to the Rental Housing Program for Persons with a Mental Illness

Rules as Adopted

4900.3000 SCOPE.

Parts 4900.3000 to 4900.3050 govern the implementation of the rental housing program for persons with mental illness.

4900.3010 DEFINITIONS.

Subpart 1. **Scope.** The terms used in parts 4900.3000 to 4900.3050 have the meaning given to them in this part.

Subp. 2. **Agency.** "Agency" means the Minnesota Housing Finance Agency created by Minnesota Statutes, sections 462A.01 to 462.24.

Subp. 3. **Application.** "Application" means a submittal requesting a grant from the program.

Subp. 4. **Applicant.** "Applicant" means one or more entities that submit an application to the agency for a grant under the program.

Subp. 5. **Grant.** "Grant" means a disbursement of funds to an eligible applicant under the program.

Subp. 6. **Mental illness.** "Mental illness" has the meaning given in Minnesota Statutes, section 245.462, subdivision 20.

Subp. 7. **Program.** "Program" means the rental housing program for persons with mental illness as authorized by Minnesota Statutes, section 462A.21, subdivision 8c.

Subp. 8. **Project.** "Project" means the proposed use of grant funds as described by the applicant in the program application.

4900.3020 ELIGIBLE RECIPIENTS.

To be eligible for selection as a recipient of a grant under this program, an applicant must be either:

A. a nonprofit social service provider that provides

community-based support services to persons with mental illness and living independently; or

B. a local unit of government that provides supportive services to persons with mental illness living independently.

4900.3030 ELIGIBLE APPLICATIONS.

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

A. a description of the proposed use of the funds;

B. a description of appropriate supportive services available to the recipient;

C. a description of the intended target group;

D. a proposed administrative structure to efficiently provide the funds to the landlord on behalf of an individual recipient; and

E. a description of the applicant's organization including the organization's past experience in providing housing or support services to persons with mental illness, the structure of the organization, and the types of services provided.

4900.3040 ELIGIBLE USES OF GRANT FUNDS.

Grants may be awarded to fund direct rental subsidies for housing. Funds shall be advanced by the agency to the provider who will provide the subsidy to the landlord on behalf of the individual recipient.

4900.3050 SELECTION CRITERIA.

The agency shall take the following criteria into consideration when determining which applications will be selected for a grant under the program:

A. the applicant's prior experience in working with persons with mental illness and prior experience providing supportive services;

B. the applicant's prior experience in providing

housing assistance to persons with mental illness;

C. the extent to which grant funds are combined with other sources of funds or services in-kind;

D. the amount of community and constituency support for the proposal;

E. the demonstration value or innovation of the proposal to the extent a successful project could be replicated across the state; and

F. how realistic the proposal is in terms of budget, staff time, and administrative structure.

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
OCT 24 1990
Secretary of State

APPROVED AS TO LEGALITY

October 22, 1990

HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

BY Charlene H. Hatch
SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
OCT 24 1990
Joan Anderson Growe
Secretary of State
3:36 P.M.

CH

RULE REVIEW CHECKLIST

File No. 1744
DATE RECEIVED 10-8-90
REVIEW DATE
DUE DATE 10/17/90
(DIS)APPROVED 10/22/90
WITHDRAWN

Docket No. 05 0009 0450
ADOPTED W/O HEARING
EMERGENCY RULE
TO REVISOR ON 10/12/90
REVISOR (DIS)APPROVED
FILED W/SEC. OF STATE
RETURNED TO AGENCY

✓ Rule as adopted (4 copies)

Notice to Solicit Outside Information/Opinion (if applicable)
Date published in State Register
Comments

✓ Petition for Adoption of a Rule

✓ Board's Authorizing Resolution
March 29, 1990 Date adopted

✓ Proposed Rule
✓ Revisor's Certificate

✓ Notice of Intent to Adopt Rule
462A.06 subs 4 and 11 Statutory Authority
✓ Small Business Statement
✓ Expenditure of public money statement
August 10, 1990 Signature

✓ Statement of Need and Reasonableness (if applicable)
NA Small Business Statement
NA Fees - § 16A.128

✓ Affidavit of Mailing Notice of Intent to Adopt Rule
August 10, 1990 Dated 30/25 days before adoption
Notice attached indicates it is attached
Copy of rule or summary attached

✓ Publication in State Register
August 13, 1990 Date 30/25 days before adoption

✓ 180-day deadline from:
NA Effective date of law requiring rule (14.12) (both rules) ~~amendments don't apply~~ not mandatory
NA end of comment period (§ 14.26) (rules without hearing)
effective date of statutory authority (§ 14.29) (emergency rules)

✓ Resolution Adopting
~~Sept 27, 1990~~ Date adopted

Findings of Fact, Conclusions & Order Adopting
~~Sept 27, 1990~~ Date

Written Requests, Submissions or Comments

✓ Declaration of Attorney
Bill Kundsky Name of SAAG representing agency

Notice of ~~Submission to Attorney~~ General (if applicable)

Affidavit of Mailing Notice to Attorney General (if applicable)

MINNESOTA HOUSING FINANCE AGENCY

Celebrate MINNESOTA 1990

October 4, 1990

Ms. Patricia Nolte, Legal Assistant
Public Finance Division
Attorney General
404 Capitol Office Bldg.
525 Park St.
St. Paul, MN 55155

Re: In the Matter of the Proposed Rule Relating to Rental Housing Program for Persons With a Mental Illness

Dear Ms. Nolte:

I have enclosed for your review pursuant to Minnesota Statutes sections 14.21 through 14.28, the adopted rules of the Minnesota Housing Finance Agency.

The following materials are submitted to you for your review pursuant to Minnesota Rules, Part 2010:

Rule as Adopted (four copies);

Agency's Board Resolution Adopting the Rule;

Certificate of the Minnesota Housing Finance Agency Authorizing Resolution;

Notice of Intent to Adopt a Rule Without a Public Hearing;

Affidavit of Mailing the Notice of Intent to Adopt a Rule Without a Public Hearing and Certificate of Mailing List;

Rule as Proposed;

Rule as Published in State Register;

Findings of Fact, Conclusions and Order Adopting the Rule Without a Public Hearing;

Statement of Need and Reasonableness; and

Declaration of Counsel.

The Agency did not publish a Notice of Intent to Solicit Outside Opinion in connection with this rule. No requests for a hearing, **one comment on the rule,** and no requests from persons desiring notice of the date of submission of the proposed rule to the Attorney General were received during the 30-day comment period. The adopted rules are the same as the proposed rules.

400 Sibley Street, Suite 300, St. Paul, Minnesota 55101 (612) 296-7608 Telecopier (612) 296-8139
Equal Opportunity Housing and Equal Opportunity Employment

If you have any questions call Susan K. Noren at 296-9794.

Sincerely,

James J. Solem
Commissioner

JJS:skn
Encs.

Stat Auth. 462A.06 subd 4 and 11

subd 4

The agency may make, and from time to time, amend and repeal rules not inconsistant with the provisions of sections 462A.01 to 462A.24

subd 11

It may make and publish rules pursuant to chapter 14 respecting its ~~mortgage~~ mortgage lending, construction lending...

poor Statement of need

Minnesota Housing Finance Agency

Proposed Permanent Rules Relating to the Rental Housing Program for Persons with a Mental Illness

Rules as Proposed (all new material)

4900.3000 SCOPE.

Parts 4900.3000 to 4900.3050 govern the implementation of the rental housing program for persons with mental illness.

4900.3010 DEFINITIONS.

Subpart 1. **Scope.** The terms used in parts 4900.3000 to 4900.3050 have the meaning given to them in this part.

Subp. 2. **Agency.** "Agency" means the Minnesota Housing Finance Agency created by Minnesota Statutes, sections 462A.01 to 462.24.

Subp. 3. **Application.** "Application" means a submittal requesting a grant from the program.

Subp. 4. **Applicant.** "Applicant" means one or more entities that submit an application to the agency for a grant under the program.

Subp. 5. **Grant.** "Grant" means a disbursement of funds to an eligible applicant under the program.

Subp. 6. **Mental illness.** "Mental illness" has the meaning given in Minnesota Statutes, section 245.462, subdivision 20.

Subp. 7. **Program.** "Program" means the rental housing program for persons with mental illness as authorized by Minnesota Statutes, section 462A.21, subdivision 8c.

Subp. 8. **Project.** "Project" means the proposed use of grant funds as described by the applicant in the program application.

4900.3020 ELIGIBLE RECIPIENTS.

To be eligible for selection as a recipient of a grant under this program, an applicant must be either:

A. a nonprofit social service provider that provides

Approved by Revisor

community-based support services to persons with mental illness and living independently; or

B. a local unit of government that provides supportive services to persons with mental illness living independently.

4900.3030 ELIGIBLE APPLICATIONS.

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

A. a description of the proposed use of the funds;

B. a description of appropriate supportive services available to the recipient;

C. a description of the intended target group;

D. a proposed administrative structure to efficiently provide the funds to the landlord on behalf of an individual recipient; and

E. a description of the applicant's organization including the organization's past experience in providing housing or support services to persons with mental illness, the structure of the organization, and the types of services provided.

4900.3040 ELIGIBLE USES OF GRANT FUNDS.

Grants may be awarded to fund direct rental subsidies for housing. Funds shall be advanced by the agency to the provider who will provide the subsidy to the landlord on behalf of the individual recipient.

4900.3050 SELECTION CRITERIA.

The agency shall take the following criteria into consideration when determining which applications will be selected for a grant under the program:

A. the applicant's prior experience in working with persons with mental illness and prior experience providing supportive services;

B. the applicant's prior experience in providing

Approved
by Revisor _____

housing assistance to persons with mental illness;

C. the extent to which grant funds are combined with other sources of funds or services in-kind;

D. the amount of community and constituency support for the proposal;

E. the demonstration value or innovation of the proposal to the extent a successful project could be replicated across the state; and

F. how realistic the proposal is in terms of budget, staff time, and administrative structure.

Approved
by Revisor _____

Office of the Revisor of Statutes

Administrative Rules

TITLE: Proposed Permanent Rules Relating to the Rental Housing Program for Persons with a Mental Illness

AGENCY: Minnesota Housing Finance Agency

MINNESOTA RULES: Chapter 4900

The attached rules are approved for publication in the State Register

Carla M. Riehle
Assistant Revisor

STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Proposed Adoption of the Rule of the Minnesota Housing Finance Agency Governing the Rental Housing Program for Persons With a Mental Illness	FINDINGS OF FACT, CONCLUSIONS, AND ORDER ADOPTING RULE WITHOUT PUBLIC HEARING

Notice of the Commissioner's intent to adopt the above rule was published in the State Register on August 13, 1990 and was sent by United States mail to all persons on the list maintained by the agency pursuant to Minnesota Statutes, sections 14.14, subd. 1a and 14.22 on August 10, 1990. The statement of need and reasonableness was prepared before the notice of intent to adopt a rule without a public hearing was mailed to all persons on the rulemaking mailing list and published in the State Register and was available to the public.

All persons were given the opportunity to submit comments on the rule for 30 days after notice of proposed rulemaking. No requests for a public hearing on the rule were received by the agency.

One comment on the rule was received by the agency. No requests for notice of submission to the attorney general were received by the agency.

Based on the comments and evidence in the record before the agency, I find the following:

The above rule is needed and reasonable.

NOW, THEREFORE, IT IS ORDERED that the rule identified as 4900.3000 to 4900.3050 is adopted this 27th day of September, 1990, pursuant to authority vested in the agency by Minnesota Statutes, sections 462A.06, subd. 4 and 11.

James J. Solem, Commissioner

RENTAL HOUSING PROGRAM FOR PERSONS WITH A MENTAL ILLNESS
STATEMENT OF NEED AND REASONABLENESS

Minnesota Statutes 1989, Section 462A.21, subdivision 8c, provides that the Minnesota Housing Finance Agency (hereinafter Agency) may establish, *inter alia*, a rental housing program for persons with a mental illness to provide loans or direct rental subsidies for housing for individuals with incomes of up to 30% of the area median income. The 1989 legislature appropriated $3 million to fund low-income rental programs under section 462A.21, subdivisions 8b and 8c. The Agency has allocated $250,000 to fund the program for persons with a mental illness. The proposed rule has been developed pursuant to section 462A.21, subdivision 8c.

Proposed Minnesota Rules Part 4900.3000 (Scope) describes the scope of parts 4900.3000 to 4900.3050 as they relate to the Agency's Rental Housing Program for Persons with a Mental Illness.

Proposed Minnesota Rules Part 4900.3010 (Definitions) provides definitions under these rules.

Proposed Minnesota Rules Part 4900.3020 (Eligible Recipients) describes those entities that are eligible to receive grant funds. The statute specifically provides that housing for the mentally ill must be operated in coordination with social service providers who provide services to tenants.

Proposed Minnesota Rules Part 4900.3030 (Eligible Applications) specifies what information, at a minimum, will be required as part of an applicant's request for grant funds. The information required under this part is the information which is reasonable and necessary for the Agency to determine the applicant's need for the grant funds and to assess the applicant's ability to successfully administer the project.

Proposed Minnesota Rules 4900.3040 (Eligible Uses of Grant Funds) specifies what activities may be funded under the program.

Proposed Minnesota Rule Part 4900.3050 (Selection Criteria) lists the criteria the will be used by the Agency when awarding grant funds. These criteria are reasonable and necessary to ensure that the limited funds provided under this program are used effectively and efficiently to meet the housing needs of persons with a mental illness.

The Agency recognizes the provisions Minnesota Statutes Section 14.115, "Small Business Considerations in Rulemaking," but since a recipients of a grant under the proposed rule must be a nonprofit social service provider or a local unit of government, the regulation does not affect small business directly. Section 14.155, by its terms, is inapplicable to the proposed rule. Further, to the extent that the grants which are the subject of this rule may have an ultimate and indirect effect on small businesses, the effect is to make persons with mental illness better able to afford market rate rental units. As a result the proposed rule has no negative effect on small businesses.

MINNESOTA HOUSING FINANCE AGENCY

In the Matter of the Proposed Adoption of the Rule of the Minnesota Housing the Minnesota Housing Finance Agency Governing the Rental Housing Program for Persons with a Mental Illness

NOTICE OF INTENT TO ADOPT A RULE WITHOUT A PUBLIC HEARING

(1) Notice is hereby given that the Minnesota Housing Finance Agency intends to adopt the above rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in Minnesota Statutes sections 14.22 to 14.28. The statutory authority to adopt the rule is Minnesota Statutes 462A.06, subd. 4 and 11.

(2) All persons have 30 days in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule. Comment is encouraged. (3) Each comment should identify the portin of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule withint the 30-day comment period. (4) If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request in writing. (6) Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. (7) If a public hearing is required, the agency will proceed pursuant to Minnesota Statutes, sections 14.131 to 14.20.

(5) Comments or written requests for a public hearing must be submitted to:

Susan K. Noren, Legal Division
Minnesota Housing Finance Agency
400 Sibley St., Suite 300
St. Paul, MN 55101-1998
Telephone: 612/296-9794

(8) The proposed rule may be modified if the modifications are supported by data and views submitted to the agency and do not result in a substantial change in the proposed rule as noticed.

(11) A copy of the proposed rule is attached to this notice.

(12) A Statement of Need and Reasonableness that describes the need for an reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Susan K. Noren upon request.

(9) If no hearing is required, upon adoption of the rule, the rule and the (rs) will be submitted to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the

Attorney General or who wish to receive a copy of the adopted rule must submit the written request to Susan K. Noren.

Date: August 10, 1990

James J. Solem
Commissioner

Minnesota Housing Finance Agency

Proposed Permanent Rules Relating to the Rental Housing Program for Persons with a Mental Illness

Rules as Proposed (all new material)

4900.3000 SCOPE.

Parts 4900.3000 to 4900.3050 govern the implementation of the rental housing program for persons with mental illness.

4900.3010 DEFINITIONS.

Subpart 1. **Scope.** The terms used in parts 4900.3000 to 4900.3050 have the meaning given to them in this part.

Subp. 2. **Agency.** "Agency" means the Minnesota Housing Finance Agency created by Minnesota Statutes, sections 462A.01 to 462.24.

Subp. 3. **Application.** "Application" means a submittal requesting a grant from the program.

Subp. 4. **Applicant.** "Applicant" means one or more entities that submit an application to the agency for a grant under the program.

Subp. 5. **Grant.** "Grant" means a disbursement of funds to an eligible applicant under the program.

Subp. 6. **Mental illness.** "Mental illness" has the meaning given in Minnesota Statutes, section 245.462, subdivision 20.

Subp. 7. **Program.** "Program" means the rental housing program for persons with mental illness as authorized by Minnesota Statutes, section 462A.21, subdivision 8c.

Subp. 8. **Project.** "Project" means the proposed use of grant funds as described by the applicant in the program application.

4900.3020 ELIGIBLE RECIPIENTS.

To be eligible for selection as a recipient of a grant under this program, an applicant must be either:

A. a nonprofit social service provider that provides

Approved by Revisor

community-based support services to persons with mental illness and living independently; or

B. a local unit of government that provides supportive services to persons with mental illness living independently.

4900.3030 ELIGIBLE APPLICATIONS.

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

A. a description of the proposed use of the funds;

B. a description of appropriate supportive services available to the recipient;

C. a description of the intended target group;

D. a proposed administrative structure to efficiently provide the funds to the landlord on behalf of an individual recipient; and

E. a description of the applicant's organization including the organization's past experience in providing housing or support services to persons with mental illness, the structure of the organization, and the types of services provided.

4900.3040 ELIGIBLE USES OF GRANT FUNDS.

Grants may be awarded to fund direct rental subsidies for housing. Funds shall be advanced by the agency to the provider who will provide the subsidy to the landlord on behalf of the individual recipient.

4900.3050 SELECTION CRITERIA.

The agency shall take the following criteria into consideration when determining which applications will be selected for a grant under the program:

A. the applicant's prior experience in working with persons with mental illness and prior experience providing supportive services;

B. the applicant's prior experience in providing

Approved
by Revisor _____

housing assistance to persons with mental illness;

C. the extent to which grant funds are combined with other sources of funds or services in-kind;

D. the amount of community and constituency support for the proposal;

E. the demonstration value or innovation of the proposal to the extent a successful project could be replicated across the state; and

F. how realistic the proposal is in terms of budget, staff time, and administrative structure.

Approved
by Revisor _____

Office of the Revisor of Statutes

Administrative Rules

TITLE: Proposed Permanent Rules Relating to the Rental Housing Program for Persons with a Mental Illness

AGENCY: Minnesota Housing Finance Agency

MINNESOTA RULES: Chapter 4900

The attached rules are approved for publication in the State Register

Carla M. Riehle
Assistant Revisor

In the Matter of the Proposed Adoption of the Rule of the Minnesota Housing Finance Agency Governing the Rental Housing Program for Persons with a Mental Illness

ADOPTION OF MAILING THE NOTICE OF INTENT TO ADOPT A RULE WITHOUT A PUBLIC HEARING AND CERTIFICATE OF MAILING LIST

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

Susan K. Noren, being sworn says:

I hereby certify that the list of persons and associations who have requested, pursuant to Minnesota Statutes sections 14.14, subd. 1a and 14.22 or 14.30, that their names be placed on the Minnesota Housing Finance Agency rule making mailing list is accurate, complete, and current as of this 10th day of August, 1990.

That on the 10th day of August, 1990, at the City of St. Paul, County of Ramsey, State of Minnesota, I mailed the attached Notice of Intent to Adopt a Rule Without a Public Hearing by depositing in the United States mail, a copy thereof, with postage prepaid, to all persons and associations on the aforementioned mailing list.

Susan K. Noren

Susan K. Noren, Legal Secretary

Subscribed and sworn to before me
this 10th day of August, 1990.

Renee J. Dickinson

Notary Public

RENEE J. DICKINSON
NOTARY PUBLIC-MINNESOTA
RAMSEY COUNTY
MY COMMISSION EXPIRES MARCH 26, 1996

Minnesota Housing Finance Agency

Proposed Permanent Rules Relating to the Rental Housing Program for Persons with a Mental Illness

Notice of Intent to Adopt a Rule Without a Public Hearing

NOTICE IS HEREBY GIVEN that the Minnesota Housing Finance Agency intends to adopt the above rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in *Minnesota Statutes* sections 14.22 to 14.28. The statutory authority to adopt the rule is *Minnesota Statutes* 462A.06, subd. 4 and 11.

All persons have 30 days in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request in writing. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the agency will proceed pursuant to *Minnesota Statutes*, sections 14.131 to 14.20.

Comments or written requests for a public hearing must be submitted to:

Susan K. Noren, Legal Division
Minnesota Housing Finance Agency
400 Sibley St., Suite 300
St. Paul, MN 55101-1998
Telephone: 612/296-9794

The proposed rule may be modified if the modifications are supported by data and views submitted to the agency and do not result in a substantial change in the proposed rule as noticed.

A copy of the proposed rule is attached to this notice.

A STATEMENT OF NEED AND REASONABLENESS that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Susan K. Noren upon request.

If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General or who wish to receive a copy of the adopted rule must submit the written request to Susan K. Noren.

Dated: 10 August 1990

James J. Solem
Commissioner

Rules as Proposed (all new material)

4900.3000 SCOPE.

Parts 4900.3000 to 4900.3050 govern the implementation of the rental housing program for persons with mental illness.

4900.3010 DEFINITIONS.

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Subp. 4. **Applicant.** "Applicant" means one or more entities that submit an application to the agency for a grant under the program.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." **ADOPTED RULES SECTION** — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

Subp. 5. **Grant.** "Grant" means a disbursement of funds to an eligible applicant under the program.

Subp. 6. **Mental illness.** "Mental illness" has the meaning given in *Minnesota Statutes*, section 245.462, subdivision 20.

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Subp. 8. **Project.** "Project" means the proposed use of grant funds as described by the applicant in the program application.

4900.3020 ELIGIBLE RECIPIENTS.

To be eligible for selection as a recipient of a grant under this program, an applicant must be either:

A. a nonprofit social service provider that provides community-based support services to persons with mental illness and living independently; or

B. a local unit of government that provides supportive services to persons with mental illness living independently.

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B. the applicant's prior experience in providing housing assistance to persons with mental illness;

C. the extent to which grant funds are combined with other sources of funds or services in-kind;

D. the amount of community and constituency support for the proposal;

E. the demonstration value or innovation of the proposal to the extent a successful project could be replicated across the state; and

F. how realistic the proposal is in terms of budget, staff time, and administrative structure.

Minnesota Housing Finance Agency

Proposed Permanent Rules Relating to Temporary Housing Program

Notice of Intent to Adopt a Rule Without a Public Hearing

NOTICE IS HEREBY GIVEN that the Minnesota Housing Finance Agency intends to adopt the above rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in *Minnesota Statutes* sections 14.22 to 14.28. The statutory authority to adopt the rule is *Minnesota Statutes* 462A.06, subd. 4 and 11.

All persons have 30 days in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

In the Matter of the Adoption
of the Rule of the Minnesota
Housing Finance Agency
Governing the Rental Housing
Program for Persons With a
Mental Illness

DECLARATION
OF COUNSEL

I, William H. Kuretsky, Special Assistant Attorney General, do hereby declare that I have examined the above rule, and the supporting rulemaking record, and that, based on my examination, the Administrative Procedure Act and Minnesota Rules, chapter 2010 have been followed. Any exceptions are listed below. For Attorney General billing purposes, the four-digit docket client code is 0450.

William H. Kuretsky
Special Assistant Attorney General

Dated: September 27, 1990

STATE OF MINNESOTA
DEPARTMENT OF HUMAN SERVICES
Human Services Building
444 Lafayette Road
St. Paul, Minnesota 55155-3828

September 12, 1990

Mr. James J. Solem, Commissioner
Minnesota Housing Finance Agency
Suite 300, 400 Sibley Street
St. Paul, Minnesota 55101

SUBJECT: Comments on Proposed Permanent Rules Relating to the Rental Housing Program for Persons with Mental Illness

Dear Commissioner Solem:

We are very pleased that your agency is promulgating a rule on a rental housing program for persons with mental illness. County adult mental health plans for 1990-91 identified "housing" as the number one unmet need of persons with mental illness in their county. Your agency's rental housing program would help meet this need.

However, we have a significant concern about the eligible recipients (4900.3020) of this rule. As we have previously stated to both Monte Acker and Diane Sprague of your staff, there are several issues in having social service and supportive services agencies direct this program on the local level.

The Department of Human Services has adopted the "housing as housing" philosophy in the development of services for persons with mental illness. This simply means that housing agencies and authorities currently responsible to provide housing and housing services for the general population should also be responsible for providing these services to persons with mental illness.

This philosophy promotes normalcy and the expectation that persons with mental illness in need of housing will be served by the same agencies as everyone else needing housing.

Given this philosophy, your agency's proposed eligible grant recipient is an issue. We recommend that local housing authorities or agencies be the grant recipient of this program.

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We are aware of several housing authorities who process Section 8 vouchers that are interested in providing this program.

A second concern that arises when social service providers also direct housing subsidies is the conflict of interest issue that occurs when one provider controls access to housing and services for a client.

We do concur with the proposed rule (4900.3030) that appropriate supportive services should be available to persons receiving the housing subsidy. We recommend that housing agencies have a contract with agencies which provide of housing support services to persons with mental illness.

If you would like additional information regarding these comments, please feel free to contact me (296-2710) or Mary Jo Verschay (297-2831).

Sincerely,

Jerri Sudderth for

BARBARA W. KAUFMAN
Assistant Commissioner for Mental Health

c: Monte Acker, Minnesota Housing Finance Agency
Diane Sprague, Minnesota Housing Finance Agency

September 24, 1990

Barbara Kaufman
Assistant Commissioner for Mental Health
Department of Human Services
444 Lafayette Road
St. Paul, MN. 55155-3828

Dear Ms. Kaufman:

We received your comments on the proposed rules relating to the rental housing program for persons with mental illness. I am writing to respond to the important issues that you raise.

My first concern is your view that the proposed program is inconsistent with DHS' "housing as housing" philosophy. We agree with the "housing as housing" philosophy and the importance of promoting normalcy, integration, and equal treatment of mentally ill individuals. However, in our view, the designation of a social service agency as the provider of a rent subsidy rather than a local housing authority does not transform "housing as housing" into "housing as a segregated social service."

While local housing authorities administer the section 8 existing certificate and voucher programs, except for the larger cities they do not administer non-housing programs and have virtually no experience with programs which combine housing and services. The public awareness of the need for combining services and permanent housing is new and no one model exists. No one "normal" way of serving people who need both housing assistance and social services currently exists.

Programs are now being developed, for example, for chemically dependent women with children who are in treatment and low-income women with children who are in school or training. These programs all rely on a social service agency - not a housing agency - either as the lead organization or in partnership with a non-profit housing provider. Local housing authorities, with a few exceptions, are not participating in the development of these projects.

Even in the area of transitional housing - an early example of combining services and housing - very few local housing authorities are involved. Although transitional housing has existed in Minnesota since 1984, local housing authorities have only recently begun participating in developing and operating transitional housing.

Thus, the approach which we propose for the rent subsidy program for the mentally ill is consistent with other programs which serve people who need housing and services but who are not mentally ill.

Our second concern is with the ability of local housing agencies to identify the appropriate recipients of the rent subsidy. If the state had enough money to operate a rent subsidy program for all low-income individuals - including mentally ill individuals - on an **entitlement** basis, then using existing housing agencies might be the appropriate vehicle for delivery of the program.

However, this program is a small one and will require not only identifying mentally ill people but also selecting among mentally ill individuals. Decisions will have to be made about which tenants would most benefit from a rent subsidy: an individual who is close to being self-supporting with parttime employment? a person who is involved in an independent living skills program for the first time? a group of two or three people who, with help on their rent, might be able to live together and help each other achieve a stable living situation? Social service agency personnel who have been working with individuals and who know their history are in the best position to make these decisions.

The enabling legislation requires us to operate the program for the mentally ill "in coordination with social service providers who provide services to tenants." Local housing agencies simply do not have the capacity to identify and select those mentally ill tenants who are already receiving adequate social services. Nor do they have the capacity to ensure that selected tenants not receiving services establish and maintain contact with a social service agency.

Finally, we have a concern that, even though this is a very small program, the funds be available statewide. We are particularly interested in funding a program outside the Twin Cities metro area. There may be as many as 30 counties outside the metro area which do not have section 8 vouchers or certificates and where no local housing agency has any experience operating a rent subsidy program. We do not want to **preclude** funding a program in certain parts of the state by requiring that the program be run through a local housing agency.

Even though social service agencies will be the applicants for these funds, cooperation with a local housing agency is not precluded. In fact, our staff will be giving priority to selecting applicants who have taken steps to link up with a local housing agency. In this way, the program can be used to demonstrate alternative ways of cooperation and coordination which can be evaluated and replicated elsewhere.

I appreciate your comments on the proposed program and would be interested in continuing to discuss these issues as we all begin to work more closely on providing housing and services.

Sincerely,

James J. Solem
Commissioner

MINNESOTA HOUSING FINANCE AGENCY
400 Sibley Street
St. Paul, Minnesota 55101-1998

RESOLUTION NO. MHFA 90-143

RESOLUTION AUTHORIZING ADOPTION OF RULES RELATING TO RENTAL HOUSING PROGRAM FOR PERSONS WITH A MENTAL ILLNESS WITHOUT A PUBLIC HEARING

BE IT RESOLVED BY THE MINNESOTA HOUSING FINANCE AGENCY:

That the rule relating to Rental Housing Program for Persons With a Mental Illness is approved and adopted, pursuant to authority vested in the Agency by Minnesota Statutes 462A.06, Subd. 4 and 11. James J. Solem, the Commissioner of the Minnesota Housing Finance Agency is authorized to sign the findings of fact, conclusions, and order adopting the rule and further is authorized to modify the rule if necessary to obtain the approval of the rule by the attorney general and to perform the necessary acts to provide that the rule shall have the force and effect of law.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 27th day of September, 1990.

Chairman

Minnesota Housing Finance Agency

Adopted Permanent Rules Relating to the Rental Housing Program for Persons with a Mental Illness

Rules as Adopted

4900.3000 SCOPE.

Parts 4900.3000 to 4900.3050 govern the implementation of the rental housing program for persons with mental illness.

4900.3010 DEFINITIONS.

Subpart 1. **Scope.** The terms used in parts 4900.3000 to 4900.3050 have the meaning given to them in this part.

Subp. 2. **Agency.** "Agency" means the Minnesota Housing Finance Agency created by Minnesota Statutes, sections 462A.01 to 462.24.

Subp. 3. **Application.** "Application" means a submittal requesting a grant from the program.

Subp. 4. **Applicant.** "Applicant" means one or more entities that submit an application to the agency for a grant under the program.

Subp. 5. **Grant.** "Grant" means a disbursement of funds to an eligible applicant under the program.

Subp. 6. **Mental illness.** "Mental illness" has the meaning given in Minnesota Statutes, section 245.462, subdivision 20.

Subp. 7. **Program.** "Program" means the rental housing program for persons with mental illness as authorized by Minnesota Statutes, section 462A.21, subdivision 8c.

Subp. 8. **Project.** "Project" means the proposed use of grant funds as described by the applicant in the program application.

4900.3020 ELIGIBLE RECIPIENTS.

To be eligible for selection as a recipient of a grant under this program, an applicant must be either:

A. a nonprofit social service provider that provides

community-based support services to persons with mental illness and living independently; or

B. a local unit of government that provides supportive services to persons with mental illness living independently.

4900.3030 ELIGIBLE APPLICATIONS.

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

A. a description of the proposed use of the funds;

B. a description of appropriate supportive services available to the recipient;

C. a description of the intended target group;

D. a proposed administrative structure to efficiently provide the funds to the landlord on behalf of an individual recipient; and

E. a description of the applicant's organization including the organization's past experience in providing housing or support services to persons with mental illness, the structure of the organization, and the types of services provided.

4900.3040 ELIGIBLE USES OF GRANT FUNDS.

Grants may be awarded to fund direct rental subsidies for housing. Funds shall be advanced by the agency to the provider who will provide the subsidy to the landlord on behalf of the individual recipient.

4900.3050 SELECTION CRITERIA.

The agency shall take the following criteria into consideration when determining which applications will be selected for a grant under the program:

A. the applicant's prior experience in working with persons with mental illness and prior experience providing supportive services;

B. the applicant's prior experience in providing

housing assistance to persons with mental illness;

C. the extent to which grant funds are combined with other sources of funds or services in-kind;

D. the amount of community and constituency support for the proposal;

E. the demonstration value or innovation of the proposal to the extent a successful project could be replicated across the state; and

F. how realistic the proposal is in terms of budget, staff time, and administrative structure.

CERTIFICATE OF THE

MINNESOTA HOUSING FINANCE AGENCY

AUTHORIZING RESOLUTION

I, Robert A. Worthington, do hereby certify that I am a member and the Chairman of the Minnesota Housing Finance Agency, an Agency duly authorized under the laws of the State of Minnesota, and that the following is a true, complete, and correct copy of a resolution adopted at a meeting of the Agency duly and properly called and held on the 29th day of March, 1990, that a quorum was present, and that a majority of those present voted for the resolution which has not been rescinded or modified.

"RESOLVED, that James J. Solem, Commissioner of the Minnesota Housing Finance Agency, is hereby granted the authority and directed to sign and to give the Notice of the Minnesota Housing Finance Agency's Intent to Adopt a rule without a public hearing, governing the Low Income Mentally Ill, to all persons who have registered their names with the Agency for that purpose and publish the Notice and rule in the State Register, and to perform any and all acts incidental thereto."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 29th day of March, 1990.

Robert A. Worthington
Chairman

Shirley Van Dyck
Attest by one other Board Member