

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

MJC
10/30/91

RULE REVIEW CHECKLIST

File No. 1863
DATE RECEIVED 10-28-91
REVIEW DATE 11-6-91
DUE DATE 11-12-91
(DIS)APPROVED 11-12-91 mjc
WITHDRAWN _____

Docket No. 05 0009 0450
ADOPTED W/O HEARING _____
EMERGENCY RULE _____
TO REVISOR ON 10/30/91
REVISOR (DIS)APPROVED _____
FILED W/SEC. OF STATE 11/12/91
RETURNED TO AGENCY 11/12/91

✓ 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
July 25, 1991 Date adopted

✓ Proposed Rule
✓ Revisor's Certificate

✓ Notice of Intent to Adopt Rule
462A.06 Statutory Authority subd 4 and 11
no statement Small Business Statement
N/A Expenditure of public money statement
September 3, 1991 Signature

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

✓ Affidavit of Mailing Notice of Intent to Adopt Rule
August 30, 1991 Dated (30)/25 days before adoption
_____ Notice attached (indicates it is attached)
_____ Copy of rule or summary attached

✓ Publication in State Register
September 3, 1991 Date (30)/25 days before adoption

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

✓ Resolution Adopting
Oct 24, 1991 Date adopted

✓ Findings of Fact, Conclusions & Order Adopting
October 24, 1991 Date

✓ Written Requests, Submissions or Comments

✓ Declaration of Attorney
Karl Herman Name of SAAG representing agency

_____ Notice of Submission to Attorney General (if applicable)

_____ Affidavit of Mailing Notice to Attorney General (if applicable)

DEPARTMENT: ATTORNEY GENERAL

STATE OF MINNESOTA

OFFICE MEMORANDUM

DATE: November 13, 1991

TO: KARL HERMAN
Special Assistant
Attorney General

FROM: MARTHA J. CASSERLY
Special Assistant
Attorney General

PHONE: 296-6839

SUBJECT: **Statements of Need and Reasonableness for Rules**

While I approved the rule on Rent Assistance, I should let you know that we were concerned about the Statement of Need and Reasonableness ("SNR") in support of the rule. Since we have had concerns with other SNR's from the Housing Finance Agency in the past, perhaps it would be helpful if I attempt to provide workable guides to assist your client in drafting future SNRs. I understand that, depending on the program, different people write the SNR, so it may be helpful if you pass this memo on to your various clients.

While each section of the rule was separately discussed in the SNR, the discussions usually simply stated what the subpart provided, and that it was "necessary and reasonable" to provide such a rule. The Attorney General Rule, Minn. Rules pt. 2010.0700, prohibits statements which simply re-state the rule or simply state what the rule provides.

In the more substantive portions of the rule, the Statement must justify or explain the subpart. The following three alternative working definitions of "Need and Reasonableness" might help your client in drafting an explanation justifying a subpart:

- **Why** are you proposing this section of the rule? or
- Need = **Why** is this section of the rule needed?
  Reasonableness = **Why** this section is appropriate for the need? or
- Need = Problem
  Reasonableness = Solution

For example, subpart 4900.3374 containing the selection criteria is a substantive rule with considerable impact on applicants. The SNR should have discussed why the criterion were selected. For example, why is the turnover rates of children in kindergarten through grade four in the area relevant as to whether an applicant will

receive rental assistance? In subpart 4900.3375, why was the time limit of 36 months selected and why is the amount of monthly rent assistance no more than $200? (Suggested response: "Since limited funds are available, in order to provide as wide assistance as possible, yet provide measurable assistance, the agency limited the funds to _____".) It is not necessary that each word nor each sentence must be separately discussed and justified, however, there should be an explanation for why the agency chose this rule. In particular, parts 4900.3374, 4900.3375, 4900.3376, 4900.3377, 4900.3378 and 4900.3379 of the above-entitled rule should have been more thoroughly discussed.

Perhaps the easiest way to write the SNR is to pretend that you are orally explaining the rule to someone, and you are answering the person's question of "what is the purpose of this rule" or "why are you requiring this?"

I hope the above assists your client in the next rulemaking project. If you have questions, do not hesitate to contact Patty Nolte or me.

MJC.co1
cc:Patricia Nolte

Housing Finance Agency

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

Rules as Adopted

RENT ASSISTANCE FOR FAMILY STABILIZATION DEMONSTRATION PROGRAM

4900.3370 SCOPE.

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

4900.3371 DEFINITIONS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4900.3372 VOUCHER OPTION.

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

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

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

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

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

The self-sufficiency program administrator must provide the caretaker parent who has discontinued participation in a program before completion with the notice specified in part 4900.3379. The self-sufficiency program administrator must send a subsequent notice to the caretaker parent, the local housing agency, and the agency 60 days before termination of the housing assistance.

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

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

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

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

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

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

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

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

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

C. the amount of rental assistance subsidy requested;

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

E. a three-year budget projection for the

self-sufficiency program.

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

4900.3373 PROJECT-BASED OPTION.

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

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

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

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

C. the amount of rental assistance subsidy requested;

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

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

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

parents who reside in counties with high average housing costs.

4900.3374 SELECTION CRITERIA.

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

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

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

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

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

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

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

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

4900.3375 AMOUNT AND PAYMENT OF RENT ASSISTANCE.

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

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

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

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

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

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

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

4900.3376 FAMILY ELIGIBILITY.

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

A. be receiving public assistance;

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

C. not be receiving other rental assistance;

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

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

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

A. not be receiving other rental assistance;

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

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

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

4900.3377 SELECTION OF ELIGIBLE FAMILIES.

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

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

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

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

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

4900.3378 TERMINATION OF ASSISTANCE.

Assistance must be terminated under any of the following conditions:

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

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

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

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

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

4900.3379 DISCONTINUED PARTICIPATION IN A PROGRAM; PRETERMINATION NOTICE.

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

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

B. specify the date the rental assistance will end;

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

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

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

4900.3380 TERMINATION OF ASSISTANCE; NOTICE AND APPEAL RIGHTS.

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

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

APPROVED AS TO FORM AND LEGALITY
November 12 19 91
HUBERT H. HUMPHREY, III
ATTORNEY GENERAL
BY MJ Cassedy
SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
NOV 12 1991
Joan Anderson Growe
Secretary of State

9:15 PB

DEPARTMENT: Office of the Attorney General **STATE OF MINNESOTA**

OFFICE MEMORANDUM

DATE: November 12, 1991

TO: SUSAN K. NORAN
Legal Division
Minnesota Housing Finance Agency
400 Sibley Street, Suite 300
St. Paul

FROM: MARTHA J. CASSERLY
Special Assistant
Attorney General

PHONE: 296-6839

SUBJECT: In the Matter of the Adopted Rule Relating to Rent Assistance for Family Stabilization Demonstraton Program

The above-referenced rule has been approved as to its legality by the Attorney General on November 12, 1991.

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 the 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.

MJC:sc

cc: Karl J. Herman
William Brown, Chief Judge
MaryAnn Hruby

MINNESOTA HOUSING FINANCE AGENCY

October 25, 1991

Rec 10-28-91

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 Rent Assistance for Family Stabilization Demonstration Program

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;

Comment from Minneapolis Public Housing Authority dated October 3, 1991, with Minnesota Housing Finance Agency's reply of October 9, 1991, attached;

Comment from Tri-County Action Programs, Inc., dated September 5, 1991; 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, two comments 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.

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

Sincerely,

James J. Solem
Commissioner

JJS:skn
Encs.

RENTAL ASSISTANCE FOR FAMILY STABILIZATION PROGRAM STATEMENT OF NEED AND REASONABLENESS

Minnesota Statutes (1991) Section 462A.205(a) provided that the Minnesota Housing Finance Agency in conjunction with the Minnesota Department of Human Services is to establish a rental assistance for family stabilization demonstration program to be used in conjunction with self-sufficiency programs to determine if providing rental assistance to aid for families with dependent children recipients enrolled in self-sufficiency programs enhanced their opportunity to achieve self-sufficiency. This program is limited to counties in which the Section 8 Existing Fair Market Rents as determined by the United States Department of Housing and Urban Development are in the highest one-third of average rents in the state. The Legislature appropriated $3,000,000 for this program for the biennium. The proposed rule has been developed under the above-referenced statute.

Proposed Minnesota Rules Part 4900.3370 (Scope) describes the scope of Part 4900.3370 to Part 4900.3380.

Proposed Minnesota Rules Part 4900.3371 (Definitions) provide definitions under these rules.

Proposed Minnesota Rules Part 4900.3372 (Voucher Option) describes the voucher option, the responsibilities of the self-sufficiency program administrator and the local housing agency under the voucher option, and describes eligible applications and applicants. It is reasonable and necessary to outline the program, enumerate the responsibilities of applicants, and spell out the requirements of an eligible application and state what constitutes an eligible applicant.

Proposed Minnesota Rules Part 4900.3373 (Project-Based Option) describes the project-based option, references the same responsibilities of the self-sufficiency program administrator and the local housing agency as in Part 4900.3372, Subps. 2 and 3, and describes eligible applications and applicants. It is reasonable and necessary to outline the program option, and enumerate the responsibilities of applicants, the requirements of an eligible application, and state what constitutes an eligible applicant.

Proposed Minnesota Rules Part 4900.3374 (Selection Criteria) lists the criteria which will be used when evaluating applications for this program. It is necessary for prospective applicants to know the basis upon which their applications will be evaluated for funding.

Proposed Minnesota Rules Part 4900.3375 (Amount and Payment of Rent Assistance) states the maximum term of rent assistance, how it is to be paid, how it is to be calculated, and the maximum amount. It is reasonable and necessary to spell out the parameters of the rent assistance for prospective program participants.

Proposed Minnesota Rules Part 4900.3376 (Family Eligibility) lists the requirements which must be met in order to become and remain eligible to receive rent assistance. It is necessary and reasonable that program administrators and participants know how family eligibility will be determined.

Proposed Minnesota Rules Part 4900.3377 (Selection of Eligible Families) delineates how eligible families will be notified of and selected to receive rent assistance under this program. It is necessary and reasonable to provide guidelines for selecting those eligible families who will receive rent assistance.

Proposed Minnesota Rules Part 4900.3378 (Termination of Assistance) lists the conditions and circumstances under which rent assistance will be terminated. It is reasonable and necessary to provide administrators and participants with guidance as to the conditions under which rent assistance will be terminated and how it is to be terminated.

Proposed Minnesota Rules Part 4900.3379 (Discontinued Participation in a Program; Pretermination Notice) outlines the procedures to follow, the notices necessary prior to the termination of rent assistance, and the appeal right of the participant. It is reasonable and necessary to ample guidance and notice for discontinued program participation.

Proposed Minnesota Rules Part 4900.3380 (Termination of Assistance; Notice and Appeal Rights) spells out notice requirements and appeal rights prior to the termination of rent assistance. It is reasonable and necessary to provide adequate notice of and the reason for the termination of rent assistance and provide an opportunity to appeal the decision to terminate assistance.

The Agency is cognizant of Section 14.115 of Minnesota Statutes entitled "Small Business Considerations in Rulemaking" and consulted with small businesses and nonprofit organizations in the drafting of the rule. The reporting requirements and deadlines are designed to encourage participation by small businesses. It is envisioned that the recipients of these rental assistance funds will be small businesses or nonprofit entities.

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 Rent Assistance for Family Stabilization Demonstration Program

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 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. (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 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.

Date: September 3, 1991

James J. Solem
Commissioner

Housing Finance Agency

Proposed Permanent Rules Relating to Rent Assistance for Family Stabilization Demonstration Program

Rules as Proposed (all new material)

RENT ASSISTANCE FOR FAMILY STABILIZATION DEMONSTRATION PROGRAM

4900.3370 SCOPE.

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

4900.3371 DEFINITIONS.

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

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

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

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

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

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

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

Approved by Revisor

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

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

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

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

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

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

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

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

Approved
by Revisor _____

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

4900.3372 VOUCHER OPTION.

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

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

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

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

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

The self-sufficiency program administrator must provide the caretaker parent who has discontinued participation in a program before completion with the notice specified in part 4900.3379. The self-sufficiency program administrator must send a subsequent notice to the caretaker parent, the local housing agency, and the agency 60 days before termination of the housing assistance.

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

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

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

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

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

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

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

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

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

C. the amount of rental assistance subsidy requested;

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

E. a three-year budget projection for the

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self-sufficiency program.

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

4900.3373 PROJECT-BASED OPTION.

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

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

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

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

C. the amount of rental assistance subsidy requested;

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

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

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

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parents who reside in counties with high average housing costs.

4900.3374 SELECTION CRITERIA.

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

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

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

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

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

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

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

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

4900.3375 AMOUNT AND PAYMENT OF RENT ASSISTANCE.

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

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

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

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

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

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

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

4900.3376 FAMILY ELIGIBILITY.

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

A. be receiving public assistance;

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

C. not be receiving other rental assistance;

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

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

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

A. not be receiving other rental assistance;

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

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

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

4900.3377 SELECTION OF ELIGIBLE FAMILIES.

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

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

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

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

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

4900.3378 TERMINATION OF ASSISTANCE.

Assistance must be terminated under any of the following conditions:

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

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

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

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

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

4900.3379 DISCONTINUED PARTICIPATION IN A PROGRAM; PRETERMINATION NOTICE.

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

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

B. specify the date the rental assistance will end;

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

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

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

4900.3380 TERMINATION OF ASSISTANCE; NOTICE AND APPEAL RIGHTS.

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

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

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Office of the Revisor of Statutes

Administrative Rules

TITLE: Proposed Permanent Rules Relating to Rent Assistance For Family Stabilization Demonstration Program

AGENCY: Housing Finance Agency

MINNESOTA RULES: Chapter 4900

The attached rules are approved for publication in the State Register

Carla M. Riehle
Assistant Revisor

HRA

Stat Authority 462A.06 subd 4 and 11

subd 4 It may make 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 lending, construction lending ...

con't

HRA

SOLAR incomplete – no justication
not enough justification for 4900.3372
why are their requirements reasonable

4900.3373 subp 2 why are the criteria reasonable

4900.3374 – why the criteria is reasonable is not obvious

4900.3325 – 4900.3380

~~for~~ for each section its stated that it is reasonable to have guidlines or criteria but no where are any of the guidlines or criteria justified its obvious that listing criteria or guidlines is reasonable that what the

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 25th day of July, 1991, 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 Rent Assistance For Family Stabilization Demonstration Program 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 25th day of July, 1991.

Chairman

Attest by one other Board Member

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

RESOLUTION NO. MHFA 91- 94

RESOLUTION AUTHORIZING ADOPTION OF RULES RELATING TO RENT ASSISTANCE FOR FAMILY STABILIZATION DEMONSTRATION PROGRAM WITHOUT A PUBLIC HEARING

BE IT RESOLVED BY THE MINNESOTA HOUSING FINANCE AGENCY:

That the rule relating to Rent Assistance for Family Stabilization Demonstration Program 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 24th day of October, 1991.

Chairman

Housing Finance Agency

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

Rules as Adopted

RENT ASSISTANCE FOR FAMILY STABILIZATION DEMONSTRATION PROGRAM

4900.3370 SCOPE.

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

4900.3371 DEFINITIONS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4900.3372 VOUCHER OPTION.

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

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

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

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

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

The self-sufficiency program administrator must provide the caretaker parent who has discontinued participation in a program before completion with the notice specified in part 4900.3379. The self-sufficiency program administrator must send a subsequent notice to the caretaker parent, the local housing agency, and the agency 60 days before termination of the housing assistance.

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

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

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

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

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

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

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

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

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

C. the amount of rental assistance subsidy requested;

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

E. a three-year budget projection for the

self-sufficiency program.

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

4900.3373 PROJECT-BASED OPTION.

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

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

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

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

C. the amount of rental assistance subsidy requested;

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

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

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

parents who reside in counties with high average housing costs.

4900.3374 SELECTION CRITERIA.

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

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

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

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

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

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

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

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

4900.3375 AMOUNT AND PAYMENT OF RENT ASSISTANCE.

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

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

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

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

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

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

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

4900.3376 FAMILY ELIGIBILITY.

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

A. be receiving public assistance;

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

C. not be receiving other rental assistance;

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

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

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

A. not be receiving other rental assistance;

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

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

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

4900.3377 SELECTION OF ELIGIBLE FAMILIES.

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

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

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

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

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

4900.3378 TERMINATION OF ASSISTANCE.

Assistance must be terminated under any of the following conditions:

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

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

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

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

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

4900.3379 DISCONTINUED PARTICIPATION IN A PROGRAM; PRETERMINATION NOTICE.

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

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

B. specify the date the rental assistance will end;

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

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

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

4900.3380 TERMINATION OF ASSISTANCE; NOTICE AND APPEAL RIGHTS.

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

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

Housing Finance Agency

Proposed Permanent Rules Relating to Rent Assistance for Family Stabilization Demonstration Program

Rules as Proposed (all new material)

RENT ASSISTANCE FOR FAMILY STABILIZATION DEMONSTRATION PROGRAM

4900.3370 SCOPE.

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

4900.3371 DEFINITIONS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4900.3372 VOUCHER OPTION.

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

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

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

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

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

The self-sufficiency program administrator must provide the caretaker parent who has discontinued participation in a program before completion with the notice specified in part 4900.3379. The self-sufficiency program administrator must send a subsequent notice to the caretaker parent, the local housing agency, and the agency 60 days before termination of the housing assistance.

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by Revisor _____

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

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

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

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

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

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

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

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

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

C. the amount of rental assistance subsidy requested;

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

E. a three-year budget projection for the

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self-sufficiency program.

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

4900.3373 PROJECT-BASED OPTION.

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

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

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

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

C. the amount of rental assistance subsidy requested;

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

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

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

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parents who reside in counties with high average housing costs.

4900.3374 SELECTION CRITERIA.

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

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

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

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

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

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

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

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

4900.3375 AMOUNT AND PAYMENT OF RENT ASSISTANCE.

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

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

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

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

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

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

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

4900.3376 FAMILY ELIGIBILITY.

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

A. be receiving public assistance;

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

C. not be receiving other rental assistance;

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

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

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

A. not be receiving other rental assistance;

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

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

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

4900.3377 SELECTION OF ELIGIBLE FAMILIES.

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

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

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

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

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

4900.3378 TERMINATION OF ASSISTANCE.

Assistance must be terminated under any of the following conditions:

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

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

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

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

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

4900.3379 DISCONTINUED PARTICIPATION IN A PROGRAM; PRETERMINATION NOTICE.

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

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

B. specify the date the rental assistance will end;

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

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

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

4900.3380 TERMINATION OF ASSISTANCE; NOTICE AND APPEAL RIGHTS.

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

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

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by Revisor _____

Office of the Revisor of Statutes

Administrative Rules

TITLE: Proposed Permanent Rules Relating to Rent Assistance For Family Stabilization Demonstration Program

AGENCY: 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 Rent Assistance for Family Stabilization Demonstration Program

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 30th day of August, 1991.

That on the 30th day of August, 1991, 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 30th day of August, 1991.

Renee J. Dickinson

Notary Public

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

Proposed Rules

Pursuant to Minn. Stat. §§ 14.22, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing, as long as the agency determines that the rules will be noncontroversial in nature. The agency must first publish a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register*. The notice must advise the public:

1. that they have 30 days in which to submit comment on the proposed rules;
2. that no public hearing will be held unless 25 or more persons make a written request for a hearing within the 30-day comment period;
3. of the manner in which persons shall request a hearing on the proposed rules; and
4. that the rule may be modified if the modifications are supported by the data and views submitted.

If, during the 30-day comment period, 25 or more persons submit to the agency a written request for a hearing of the proposed rules, the agency must proceed under the provisions of §§ 14.14-14.20, which state that if an agency decides to hold a public hearing, it must publish a notice of intent in the *State Register*.

Pursuant to Minn. Stat. §§ 14.29 and 14.30, agencies may propose emergency rules under certain circumstances. Proposed emergency rules are published in the *State Register* and, for at least 25 days thereafter, interested persons may submit data and views in writing to the proposing agency.

Housing Finance Agency

Proposed Permanent Rules Relating to Rent Assistance for Family Stabilization Demonstration 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.

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: 3 September 1991

James J. Solem
Commissioner

Rules as Proposed (all new material)

RENT ASSISTANCE FOR FAMILY STABILIZATION DEMONSTRATION PROGRAM

4900.3370 SCOPE.

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

4900.3371 DEFINITIONS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Subp. 11. **Self-sufficiency program or program.** "Self-sufficiency program" or "program" means a program operated by a certified employment and training service provider as defined in *Minnesota Statutes*, section 256.736, subdivision 1a, paragraph (e), an employability program administered by a community action agency as defined in *Minnesota Statutes*, section 268.53, or courses of study at an accredited institution of higher education pursued with at least half-time student status, or an established privately funded self-sufficiency program.

4900.3372 VOUCHER OPTION.

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

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

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

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

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

The self-sufficiency program administrator must provide the caretaker parent who has discontinued participation in a program before completion with the notice specified in part 4900.3379. The self-sufficiency program administrator must send a subsequent notice to the caretaker parent, the local housing agency, and the agency 60 days before termination of the housing assistance.

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

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

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

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

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

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

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

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

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

C. the amount of rental assistance subsidy requested;

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

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

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

4900.3373 PROJECT-BASED OPTION.

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

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

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

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

C. the amount of rental assistance subsidy requested;

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

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

Subp. 3. **Eligible applicants.** Eligible applicants are administrators of self-sufficiency programs as defined in part 4900.3371, subpart 11, that provide services to caretaker parents who reside in counties with high average housing costs.

4900.3374 SELECTION CRITERIA.

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

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

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

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

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

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

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

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

4900.3375 AMOUNT AND PAYMENT OF RENT ASSISTANCE.

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

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

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

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

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

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

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

4900.3376 FAMILY ELIGIBILITY.

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

A. be receiving public assistance;

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

C. not be receiving other rental assistance;

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

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

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

A. not be receiving other rental assistance;

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

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

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

4900.3377 SELECTION OF ELIGIBLE FAMILIES.

Subpart 1. **Notification.** The self-sufficiency program administrator must notify verbally and in writing all potentially eligible caretaker parents participating in its program of the availability of the rent assistance for family stabilization demonstration 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. 2. **Application.** The caretaker parent must submit a completed application and needed verifications to the self-sufficiency program administrator. Within 15 days of receiving a completed application and all needed verifications, the self-sufficiency program administrator must determine the family's eligibility for rent assistance.

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

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

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

4900.3378 TERMINATION OF ASSISTANCE.

Assistance must be terminated under any of the following conditions:

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

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

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

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

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

4900.3379 DISCONTINUED PARTICIPATION IN A PROGRAM; PRETERMINATION NOTICE.

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

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

B. specify the date the rental assistance will end;

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

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

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

4900.3380 TERMINATION OF ASSISTANCE; NOTICE AND APPEAL RIGHTS.

Before terminating rental assistance, the local housing agency or the agency must send a notice to the caretaker parent no later than ten days before the termination specifying the reasons for the termination of rental assistance and the right to appeal the termination within ten days of the receipt of the notice. Appeals under this part shall be heard by the Department of Human Services, under *Minnesota Statutes*, section 256.045.

Veterans Homes Board

Proposed Permanent Rules Relating to Resident Care

Notice of Hearing and Notice of Intent to Cancel a Hearing if Fewer than Twenty Five Persons Request a Hearing in Response to Notice of Intent to Adopt Rules Without a Public Hearing

NOTICE IS HEREBY GIVEN that a public hearing concerning the proposed rules captioned above will be held at the Office of Administrative Hearings, Suite 500, Flour Exchange Building, 310 4th Avenue South, Minneapolis, Minnesota, on Tuesday October 15th, 1991 commencing at 9:30 a.m. and continuing until all interested persons have had an opportunity to be heard. The proposed rules may be modified as a result of the hearing process. Therefore, if you are affected in any manner by the proposed rules, you are urged to participate in the rule hearing process.

MINNESOTA HOUSING FINANCE AGENCY

October 9, 1991

Ms. Shirley H. Griffith, Manager
Project Self-Sufficiency
Minneapolis Public Housing Authority
1001 Washington Avenue North
Minneapolis, Minnesota 55401-1043

RE: **RENTAL ASSISTANCE FOR FAMILY STABILIZATION PROGRAM RULES**
Your comments dated October 3, 1991

Dear Ms. Griffith:

Thank you for your letter of October 3, 1991 and your interest in the Rental Assistance for Family Stabilization Program (RAFS). Your experience in the HUD demonstration model would be beneficial to the RAFS program.

Each point you raised in your letter will be addressed by the number and the order in which it appeared in your letter, a copy of which is attached for quick reference.

1. The program concept was not reviewed with HUD as there are no federal funds in the RAFS program.

   a. Because there are no federal funds, HUD regulations regarding termination of tenancy do not apply. State law and RAFS rules and procedural guidelines will govern.

   b. The administrative fee which is limited to the greater of 10% of the subsidy or $15 per unit per month to be paid to the local housing agency.

   c. No additional vouchers will be offered by HUD.

   d. Federal preferences will not apply but may be used as a guide by the applicant.

   e. It is MHFA's intent to allow provisions for turnover and reuse of vouchers; however, no one household may receive rental assistance for more than three years and the funding is for a finite amount with no assurances of continuation beyond the initial $3,000,000 appropriation.

400 Sibley Street, Suite 300, St. Paul, Minnesota 55101 (612) 296-7608 Telecopier (612) 296-8139 TDD (612) 297-2361

October 8, 1991
RAFS Program Rules

2. MHFA does not have additional funds to offer to self-sufficiency programs to participate.

3. The sole source of funding for the RAFS program is the appropriation of $3,000,000 appropriated to the MHFA by the state legislature in 1991.

4. Dependent upon the success of the program and future appropriations MHFA would be interested in a long-term relationship with the self-sufficiency programs.

I hope the above answers your questions regarding the RAFS program. Please call me at 296-9821 if you would like to discuss this matter further.

Sincerely yours,

for Robert L. Odman, Director
Property Management

RLO/mn

MINNEAPOLIS PUBLIC HOUSING AUTHORITY

1001 WASHINGTON AVENUE NORTH
MINNEAPOLIS, MINNESOTA 55401-1043



October 3, 1991

Ms. Susan K. Noren
Legal Division
Minnesota Housing Finance Agency
400 Sibley Street, Suite 300
St. Paul, Minnesota 55101-1998

Dear Ms. Noren,

As I stated in our phone conversation this morning, our office just received a copy of MHFA's proposed rules on the rent assistance demonstration program on Wednesday, October 2, 1991. Thank you again, for allowing us to respond on such short notice.

I am the manager of the Minneapolis Public Housing Authority's self-sufficiency program, which started several years ago as a HUD demonstration model. At that time, this model provided Section 8 housing subsidies and other resources in order to enable low-income, motivated single parents to become self-sufficient. When the demonstration phase of the program ended, so did the provision of housing support. We have learned throughout our program's history that safe, affordable housing is critical to each individual family's self-sufficiency. Therefore, we are excited to see that the State of Minnesota and MHFA are interested in building collaboratives with self-sufficiency programs that are working hard to overcome housing issues for the working poor and low-income families.

This morning I met with Chuck Lutz, the manager for MPHA's Section Eight office. We discussed the proposed rules and together prepared the following comments:

1. Has HUD approved at least the program concept? If not, is it being taken to HUD for review? Among the issues that HUD will need to address are these:

   a. Is it permissible for the self-sufficiency program (in conjunction with the PHA) to terminate assistance based on non-participation in the program? Under HUD regulations, this is not a condition precedent to termination.

b. To the extent that the self-sufficiency program is assisting in administration of the vouchers, can it receive a portion of the administrative fee for itself?

c. Will there be additional vouchers offered by HUD via a NOFA for PHA's willing to participate in this program or will PHA's be asked to reallocate existing vouchers only?

d. In determining a waiting list for assistance, will all federal and local preferences apply?

e. Is it MHFA's intent to allow provisions for turnover and reuse of certificates and vouchers.

2. Is it MHFA's intent to offer additional funds to self-sufficiency programs to participate, or is it assumed that this will result in no net increase in the program's workload?

3. Are there MHFA funds tied to this program?

4. Is MHFA interested in a long-term relationship with the self-sufficiency programs?

You mentioned that you will be sharing our comments with the author of the rules, Bob Odman. Both Chuck Lutz and I would be interested in meeting with you and Mr. Odman to further discuss the rules and

our comments. In the meantime, if you have any questions, I can be reached at 521-1558.

Sincerely,

MINNEAPOLIS PUBLIC HOUSING AUTHORITY

Shirley H. Griffith, Manager
Project Self-Sufficiency

SG:ji

cc: Chuck Lutz, Manager
Minneapolis Public Housing Authority
Section 8

Thomas Hoch, Deputy Executive Director
Minneapolis Public Housing Authority

Chip Wells, Director
Minneapolis Employment Training Program

P.S. Please send any correspondence to me at the following address:

MPHA Project Self-Sufficiency
600 - 18th Avenue North
Minneapolis, MN 55411

TRI-CAP

Tri-County Action Programs, Inc.

Robert L. Haarman
Board Chairperson

Richard E. Holm
Executive Director

Community Services. Energy Assistance. Family Planning Center. Heartland Express. MHFA. Self-Sufficiency. Weatherization. WIC (Women, Infants & Children). WINGS Displaced Homemakers



September 5, 1991

Susan K. Noren, Legal Division
MHFA
400 Sibley Street, Suite 300
St. Paul, MN 55101-1998

Dear Ms. Noren:

We just read the proposed permanent rules relating to rent assistance for the Family Stabilization Demonstration Program. We are excited about the possibility of such a program in our local area. While we have no comments on the proposed rules, we would like to make sure we are notified when proposals are being requested. Are you able to put us on the mailing list or would you please pass this request to the appropriate person?

Thank you for your assistance.

Sincerely,

Paula S. Erdmann

Paula S. Erdmann
Community Service Director

V/TDD: (612) 251-1612 or 1-800-777-6020 **FAX: (612)-251-7786**

700 Mall Germain, St. Cloud MN 56301

EQUAL OPPORTUNITY EMPLOYER

In the Matter of the Adoption
of the Rule of the Minnesota
Housing Finance Agency
Governing the Rent Assistance
for Family Stabilization Demonstration
Program

DECLARATION
OF COUNSEL

I, Karl J. Herman, 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.

Karl J. Herman
Special Assistant Attorney General

Dated: October 24, 1991

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 Rent Assistance for Family Stabilization Demonstration Program	FINDINGS OF FACT, CONCLUSIONS, AND ORDER ADOPTING RULE WITHOUT PUBLIC HEARING

(1) Notice of the Commissioner's intent to adopt the above rule was published in the State Register on September 3, 1991, 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 30, 1991. (2) 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.

(4) All persons were given the opportunity to submit comments on the rule for 30 days after notice of proposed rulemaking. (5) No requests for a public hearing on the rule were received by the agency.

(7) Two submissions or comments on the rule were 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. (8)

NOW, THEREFORE, IT IS ORDERED that the rule identified as 4900.3370-4900.3380 is adopted this 24th day of October, 1991, pursuant to authority vested in the agency by Minnesota Statutes, sections 462A.06, subd. 4 and 11. (9)

James J. Solem, Commissioner