

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

MJC
1/8/92

RULE REVIEW CHECKLIST

File No. 1881
DATE RECEIVED 1-7-92
REVIEW DATE 1-16-92
DUE DATE 1-21-92
(DIS)APPROVED 1-21-92
WITHDRAWN _____

Docket No. D50009 0450
ADOPTED W/O HEARING _____
EMERGENCY RULE _____
TO REVISOR ON 1-8-92
REVISOR (DIS)APPROVED 1-16
FILED W/SEC. OF STATE 1-23-92
RETURNED TO AGENCY 1-24-92

✓ 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
Oct 24, 1991 Date adopted

✓ Proposed Rule
✓ Revisor's Certificate

✓ Notice of Intent to Adopt Rule
462A.06 and 4 Statutory Authority
_____ Small Business Statement
_____ Expenditure of public money statement
Nov 15, 1991 Signature unsigned but resolution

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

✓ Affidavit of Mailing Notice of Intent to Adopt Rule
Nov 15, 1991 Dated 30/25 ~~days before adoption~~
✓ Notice attached indicates it is attached
_____ Copy of rule or summary attached

✓ Publication in State Register
Nov 18, 1991 Date 30/25 days before adoption

✓ 180-day deadline from:
✓ 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
Dec 19, 1991 Date adopted

✓ Findings of Fact, Conclusions & Order Adopting
December 19, 1991 Date

_____ ~~Written~~ Requests, Submissions or Comments

✓ Declaration of Attorney
Bill Kuretsky Name of SAAG representing agency

_____ Notice of Submission to Attorney General (if applicable)

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

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

OFFICE MEMORANDUM

DATE: January 23, 1992

TO: SUSAN K. NOREN
Legal Divsiion
Minnesota Housng Finance Agency
400 Sibley St., 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 Single Family Mortgage Revenue Bond Authority

The above-referenced rule has been approved as to its legality by the Attorney General on January 21, 1992.

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:jj

cc: William Kuretsky
William Brown, Chief Judge
MaryAnn Hruby

Housing Finance Agency

Adopted Permanent Rules Relating to Single Family Mortgage Revenue Bond Authority

Rules as Adopted

4900.3210 DEFINITIONS.

[For text of subps 1 to 6, see M.R.]

Subp. 7. **Housing pool.** "Housing pool" means the amount of the annual volume cap allocated under Minnesota Statutes, section 474A.061, which is available for the issuance of residential rental project bonds or mortgage bonds.

Subp. 8. **Metropolitan area.** "Metropolitan area" means the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2.

[For text of subps 9 to 16, see M.R.]

4900.3220 ELIGIBLE PROGRAMS.

[For text of subps 1 and 2, see M.R.]

Subp. 3. **House price limits.** House price limits for homes that are security for mortgages under eligible programs may not exceed:

A. the greater of agency house price limits or the median house purchase price in the city for which the bonds are to be sold up to a maximum of 80 percent of the safe harbor limits for existing housing provided under section 143(e) of the Internal Revenue Code of 1986, as amended through December 31, 1990; or

B. for a new construction affordability initiative as described in subpart 4, item D, the greater of 115 percent of the agency house price limits or 90 percent of the median house purchase price in the city for which the bonds are to be sold up to a maximum of 80 percent of the safe harbor limitation for existing housing provided under section 143(e) of the Internal Revenue Code of 1986 as amended through December 31, 1990. House price limits may exceed the agency house price limits only

if a subsidy is used to reduce the effective purchase price of the property to the above levels.

If the agency's house price limits are lowered during the origination period, cities may use the house price limits in effect at the time the bonds were issued for the duration of the origination period. If the agency's house price limits are raised during the origination period, cities may use the higher house price limits for the duration of the origination period.

Cities requesting house price limits higher than the agency's house price limits must include data establishing the median purchase price in the city in the application. The data may be provided in the form of an independent study conducted by the city which reflects at least six months of real estate activity pertaining to closed house sales within the city during the previous 12-month period. Data may be accumulated from multiple listing services, appraisers or real estate agents, filings pertaining to closed real estate sales, records from the county auditor pertaining to real estate sales, or other sources that are demonstrated to provide accurate data pertaining to city real estate activity.

Subp. 4. **Limits on new construction in metropolitan area.** During the first ten months of an origination period, the agency or cities may not make mortgage loans for the purchase of newly constructed housing in the metropolitan area unless one of the following conditions is met:

A. The newly constructed housing is located in a redevelopment area.

B. The new housing is replacing a structurally substandard structure or structures.

C. The new housing is located on a parcel purchased by the city or conveyed to the city under Minnesota Statutes, section 282.01, subdivision 1.

D. The new housing is part of a housing affordability initiative, other than those financed with the proceeds from the sale of mortgage revenue bonds, in which federal, state, or local assistance is used to substantially improve the terms of

financing or to substantially write down the purchase price of the new housing. A housing affordability initiative must meet one or more of the following criteria:

[For text of subitems (1) to (5), see M.R.]

[For text of subps 5 to 8, see M.R.]

4900.3230 APPLICATION FOR MORTGAGE REVENUE BOND AUTHORITY.

Subpart 1. **General.** Cities may apply to the agency for mortgage revenue bond authority from the housing pool as provided in subparts 2 and 3, except that no city in an entitlement county may apply for or be allocated authority to issue bonds from the housing pool. Upon application and selection for mortgage revenue bond authority, cities may elect to either issue mortgage revenue bonds for eligible programs on their own behalf or through joint powers agreements, or have the agency issue bonds on their behalf.

Subp. 2. **Application period.** In the event that bonding authority is available in the housing pool on the dates prescribed, cities may submit applications to the agency for single-family mortgage revenue bond authority for eligible programs after April 1 through April 15, and after July 1 through July 15, of each year.

Subp. 3. **Application requirements.** Cities that wish to apply for single-family mortgage revenue bond authority may do so by providing the information described in this subpart. The agency may develop a form and format by which the information may be provided, but also will accept submittals from cities that do not meet the agency developed form and format and meet the requirements of this subpart.

[For text of items A and B, see M.R.]

C. The city must request a specific allocation from the housing pool which may not exceed the lesser of $4,000,000 or 20 percent of the total amount available for allocation on the first Tuesday after the first Monday in April. The minimum allocation that may be requested shall be $250,000.

[For text of item D, see M.R.]

E. The city must submit an application deposit by check payable to the Department of Finance equal to one percent of the requested allocation from the housing pool.

4900.3250 APPLICANT SELECTION.

[For text of subpart 1, see M.R.]

Subp. 2. **Notification to finance commissioner.** Upon the establishment of an agreement with cities, the agency shall forward to the commissioner of finance the amounts allotted to each applicant under the agreement. The agency shall also forward the application fee. The agreement must specify the amount allotted to each applicant. A copy of the agreement forwarded to the commissioner of finance shall be sent to each applicant.

[For text of subp 3, see M.R.]

4900.3270 AGENCY ISSUANCE ON BEHALF OF CITIES.

Subpart 1. **Agency bond issuance.** The agency may issue bonds on behalf of participating cities pursuant to part 4900.3250, subpart 3. The agency shall request an allocation from the commissioner of finance for all cities who choose to have the agency issue bonds on their behalf and the commissioner shall allocate the requested amount to the agency. The agency may request an allocation at any time after the first Monday in April and through the last Monday in July, but may request an allocation no later than the last Monday in July.

[For text of subps 2 to 4, see M.R.]

4900.3290 CITY ISSUANCE ON ITS OWN BEHALF.

Subpart 1. **City bond issuance.** A city may choose to issue bonds on its own behalf or through a joint powers agreement and may request an allocation from the commissioner of finance. If the total amount requested by all applicants exceeds the amount available in the housing pool, the city may not receive a greater amount than it would have received under the agreement forwarded by the agency to the commissioner. No city may request or receive an allocation under this subpart until the

agreement under part 4900.3250, subpart 1, has been forwarded to the commissioner. On or after the first Monday in April and through the last Monday in July, no city may receive an allocation from the housing pool which has not first applied to the agency. The commissioner of finance shall allocate the requested amount to the city or cities subject to the limits under this subpart.

[For text of subp 2, see M.R.]

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

JAN 23 1992

Joan Anderson Growe
Secretary of State

9:10 AM
P.B.

APPROVED AS TO FORM AND LEGALITY
January 21 19 92

HUBERT H. HUMPHREY, III
ATTORNEY GENERAL
BY MJ Cassedy
SPECIAL ASSISTANT ATTORNEY GENERAL

F

DEPARTMENT: ATTORNEY GENERAL **STATE OF MINNESOTA**

OFFICE MEMORANDUM

DATE: January 22, 1992

TO: WILLIAM KURETSKY
Special Assistant
Attorney General

FROM: MARTHA J. CASSERLY
Special Assistant
Attorney General

PHONE: 296-6839

SUBJECT: **Rules relating to Mortgage Revenue Bonds**

While I approved the above-captioned rules, as you know, Patty Nolte and I were very troubled with the Statements of Need and Reasonableness in support of both rules. We essentially had two concerns with the statements.

First, as you know, the statements cited the wrong statute in support of the rule changes, and when we called to inquire, there was further confusion as to the correct cite. That error was further compounded when the only justification of the rule was solely based on the (incorrect) cite. Specifically, the statements in support of the rules were only one paragraph long, and simply stated that "the proposed rules are being promulgated only to make said rules consistent with the statute. No other changes are proposed."

Because of the mis-cite, in reviewing both rules, Patty and I had to research, locate and compare each and every rule amendment to the statute. The statements should have discussed each rule amendment separately, citing the statute upon which the rule was changed.

The second major concern was that, upon examining each amendment, it turns out that not all the amendments to the rules were based upon solely on statutory change, but were additional amendments to clarify the statute. That is not what the Statement of Need and Reasonableness said. Thus, your client's statement was incomplete. As we have discussed in the past with you and Karl Herman, client's statements need to separately discuss and justify each subpart amendment. If the changes are made solely to reflect new statutory language, then the specific statute should be cited. If the rule amendment is a bit different than the statutory change, then the rule amendment must be justified.

I hope this memorandum assists you and your client so that future statements will be more complete in justifying the rule. Thanks.

MJC:cu0
cc: Patty Nolte

area median income, adjusted for household size as determined by the federal Department of Housing and Urban Development.

The maximum rent for a proposed single room occupancy unit under paragraph (a) is 30 percent of the amount equal to 30 percent of the greater of the statewide or county median income for a one-member household as determined by the federal Department of Housing and Urban Development. The maximum rent for at least 75 percent of the units of a multifamily project under paragraph (b) is 30 percent of the amount equal to 50 percent of the greater of the statewide or county median income as determined by the federal Department of Housing and Urban Development based on a household size with one person per bedroom.

[For text of subd 2, see M.S.1990]

Subd. 3. **Penalty.** The issuer shall monitor project compliance with the rental rate and income level requirements under subdivision 1. The issuer may issue an order of noncompliance if a project is found by the issuer to be out of compliance with the rental rate or income level requirements under subdivision 1. The owner or owners of the project shall pay a penalty to the issuer equal to one-half of one percent of the total amount of bonds issued for the project under this chapter if the issuer issues an order of noncompliance. For each additional year a project is out of compliance, the annual penalty must be increased by one-half of one percent of the total amount of bonds issued under this chapter for the project. The issuer may waive insubstantial violations.

History: *1991 c 346 s 13,14*

474A.048 [Repealed, 1991 c 346 s 29]

NOTE: Subdivision 2 was also amended by Laws 1991, chapter 292, article 9, section 35, to read as follows:

"Subd. 2. **Limitation; origination period.** During the first ten months of an origination period, the Minnesota housing finance agency or a city may make loans financed with proceeds of mortgage bonds for the purchase of existing housing. Loans financed with the proceeds of mortgage bonds for new housing in the metropolitan area may be made during the first ten months of an origination period only if at least one of the following conditions is met:

(1) the new housing is located in a redevelopment area and is replacing a structurally substandard structure or structures;

(2) the new housing is located on a parcel purchased by the city or conveyed to the city under section 282.01, subdivision 1;

(3) the new housing is part of a housing affordability initiative, other than those financed with the proceeds from the sale of bonds, in which federal, state, or local assistance is used to substantially improve the terms of the financing or to substantially write down the purchase price of the new housing; or

(4) the new housing is accessible housing and the borrower or a member of the borrower's family is a person with a disability. For the purposes of this clause, "accessible housing" means a dwelling unit with the modifications necessary to enable a person with a disability to function in a residential setting. "A person with a disability" means a person who has a permanent physical condition which is not correctable and which substantially reduces the person's ability to function in a residential setting. A person with a physical condition which does not require the use of a device to increase mobility must be deemed a person with a disability upon written certification of a licensed physician that the physical condition substantially limits the person's ability to function in a residential setting.

Upon expiration of the first ten-month period, the agency or a city may make loans financed with the proceeds of mortgage bonds for the purchase of new and existing housing."

474A.061 ALLOCATION OF MANUFACTURING, HOUSING, AND PUBLIC FACILITIES POOLS.

Subdivision 1. **Application.** (a) An issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department, accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of one percent of the requested allocation before the last Monday in July, or in the amount of two percent of the requested allocation on or after the last Monday in July, and (5) a public purpose scoring worksheet for manufacturing project applications. The issuer must pay the application deposit by a check made payable to the department of finance. The Minnesota housing finance agency and the Minnesota rural finance authority may apply for and receive an allocation under this section without submitting an application deposit.

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rcent of the greater of the statewide or
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"A person with a disability" means a person who has
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RING, HOUSING, AND PUBLIC

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payable to the department of finance.
innesota rural finance authority may
on without submitting an application

(b) An entitlement issuer may not apply for an allocation from the housing pool or from the public facilities pool unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount of bonding authority carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

(c) If an application is rejected under this section, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by a certificate of allocation.

Subd. 2a. **Housing pool allocation.** (a) On the first business day that falls on a Monday of the calendar year and on the first Monday in April, the commissioner shall allocate available bonding authority in the housing pool to applications received by the Monday of the previous week for residential rental projects that meet the eligibility criteria under section 474A.047. After April 1, and through April 15, the Minnesota housing finance agency may accept applications from cities for single-family housing programs which meet program requirements as follows:

(1) the housing program must meet a locally identified housing need and be economically viable;

(2) the adjusted income of home buyers cannot exceed the agency's income limits, except in the Minneapolis-St. Paul metropolitan statistical area as determined by the United States Department of Commerce where the adjusted income limits of home buyers may not exceed the greater of the agency's income limits or 80 percent of the area median income as published by the Department of Housing and Urban Development;

(3) house price limits may not exceed:

(i) the greater of agency house price limits or the median purchase price in the city for which the bonds are to be sold up to a maximum of 80 percent of the safe harbor limitations for existing housing provided under section 143(e) of the Internal Revenue Code of 1986, as amended through December 31, 1990; or

(ii) for a new construction affordability initiative, the greater of 115 percent of agency house price limits or 90 percent of the median purchase price in the city for which the bonds are to be sold up to a maximum of 80 percent of the safe harbor limitations for existing housing provided under section 143(e) of the Internal Revenue Code of 1986, as amended through December 31, 1990.

House price limits may be 80 percent of the safe harbor limitation for existing housing if subsidy is used to reduce the effective purchase price of the property to the above levels. Data establishing the median purchase price in the city must be included in the application by a city requesting house price limits higher than the housing finance agency's house price limits;

(4) the housing program meets the requirements of section 474A.048; and

(5) an application deposit equal to one percent of the requested allocation must be submitted with the city's application. The agency shall submit the application and application deposit to the commissioner when requesting an allocation from the housing pool.

The Minnesota housing finance agency may accept applications from July 1 through July 15 from cities for single-family housing programs which meet program requirements specified under clauses (1) to (5) if bonding authority is available in the housing pool. The agency and a representative for each applicant shall negotiate the terms of an agreement regarding the allocation of available authority among the applicants. The agreement must allot available bonding authority among the applicants. For purposes of paragraphs (a) to (d), "city" has the meaning given it in section 462C.02, subdivision 6, and "agency" means the Minnesota housing finance agency.

(b) Upon reaching agreement with participating cities, the agency shall forward

STATE OF MINNESOTA

OFFICE OF THE ATTORNEY GENERAL

HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

...NMENT SERVICES SECTION
...K STREET
...
...L, MN 55103
...HONE: (612) 297-2040
...AGLE (612) 297-2576

FACSIMILE TRANSMISSION

MINNESOTA ATTORNEY GENERAL'S OFFICE
Government Services Section
500 Capitol Office Building
525 Park Street
St. Paul, Minnesota 55103
Telephone: (612) 297-2040
Facsimile: (612) 297-2576

Date: 1-20-92

Time: 3:45

TO: Bill Kuretzky

FAX NUMBER: [redacted] 6-8139

FROM: Marty Casserly (296-6839)

NUMBER OF PAGES (INCLUDING THIS PAGE): 4

MESSAGE: Bill, I'll be calling you Tuesday morning about this rule → doesn't pg 2, lines 2-4 conflict with 474A.061 subd 2a(3)ii ? - see enclosed

IF THERE ARE PROBLEMS RECEIVING THIS TRANSMISSION, PLEASE CALL:

Cheryl Yelle AT (612) 296-9664

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Stat Authority 462A.06 subd 4 and 11

subd 4 It may make, and from time to time

SOLAR – no justification but they made minor changes - they should have cited the specific new 1991 laws that justify the changes

462A.073 is new ~~this is probably~~ what they are refering to

Solar cites to [redacted] 474A.408 there is no statute I think ~~what they~~ mean is 474A.048 - ~~repealed~~

left a message for Susan Noren to call.

MINNESOTA HOUSING FINANCE AGENCY

1-7-92
Rec.

December 31, 1991

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 Single Family Mortgage Revenue Bond Authority

Dear Ms. Nolte:

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

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

Rule as Adopted (four copies);

Agency's Board Resolution Adopting the Rule;

Certificate of the Minnesota Housing Finance Agency Authorizing Resolution;

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

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

Rule as Proposed;

Rule as Published in State Register;

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

Statement of Need and Reasonableness; and

Declaration of Counsel.

The Agency did not publish a Notice of Intent to Solicit Outside Opinion in connection with this rule. No requests for a hearing, no 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.

State of Minnesota

Minnesota Housing Finance Agency

In the Matter of the Proposed Rules Pertaining
to Single Family Mortgage Revenue Bond
Authority

Statement of Need and Reasonableness

4900.3200 through 4900.3290:

Minnesota Statutes § 474A.061, subd. 2a govern the bond allocation process from the housing pool for single family housing programs submitted by cities to the Minnesota Housing Finance Agency. Minnesota Statutes § 474A.408 establishes limitations on the use of bonds for single family housing programs by both cities and the Agency.

In early 1991, the Agency promulgated rules to address city programs under the above referenced statutes. During its 1991 session, the Legislature revised these statutes. The proposed rules have been developed to assure consistency between the statutes and the rules. No other changes are proposed.

The Agency is cognizant of the provisions of section 14.115 of Minnesota Statutes, entitled Small Business Considerations in Rulemaking. The proposed rule does not establish any compliance or reporting requirements, or design of operational standards that directly affect the way any business must operate. Therefore, the provisions contained in Minnesota Statutes 14.115 (1986) do not apply to the proposed rule described herein.

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

RESOLUTION NO. MHFA 91-120

RESOLUTION AUTHORIZING ADOPTION OF RULES RELATING TO SINGLE FAMILY MORTGAGE REVENUE BOND AUTHORITY WITHOUT A PUBLIC HEARING

BE IT RESOLVED BY THE MINNESOTA HOUSING FINANCE AGENCY:

That the rule relating to Single Family Mortgage Revenue Bond Authority 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 19th day of December, 1991.

Chairman

Housing Finance Agency

Adopted Permanent Rules Relating to Single Family Mortgage Revenue Bond Authority

Rules as Adopted

4900.3210 DEFINITIONS.

[For text of subps 1 to 6, see M.R.]

Subp. 7. **Housing pool.** "Housing pool" means the amount of the annual volume cap allocated under Minnesota Statutes, section 474A.061, which is available for the issuance of residential rental project bonds or mortgage bonds.

Subp. 8. **Metropolitan area.** "Metropolitan area" means the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2.

[For text of subps 9 to 16, see M.R.]

4900.3220 ELIGIBLE PROGRAMS.

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Subp. 3. **House price limits.** House price limits for homes that are security for mortgages under eligible programs may not exceed:

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B. for a new construction affordability initiative as described in subpart 4, item D, the greater of 115 percent of the agency house price limits or 90 percent of the median house purchase price in the city for which the bonds are to be sold up to a maximum of 80 percent of the safe harbor limitation for existing housing provided under section 143(e) of the Internal Revenue Code of 1986 as amended through December 31, 1990. House price limits may exceed the agency house price limits only

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Cities requesting house price limits higher than the agency's house price limits must include data establishing the median purchase price in the city in the application. The data may be provided in the form of an independent study conducted by the city which reflects at least six months of real estate activity pertaining to closed house sales within the city during the previous 12-month period. Data may be accumulated from multiple listing services, appraisers or real estate agents, filings pertaining to closed real estate sales, records from the county auditor pertaining to real estate sales, or other sources that are demonstrated to provide accurate data pertaining to city real estate activity.

Subp. 4. **Limits on new construction in metropolitan area.** During the first ten months of an origination period, the agency or cities may not make mortgage loans for the purchase of newly constructed housing in the metropolitan area unless one of the following conditions is met:

A. The newly constructed housing is located in a redevelopment area.

B. The new housing is replacing a structurally substandard structure or structures.

C. The new housing is located on a parcel purchased by the city or conveyed to the city under Minnesota Statutes, section 282.01, subdivision 1.

D. The new housing is part of a housing affordability initiative, other than those financed with the proceeds from the sale of mortgage revenue bonds, in which federal, state, or local assistance is used to substantially improve the terms of

financing or to substantially write down the purchase price of the new housing. A housing affordability initiative must meet one or more of the following criteria:

[For text of subitems (1) to (5), see M.R.]

[For text of subps 5 to 8, see M.R.]

4900.3230 APPLICATION FOR MORTGAGE REVENUE BOND AUTHORITY.

Subpart 1. **General.** Cities may apply to the agency for mortgage revenue bond authority from the housing pool as provided in subparts 2 and 3, except that no city in an entitlement county may apply for or be allocated authority to issue bonds from the housing pool. Upon application and selection for mortgage revenue bond authority, cities may elect to either issue mortgage revenue bonds for eligible programs on their own behalf or through joint powers agreements, or have the agency issue bonds on their behalf.

Subp. 2. **Application period.** In the event that bonding authority is available in the housing pool on the dates prescribed, cities may submit applications to the agency for single-family mortgage revenue bond authority for eligible programs after April 1 through April 15, and after July 1 through July 15, of each year.

Subp. 3. **Application requirements.** Cities that wish to apply for single-family mortgage revenue bond authority may do so by providing the information described in this subpart. The agency may develop a form and format by which the information may be provided, but also will accept submittals from cities that do not meet the agency developed form and format and meet the requirements of this subpart.

[For text of items A and B, see M.R.]

C. The city must request a specific allocation from the housing pool which may not exceed the lesser of $4,000,000 or 20 percent of the total amount available for allocation on the first Tuesday after the first Monday in April. The minimum allocation that may be requested shall be $250,000.

[For text of item D, see M.R.]

E. The city must submit an application deposit by check payable to the Department of Finance equal to one percent of the requested allocation from the housing pool.

4900.3250 APPLICANT SELECTION.

[For text of subpart 1, see M.R.]

Subp. 2. **Notification to finance commissioner.** Upon the establishment of an agreement with cities, the agency shall forward to the commissioner of finance the amounts allotted to each applicant under the agreement. The agency shall also forward the application fee. The agreement must specify the amount allotted to each applicant. A copy of the agreement forwarded to the commissioner of finance shall be sent to each applicant.

[For text of subp 3, see M.R.]

4900.3270 AGENCY ISSUANCE ON BEHALF OF CITIES.

Subpart 1. **Agency bond issuance.** The agency may issue bonds on behalf of participating cities pursuant to part 4900.3250, subpart 3. The agency shall request an allocation from the commissioner of finance for all cities who choose to have the agency issue bonds on their behalf and the commissioner shall allocate the requested amount to the agency. The agency may request an allocation at any time after the first Monday in April and through the last Monday in July, but may request an allocation no later than the last Monday in July.

[For text of subps 2 to 4, see M.R.]

4900.3290 CITY ISSUANCE ON ITS OWN BEHALF.

Subpart 1. **City bond issuance.** A city may choose to issue bonds on its own behalf or through a joint powers agreement and may request an allocation from the commissioner of finance. If the total amount requested by all applicants exceeds the amount available in the housing pool, the city may not receive a greater amount than it would have received under the agreement forwarded by the agency to the commissioner. No city may request or receive an allocation under this subpart until the

agreement under part 4900.3250, subpart 1, has been forwarded to the commissioner. On or after the first Monday in April and through the last Monday in July, no city may receive an allocation from the housing pool which has not first applied to the agency. The commissioner of finance shall allocate the requested amount to the city or cities subject to the limits under this subpart.

[For text of subp 2, see M.R.]

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 24th day of October, 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 Single Family Mortgage Revenue Bond Authority 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 24th day of October, 1991.

Chairman

Attest by one other Board Member

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 Single Family Mortgage Revenue Bond Authority

NOTICE OF INTENT TO ADOPT A RULE WITHOUT A PUBLIC HEARING

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

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

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

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

(5)

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: November 15, 1991

James J. Solem
Commissioner

Housing Finance Agency

Proposed Permanent Rules Relating to Single Family Mortgage Revenue Bond Authority

Rules as Proposed

4900.3210 DEFINITIONS.

[For text of subps 1 to 6, see M.R.]

Subp. 7. **Housing pool.** "Housing pool" means the ~~pool into which the~~ amount of the annual volume cap allocated ~~to housing pursuant to~~ under Minnesota Statutes, section ~~474A.03, subdivision 1, is deposited~~ 474A.061, which is available for the issuance of residential rental project bonds or mortgage bonds.

Subp. 8. **Metropolitan area.** "Metropolitan area" means the ~~Minneapolis-St. Paul~~ metropolitan ~~Statistical~~ area as defined ~~by the United States Department of Commerce, Bureau of the Census~~ in Minnesota Statutes, section 473.121, subdivision 2.

[For text of subps 9 to 16, see M.R.]

4900.3220 ELIGIBLE PROGRAMS.

[For text of subps 1 and 2, see M.R.]

Subp. 3. **House price limits.** House price limits for homes that are security for mortgages under eligible programs may not exceed:

A. the greater of agency house price limits or ~~90 percent of~~ the median house purchase price in the city for which the bonds are to be sold up to a maximum of 80 percent of the safe harbor limits for existing housing provided under section 143(e) of the Internal Revenue Code of 1986, as amended through December 31, ~~1989, except that~~ 1990; or

B. for a new construction affordability initiative as described in subpart 4, item D, the greater of 115 percent of the agency house price limits or 90 percent of the median house purchase price in the city for which the bonds are to be sold up to a maximum of 80 percent of the safe harbor limitation for existing housing provided under section 143(e) of the Internal

Approved by Revisor CMR

Revenue Code of 1986 as amended through December 31, 1990. House price limits may ~~be 80 percent of the safe harbor limitation for existing housing~~ exceed the agency house price limits only if a subsidy is used to reduce the effective purchase price of the property to the above levels.

If the agency's house price limits are lowered during the origination period, cities may use the house price limits in effect at the time the bonds were issued for the duration of the origination period. If the agency's house price limits are raised during the origination period, cities may use the higher house price limits for the duration of the origination period.

Cities requesting house price limits higher than the agency's house price limits must include data establishing the median purchase price in the city in the application. The data may be provided in the form of an independent study conducted by the city which reflects at least six months of real estate activity pertaining to closed house sales within the city during the previous 12-month period. Data may be accumulated from multiple listing services, appraisers or real estate agents, filings pertaining to closed real estate sales, records from the county auditor pertaining to real estate sales, or other sources that are demonstrated to provide accurate data pertaining to city real estate activity.

Subp. 4. **Limits on new construction in metropolitan area.** During the first ten months of an origination period, the agency or cities may not make mortgage loans for the purchase of newly constructed housing in the metropolitan area unless one of the following conditions is met:

A. The newly constructed housing is located in a redevelopment area ~~and is replacing a structurally substandard structure or structures~~.

B. The new housing is replacing a structurally substandard structure or structures.

C. The new housing is located on a parcel purchased by the city or conveyed to the city under Minnesota Statutes, section 282.01, subdivision 1.

Approved by Revisor _____

~~c.~~ D. The new housing is part of a housing affordability initiative, other than those financed with the proceeds from the sale of mortgage revenue bonds, in which federal, state, or local assistance is used to substantially improve the terms of financing or to substantially write down the purchase price of the new housing. A housing affordability initiative must meet one or more of the following criteria:

[For text of subitems (1) to (5), see M.R.]

[For text of subps 5 to 8, see M.R.]

4900.3230 APPLICATION FOR MORTGAGE REVENUE BOND AUTHORITY.

Subpart 1. **General.** Cities may apply to the agency for mortgage revenue bond authority from the housing pool ~~as established under Minnesota Statutes, chapter 474A,~~ as provided in subparts 2 and 3, except that no city in an entitlement county may apply for or be allocated authority to issue bonds from the housing pool. Upon application and selection for mortgage revenue bond authority, cities may elect to either issue mortgage revenue bonds for eligible programs on their own behalf or through joint powers agreements, or have the agency issue bonds on their behalf.

Subp. 2. **Application period.** In the event that bonding authority is available in the housing pool on the dates prescribed, cities may submit applications to the agency for single-family mortgage revenue bond authority for eligible programs after April 1 ~~and until~~ through April 15, and after July 1 ~~and until~~ through July 15, of each year.

Subp. 3. **Application requirements.** Cities that wish to apply for single-family mortgage revenue bond authority may do so by providing the information described in this subpart. The agency may develop a form and format by which the information may be provided, but also will accept submittals from cities that do not meet the agency developed form and format and meet the requirements of this subpart.

[For text of items A and B, see M.R.]

C. The city must request a specific allocation from

Approved by Revisor _____

the housing pool which may not exceed the lesser of $4,000,000 or 20 percent of the total amount available for allocation on the first Tuesday after the first Monday in April. The minimum allocation that may be requested shall be $250,000.

[For text of item D, see M.R.]

E. The city must submit an application deposit by check payable to the Department of Finance equal to one percent of the requested allocation from the housing pool.

4900.3250 APPLICANT SELECTION.

[For text of subpart 1, see M.R.]

Subp. 2. **Notification to finance commissioner.** Upon the establishment of an agreement with cities, the agency shall forward to the commissioner of finance the amounts allotted to each applicant under the agreement. The agency shall also forward the application fee. The agreement must specify the amount allotted to each applicant. A copy of the agreement forwarded to the commissioner of finance shall be sent to each applicant.

[For text of subp 3, see M.R.]

4900.3270 AGENCY ISSUANCE ON BEHALF OF CITIES.

Subpart 1. **Agency bond issuance.** The agency may issue bonds on behalf of participating cities pursuant to part 4900.3250, subpart 3. The agency shall request an allocation from the commissioner of finance for all cities who choose to have the agency issue bonds on their behalf and the commissioner shall allocate the requested amount to the agency. The agency may request an allocation at any time ~~between~~ after the first Monday in April and through the last Monday in ~~August~~ July, but may request an allocation no later than the last Monday in ~~August~~ July.

[For text of subps 2 to 4, see M.R.]

4900.3290 CITY ISSUANCE ON ITS OWN BEHALF.

Subpart 1. **City bond issuance.** A city may choose to issue bonds on its own behalf or through a joint powers agreement and

Approved by Revisor _____

may request an allocation from the commissioner of finance. If the total amount requested by all applicants exceeds the amount available in the housing pool, the city may not receive a greater amount than it would have received under the agreement forwarded by the agency to the commissioner. No city may request or receive an allocation under this subpart until the agreement under part 4900.3250, subpart 1, has been forwarded to the commissioner. ~~Between~~ On or after the first Monday in April and through the last Monday in ~~August~~ July, no city may receive an allocation from the housing pool which has not first applied to the agency. The commissioner of finance shall allocate the requested amount to the city or cities subject to the limits under this subpart.

[For text of subp 2, see M.R.]

Approved
by Revisor _____

Office of the Revisor of Statutes

Administrative Rules

TITLE: Proposed Permanent Rules Relating to Single Family Mortgage Revenue Bond Authority

AGENCY: Housing Finance Agency

MINNESOTA RULES: Chapter 4900

The attached rules are approved for publication in the State Register

Carla M. Riehle

Carla M. Riehle
Assistant Revisor

In the Matter of the Proposed Adoption of the Rule of the Minnesota Housing Finance Agency Governing the Single Family Mortgage Revenue Bond Authority

AFFIDAVIT 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 15th day of November, 1991.

That on the 15th day of November, 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 15th day of November, 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 Single Family Mortgage Revenue Bond Authority

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: 15 November 1991

James J. Solem
Commissioner

Rules as Proposed

4900.3210 DEFINITIONS.

[For text of subps 1 to 6, see M.R.]

Subp. 7. **Housing pool.** "Housing pool" means the ~~pool into which the~~ amount of the annual volume cap allocated ~~to housing~~

~~pursuant to~~ under *Minnesota Statutes*, section ~~474A.03, subdivision 1, is deposited~~ 474A.061, which is available for the issuance of residential rental project bonds or mortgage bonds.

Subp. 8. **Metropolitan area.** "Metropolitan area" means the ~~Minneapolis-St. Paul~~ metropolitan ~~Statistical~~ area as defined ~~by the United States Department of Commerce, Bureau of the Census~~ in *Minnesota Statutes*, section 473.121, subdivision 2.

[For text of subps 9 to 16, see M.R.]

4900.3220 ELIGIBLE PROGRAMS.

[For text of subps 1 and 2, see M.R.]

Subp. 3. **House price limits.** House price limits for homes that are security for mortgages under eligible programs may not exceed:

A. the greater of agency house price limits or ~~90 percent of~~ the median house purchase price in the city for which the bonds are to be sold up to a maximum of 80 percent of the safe harbor limits for existing housing provided under section 143(e) of the Internal Revenue Code of 1986, as amended through December 31, ~~1989, except that~~ 1990; or

B. for a new construction affordability initiative as described in subpart 4, item D, the greater of 115 percent of the agency house price limits or 90 percent of the median house purchase price in the city for which the bonds are to be sold up to a maximum of 80 percent of the safe harbor limitation for existing housing provided under section 143(e) of the Internal Revenue Code of 1986 as amended through December 31, 1990. House price limits may ~~be 80 percent of the safe harbor limitation for existing housing~~ exceed the agency house price limits only if a subsidy is used to reduce the effective purchase price of the property to the above levels.

If the agency's house price limits are lowered during the origination period, cities may use the house price limits in effect at the time the bonds were issued for the duration of the origination period. If the agency's house price limits are raised during the origination period, cities may use the higher house price limits for the duration of the origination period.

Cities requesting house price limits higher than the agency's house price limits must include data establishing the median purchase price in the city in the application. The data may be provided in the form of an independent study conducted by the city which reflects at least six months of real estate activity pertaining to closed house sales within the city during the previous 12-month period. Data may be accumulated from multiple listing services, appraisers or real estate agents, filings pertaining to closed real estate sales, records from the county auditor pertaining to real estate sales, or other sources that are demonstrated to provide accurate data pertaining to city real estate activity.

Subp. 4. **Limits on new construction in metropolitan area.** During the first ten months of an origination period, the agency or cities may not make mortgage loans for the purchase of newly constructed housing in the metropolitan area unless one of the following conditions is met:

A. The newly constructed housing is located in a redevelopment area ~~and is replacing a structurally substandard structure or structures~~.

B. The new housing is replacing a structurally substandard structure or structures.

C. The new housing is located on a parcel purchased by the city or conveyed to the city under *Minnesota Statutes*, section 282.01, subdivision 1.

~~C.~~ D. The new housing is part of a housing affordability initiative, other than those financed with the proceeds from the sale of mortgage revenue bonds, in which federal, state, or local assistance is used to substantially improve the terms of financing or to substantially write down the purchase price of the new housing. A housing affordability initiative must meet one or more of the following criteria:

[For text of subitems (1) to (5), see M.R.]

[For text of subps 5 to 8, see M.R.]

4900.3230 APPLICATION FOR MORTGAGE REVENUE BOND AUTHORITY.

Subpart 1. **General.** Cities may apply to the agency for mortgage revenue bond authority from the housing pool ~~as established under *Minnesota Statutes*, chapter 474A,~~ as provided in subparts 2 and 3, except that no city in an entitlement county may apply for or be allocated authority to issue bonds from the housing pool. Upon application and selection for mortgage revenue bond authority, cities may elect to either issue mortgage revenue bonds for eligible programs on their own behalf or through joint powers agreements, or have the agency issue bonds on their behalf.

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 period.** In the event that bonding authority is available in the housing pool on the dates prescribed, cities may submit applications to the agency for single-family mortgage revenue bond authority for eligible programs after April 1 ~~and until~~ through April 15, and after July 1 ~~and until~~ through July 15, of each year.

Subp. 3. **Application requirements.** Cities that wish to apply for single-family mortgage revenue bond authority may do so by providing the information described in this subpart. The agency may develop a form and format by which the information may be provided, but also will accept submittals from cities that do not meet the agency developed form and format and meet the requirements of this subpart.

[For text of items A and B, see M.R.]

C. The city must request a specific allocation from the housing pool which may not exceed the lesser of $4,000,000 or 20 percent of the total amount available for allocation on the first Tuesday after the first Monday in April. The minimum allocation that may be requested shall be $250,000.

[For text of item D, see M.R.]

E. The city must submit an application deposit by check payable to the Department of Finance equal to one percent of the requested allocation from the housing pool.

4900.3250 APPLICANT SELECTION.

[For text of subpart 1, see M.R.]

Subp. 2. **Notification to finance commissioner.** Upon the establishment of an agreement with cities, the agency shall forward to the commissioner of finance the amounts allotted to each applicant under the agreement. The agency shall also forward the application fee. The agreement must specify the amount allotted to each applicant. A copy of the agreement forwarded to the commissioner of finance shall be sent to each applicant.

[For text of subp 3, see M.R.]

4900.3270 AGENCY ISSUANCE ON BEHALF OF CITIES.

Subpart 1. **Agency bond issuance.** The agency may issue bonds on behalf of participating cities pursuant to part 4900.3250, subpart 3. The agency shall request an allocation from the commissioner of finance for all cities who choose to have the agency issue bonds on their behalf and the commissioner shall allocate the requested amount to the agency. The agency may request an allocation at any time ~~between~~ after the first Monday in April and through the last Monday in ~~August~~ July, but may request an allocation no later than the last Monday in ~~August~~ July.

[For text of subps 2 to 4, see M.R.]

4900.3290 CITY ISSUANCE ON ITS OWN BEHALF.

Subpart 1. **City bond issuance.** A city may choose to issue bonds on its own behalf or through a joint powers agreement and may request an allocation from the commissioner of finance. If the total amount requested by all applicants exceeds the amount available in the housing pool, the city may not receive a greater amount than it would have received under the agreement forwarded by the agency to the commissioner. No city may request or receive an allocation under this subpart until the agreement under part 4900.3250, subpart 1, has been forwarded to the commissioner. ~~Between~~ On or after the first Monday in April and through the last Monday in ~~August~~ July, no city may receive an allocation from the housing pool which has not first applied to the agency. The commissioner of finance shall allocate the requested amount to the city or cities subject to the limits under this subpart.

[For text of subp 2, see M.R.]

Department of Human Services

Proposed Permanent Rules Relating to Parental Fees

Notice of Hearing

NOTICE IS HEREBY GIVEN that a public hearing on the above-entitled matter will be held in the State Office Building, Room 5, 100 Constitution Avenue, St. Paul, MN 55155 on December 19, 1991 commencing at 9:00 a.m. and continuing until all interested or affected persons have an opportunity to participate. The proposed amendments 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.

Following the agency's presentation at the hearing, all interested or affected persons will have an opportunity to participate. Such persons may present their views either orally at the hearing or in writing at any time prior to the close of the hearing record. All evidence presented should be pertinent to the matter at hand. Written material not submitted at the time of the hearing which is to be

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 Single Family Mortgage Revenue Bond Authority	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 November 18, 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 November 15, 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) No 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)

(9) NOW, THEREFORE, IT IS ORDERED that the rule identified as 4900.3210-4900.3290 is adopted this 19th day of December, 1991, pursuant to authority vested in the agency by Minnesota Statutes, sections 462A.06, subd. 4 and 11.

James J. Solem, Commissioner

In the Matter of the Adoption
of the Rule of the Minnesota
Housing Finance Agency
Governing the Single Family
Mortgage Revenue Bond Authority

DECLARATION
OF COUNSEL

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

William H. Kuretsky
Special Assistant Attorney General

Dated: December 19, 1991