

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 provide 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.