



**MINNESOTA
HOUSING
FINANCE
AGENCY**



June 8, 1992

Ms. Maryanne Hruby, Director
Legislative Commission to Review Administrative Rules
55 State Office Bldg.
100 Constitution Ave.
St. Paul, MN 55155

Dear Ms. Hruby:

I have enclosed for your files a copy of the Statement of Need and Reasonableness on the proposed rules relating to:

- Training and Housing Program for Homeless Adults Demonstration Program
- Special Needs Housing for Adults with Chronic Chemical Dependency
- Special Needs for Homeless Persons Program

If you have any questions call me at 296-9793.

Sincerely,

Renee J. Dickinson
Legal Assistant

RJD
Enc.

5/26/92

Training and Housing Program for Homeless Adults Demonstration Program

Statement of Need and Reasonableness

The 1991 Minnesota Legislature authorized the Minnesota Housing Finance Agency (hereinafter Agency) to make planning grants to nonprofit organizations to develop coordinated training and housing programs for homeless adults. The Legislature appropriated \$50,000 to the program. In 1992, the Legislature passed more detailed legislation to govern the \$50,000 appropriation.

Proposed Minnesota Rules Part 4900.3420 (Scope) describes the scope of the Training and Housing Program for Homeless Adults Demonstration Program.

Proposed Minnesota Rules Part 4900.3421 (Definitions) provides definitions under these rules. The definitions of "homeless individual" and "eligible organization" are taken from the statute. The definition of "rehabilitation" is the same definition used in Minnesota Statutes Section 462A.03, subdivision 15, which is the Agency's general definition of "rehabilitation." It is reasonable to use this definition because it is consistent with other Agency programs and it limits rehabilitation to basic, non-luxury, health, safety, and housing maintenance repairs.

Proposed Minnesota Rules 4900.3422 (Eligibility) sets forth three eligibility requirements. All three criteria repeat the statute. Factor C sets forth the statutory requirements for the three components required in each proposal: a work experience and training component, a job skills component, and a life skills component.

Proposed Minnesota Rules 4900.3423 (Eligible Applicant) repeats the statutory provision that an applicant must be a nonprofit organization that is run by or for homeless persons.

Proposed Minnesota Rules 4900.3424 (Selection Criteria) sets forth four factors for use in selecting among competing projects.

Factors A - prior experience - is a reasonable criteria because it is a measure for evaluating whether or not the applicant will be able to complete the planning project, undertake the housing project, maintain the housing for the purposes proposed, and manage the housing effectively over the long term.

Factors B - geographic area to be served - is reasonable because it allows the Agency to distribute funds around the state and not concentrate all the funds in one location.

Factor C - match with nonstate money - is reasonable because it will encourage the leveraging of other funds which both expands the impact of the state funds as well as indicates broad-based support for the project.

Factor D is reasonable because the purpose of the program is to promote individual stability and comparing proposals on their plans for achieving this goal is necessary to ensure that the program is successful.

The Legislative Commission to
Review Administrative Rules

JUN - 8 1992



The Agency recognizes the provisions of Minnesota Statutes Section 14.115, "Small Business Considerations in Rulemaking." The proposed rule does not affect small businesses because eligible applicants must be nonprofit organizations run by or for homeless individuals.