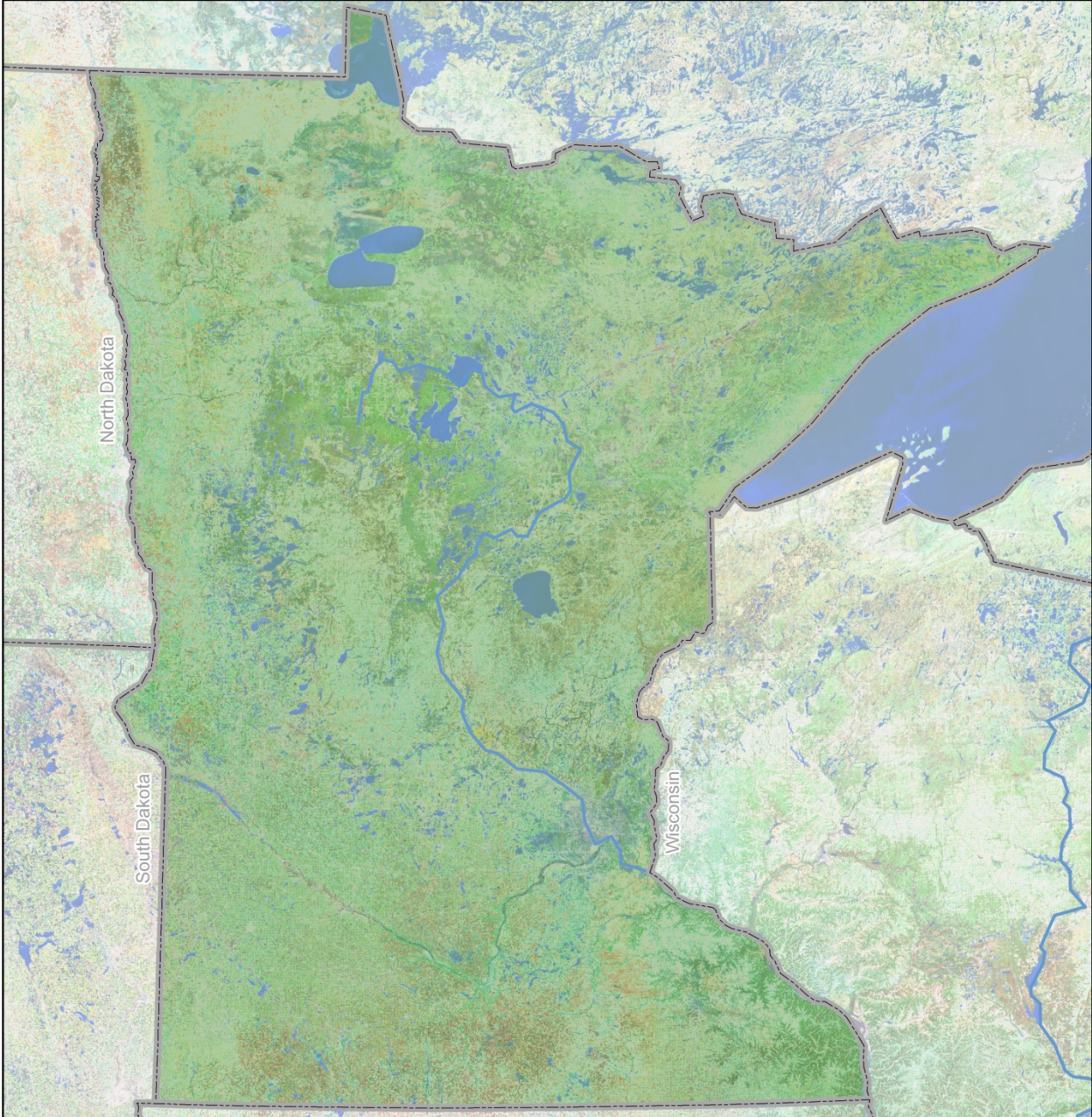


# MINNESOTA ANNUAL ACTION PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT 2020



# Executive Summary

## AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

### 1. Introduction

The U.S. Department of Housing and Urban Development (HUD) requires consolidated planning, application, reporting, and citizen participation processes (together, the Consolidated Plan) for the formula grant programs: Community Development Block Grants (CDBG), Home Investment Partnerships (HOME), National Housing Trust Fund (NHTF), Emergency Solutions Grants (ESG), and Housing Opportunities for Persons with AIDS (HOPWA). The Consolidated Plan is designed to be a collaborative process whereby a community establishes a unified vision for housing and community development actions. It offers entitlement communities the opportunity to shape these housing and community development programs into effective, coordinated housing and community development strategies. It also allows for strategic planning and citizen participation to occur in a comprehensive context, thereby reducing duplication of effort. As the lead agency for the Consolidated Plan for the State of Minnesota, the Minnesota Department of Employment and Economic Development (DEED), in coordination with the Minnesota Housing Finance Agency (Minnesota Housing), and the Department of Human Services (DHS), hereby follows HUD's guidelines for citizen and community involvement. Furthermore, these agencies are responsible for overseeing these citizen participation requirements, those that accompany the Consolidated Plan and the CDBG, HOME, HOPWA, NHTF, and ESG programs, as well as those that complement the DEED planning processes already at work in the state.

As the State of Minnesota develops this year's plan, we are in the midst of the COVID-19 global pandemic and in disaster response mode. As of writing, the CARES Act, the third stimulus package in response to COVID-19 was just passed which will infuse funds into at least two of the programs described in this plan, CDBG and ESG. The State of Minnesota will utilize any additional infusion of funds to the programs covered by this plan through the CARES act and other stimulus packages to the broadest extent possible under laws and regulations and will respond to the ongoing crisis with the flexibility needed to benefit Minnesotans impacted.

### 2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The strategies of the programs administered by the DEED, Minnesota Housing, and DHS are to provide decent housing, a suitable living environment, and expanded economic opportunities for the state's low-

and moderate-income residents. The agencies strive to accomplish these strategies by maximizing and effectively utilizing all available funding resources to conduct housing and community development activities that will serve the economically disadvantaged residents of the state. By addressing needs and creating opportunities at the individual and local government levels, the agencies hope to improve the quality of life for all residents of the state. These strategies are further explained as follows:

- Providing decent housing requires helping homeless persons obtain appropriate housing and assisting those at risk of homelessness, preserving the affordable housing stock, increasing availability of permanent housing that is affordable to low- and moderate-income persons without discrimination, and increasing the supply of supportive housing.
- Providing a suitable living environment entails improving the safety and livability of neighborhoods, increasing access to quality facilities and services, and reducing the isolation of income groups within an area through integration of low-income housing opportunities.
- Expanding economic opportunities involves creating jobs that are accessible to low and moderate-income persons, making mortgage financing available for low- and moderate-income persons at reasonable rates, providing access to credit for development activities that promote long-term economic and social viability of the community, and empowering low-income persons to achieve.

### **3. Evaluation of past performance**

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The State's evaluation of its past performance has been completed in a thorough Consolidated Annual Performance and Evaluation Report (CAPER). This document states the objectives and outcomes identified in the State's last Plan for 2017-2021 Consolidated Plan and includes an evaluation of past performance through measurable goals and objectives compared to actual performance. The past year Consolidated Plan and CAPER can be found at:

<http://mn.gov/deed/government/financialassistance/community-funding/small-cities.jsp> and  
<http://www.mnhousing.gov>

### **4. Summary of Citizen Participation Process and consultation process**

Summary from citizen participation section of plan.

As part of the consolidated planning process, the lead agency must consult with a wide variety of organizations in order to gain understanding of the housing and community development stage. This Consolidated Plan represents a collective effort from a broad array of entities in Minnesota including private, non-profit and public organizations, non-entitled communities, county governments, Continuum

of Care organizations, and various other state agencies. The public participation process included focus groups, outreach committees, and public input sessions.

We notify the public of the availability of the draft in the State Register and through our state social media outlets and eNews listservs, including to organizations that work directly with minorities, non-English speaking persons and persons with disabilities. For example, per our Citizen Participation Plan, we reach out to a wide network of councils and coalitions focusing on specific populations, including the Council on Asian Pacific Minnesotans, Central Cultural Chicano, CLUES, Council for Minnesotans of African Heritage, Minnesota Council on Latino Affairs, and the Upper Midwest American Indian Center. In addition, our eNews distribution includes an extensive network of providers for persons with disabilities, through the Olmstead Implementation Office currently located at Minnesota Housing.

Public comment narratives will be attached once received as an attachments in Citizens Participation Comments.

This year, we will conduct an internet based webinar in place of an in person feedback session on this draft.

## **5. Summary of public comments**

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

See appendices.

## **6. Summary of comments or views not accepted and the reasons for not accepting them**

No views not accepted.

## **7. Summary**

The 2020 Action Plan has the following goals. These goals will use HOME, ESG, HOPWA, NHTF and CDBG funds.

- Provide Decent Affordable Housing - DEED

Fund housing rehabilitation activities for low to moderate income homeowner and rental households through CDBG funds, DEED

- Enhance Affordable Housing Opportunities - Minnesota Housing



Fund housing activities for low-to-moderate income households, including rehabilitation and new construction of rental housing using HOME and NHTF funds.

- Promote Economic Development - DEED

Encourage robust economic growth through the development and retention of businesses and jobs throughout the State

- Facilitate Housing and Service for the Homeless - Minnesota Housing and Department of Human Services

Provide funds for service providers to meet the various housing and service needs of the homeless population in Minnesota

- Provide Funds for Special-Needs Housing and Services - Minnesota Housing

Continue to fund programs that provide housing and services to special needs populations, including those with HIV/AIDS

- Address Public Facility Needs - DEED

Address community needs through improvements to public facilities and streetscape.

**PR-05 Lead & Responsible Agencies - 91.300(b)**

**1. Agency/entity responsible for preparing/administering the Consolidated Plan**

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
Lead Agency	MINNESOTA	
CDBG Administrator	MINNESOTA	Department of Employment and Economic Development
HOPWA Administrator	MINNESOTA	Minnesota Housing Finance Agency
HOME Administrator	MINNESOTA	Minnesota Housing Finance Agency
ESG Administrator	MINNESOTA	Department of Human Services
HOPWA-C Administrator		
	MINNESOTA	Minnesota Housing Finance Agency

**Table 1 – Responsible Agencies**

**Narrative**

Three state agencies administer HUD CPD programs, Minnesota Department of Employment and Economic Development, Minnesota Department of Human Services, and the Minnesota Housing Finance Agency.

**Consolidated Plan Public Contact Information**

Minnesota Department of Employment and Economic Development is the lead agency and primary point of public contact on the consolidated plan.

## **AP-10 Consultation - 91.110, 91.300(b); 91.315(l)**

### **1. Introduction**

As part of the consolidated planning process, the lead Agency, DEED, along with Minnesota Housing and DHS, must consult with a wide variety of organizations in order to gain understanding of housing and community development needs.

#### **Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies**

This plan, as part of the 2017-2021 Consolidated Plan, represents a collective effort from a broad array of entities in Minnesota, ranging from advocacy groups for the disabled to economic development organizations. Private, nonprofit, and public organizations, including mayors, county supervisors, county commissioners, county managers, planning and development district administrators, councils of government, persons interested in the CDBG program, persons interested in the HOME or National Housing Trust Fund programs, persons associated with Continuum of Care organizations, and the Minnesota Department of Health were contacted through email correspondence, telephone interviews, and face-to-face interactions. These persons were solicited to discuss housing and community development needs in Minnesota, including the ranking of those needs and activities that DEED, Minnesota Housing, and DHS might consider to better address needs throughout the state. Further, individuals were asked to provide additional insight into prospective barriers and constraints regarding housing and community development needs in Minnesota.

#### **Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness**

Representatives from the Minnesota Interagency Council on Homelessness (MICH) subcommittee on Continuum of Care Planning send representatives to all Continuum of Care regional meetings. As part of the DHS and Minnesota Housing's participation in the MICH, staff are working with CoCs around the state to implement the State's Heading Home plan, which includes many goals related to the needs of chronic homeless individuals and families, families with children, veterans and unaccompanied youth. These goals include but are not limited to ending veteran homelessness, eliminating transitions to homelessness in youth and adult systems of care, and connecting homeless and highly-mobile families with students to rental assistance and other resources to improve housing stability.

**Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS**

The DHS hosts a monthly Heading Home Alliance, a joint meeting of all Continuum of Care Coordinators, State homeless program administrators (including ESG), HUD CPD staff, and other stakeholders. Issues such as accessing HUD Super NOFA funding, the allocation of program resources, development of common assessment tools, performance measurement and HMIS (as these issues relate to the CoC's) are discussed at these and numerous other Alliance sub-committee meetings. In addition, Representatives from the Minnesota Interagency Council on Homelessness (MICH) subcommittee on Continuum of Care Planning send representatives to all Continuum of Care regional meetings.

Development of HMIS policies and procedures, as well as oversight of HMIS operations and administration, is the shared responsibility of Minnesota state agencies, Continuum of Care regions, local governments, tribal governments, and community-based organizations. This shared responsibility is facilitated through the HMIS Governing Board, consisting of representatives of state government, CoC regions, HMIS end users, Minnesota Tribal Collaborative, and other stakeholders, as well as numerous sub-committees which report to the Governing Board.

Since fall of 2018, DHS has collaborated with Continuum of Care coordinators to complete scattered-site tenant based rental assistance environmental reviews. HUD funding covered in this review supports tenant-based rental assistance, supportive services, and administration expenses throughout the continuum. For CoCs eligible for this approach partnered with OEO staff to complete necessary environmental review documentation. Once complete, the Economic Assistant and Employment Supports Division Director signed-off on the projects as the authorizing entity. This collaboration relieved agencies of needing to complete this review individually, and provided a clear authorizing entity for CoC coordinators.

**2. Agencies, groups, organizations and others who participated in the process and consultations**



**Table 2 – Agencies, groups, organizations who participated**

1	<b>Agency/Group/Organization</b>	Minnesota Housing
	<b>Agency/Group/Organization Type</b>	Housing Other government - State
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Non-Homeless Special Needs HOPWA Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The state recipient of HOME, NHTF, and HOPWA allocates other housing resources for a range of affordable housing activities, supportive housing through homeownership. The agency coordinates the HUD CPD resources with state funding programs and Low Income Housing Tax Credits.
2	<b>Agency/Group/Organization</b>	USDA-Rural Development
	<b>Agency/Group/Organization Type</b>	Housing Other government - Federal
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Non-Homeless Special Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Minnesota Housing routinely consults with the USDA Rural Development local office to evaluate homeownership lending activities to identify and address lending gaps in rural areas. This year, Minnesota Housing, in partnership with USDA RD, developed a special program set aside for the preservation of Section 515 properties in rural Minnesota, utilizing the Rental Rehabilitation Deferred loan program (a state funded program).
3	<b>Agency/Group/Organization</b>	Greater MN Housing Fund (GMHF)
	<b>Agency/Group/Organization Type</b>	Housing Regional organization Community Development Financial Institution

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Non-Homeless Special Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Through regional forums, Minnesota Housing and DEED participate with USDA Rural Development and the Greater Minnesota Housing Fund in gathering community inputs on housing needs across the state, particularly in rural communities. Minnesota Housing partners with GMHF in particular to preserve naturally occurring affordable housing by coordinating with and participating in the NOAH fund.
4	<b>Agency/Group/Organization</b>	MN Community Action Association
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-Education Services-Employment Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Non-Homeless Special Needs Anti-poverty Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Throughout the year, the umbrella community action group as well as individual community action agencies to coordinate with CAP programs such as housing construction, rehabilitation and assistance, energy assistance, and financial literacy education. Regular consultations with CAP agencies help state agencies direct resources in ways that are consistent with other CAP programming.
5	<b>Agency/Group/Organization</b>	League of Minnesota Cities
	<b>Agency/Group/Organization Type</b>	Other government - Local Business and Civic Leaders
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Economic Development

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Regular consultation with the League of Minnesota Cities helps to identify local jurisdictions for further discussions. This year, the following local governments are among those consulted to help identify specific local housing needs: Bloomington, Detroit Lakes, Mora, St. Paul, Worthington, Cloquet, Bemidji. Discussions with these local jurisdictions help to coordinate resources (federal, state and philanthropic) to meet local needs.
6	<b>Agency/Group/Organization</b>	Minnesota Department of Corrections
	<b>Agency/Group/Organization Type</b>	Other government - State
	<b>What section of the Plan was addressed by Consultation?</b>	Homeless Needs - Chronically homeless Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Staff focused on managing the balance of state ESG funds (DHS) have been meeting with representatives from the Department of Corrections since fall of 2018 to discuss incidents of discharge from correctional facilities that result in homelessness. The initial goal is to develop a shared understanding of the roles and responsibilities of state corrections staff and homeless service providers in regards to individuals re-entry. The overall goal is to facilitate access to shelter for those who were homeless before entering a correctional facility, and those who have exhausted all other housing and support options.

**Identify any Agency Types not consulted and provide rationale for not consulting**

There are no agency types that are purposely not consulted.

**Other local/regional/state/federal planning efforts considered when preparing the Plan**

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Minnesota Interagency Council on Homelessness	Minnesota has a statewide plan to end homelessness which includes all CoCs in the state. This plan is coordinated by the MICH, in which staff from 11 state agencies participate. The MN Plan to End Homelessness encompasses all of the affordable housing and suitable living environment goals of the Strategic Plan. In addition, DHS and other state agency staff regularly attend local and regional CoC and FHPAP planning meetings to give and receive input to inform the Strategic Plan.
Olmstead Plan	Olmstead Implementation Office	The Olmstead Plan is a broad series of key activities our state must accomplish to ensure people with disabilities are living, learning, working, and enjoying life in the most integrated setting. The Plan will help achieve a better Minnesota for all Minnesotans, because it will help Minnesotans with disabilities have the opportunity, both now and in the future to live close to family and friends, live more independently, and participate in community life.
Affordable Housing Plan	Minnesota Housing	Minnesota Housing has a strategic plan guides an annual affordable housing plan, essentially a workplan for the agency. In 2020, Minnesota Housing adopted a new strategic plan for 2020-2022. A few of the agency's fourteen strategic objectives include preserving the condition and affordability of existing housing, increasing the development of new housing that is affordable, and strengthening disinvested communities and supporting Tribal nations and indigenous communities.
Analysis of Impediments to Fair Housing	Minnesota Housing	Minnesota adopted a new statewide Analysis of Impediments to fair housing in Fall of 2018, and reported on the first year in the FY 2019 CAPER. The AI includes a three year workplan to run through the rest of the state's consolidated plan. The workplan and analysis can be found on agency website's including Minnesota Housing's (direct report: <a href="https://tinyurl.com/MN-AI-2019">https://tinyurl.com/MN-AI-2019</a> ) <a href="https://tinyurl.com/MN-AI-2019">https://tinyurl.com/MN-AI-2019</a> )



Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Small Cities Grantees	DEED	In June 2019, DEED hosted two training sessions, gathering inputs from 95 individuals, guiding them through the implementation process for the CDBG program. In July 2019, DEED hosted a webinar to provide information and training to potential applicants reaching a statewide network of agencies. DEED also conducted a program session at the East Central Regional Development Commission community development meeting with 50 individuals attended. In October 2019, DEED conducted a presentation and discussion at the House of Representative Mini Session on economic development programs that consisted of 60 individuals. DEED and MN Housing partner to co-fund rental preservation projects. Public Facility projects with the highest grant need were funded in partnership with PFA, MN Dept. of Health, MN Pollution Control, and Department of Energy.
Governor's Taskforce on Housing Plan	Prosperity's Front Door (Campaign)	Many of primary goals and outcomes of the Governor's taskforce on housing align with general principles of the Consolidated Plan. The goals of the report include:*Commit to Homes as a Priority*Preserve the Homes we Have*Build More Homes*Increase Home Stability*Link Homes and Services*Support and Strengthen Homeownership. These goals are being tracked and managed by Prosperity front door, a network of business, government, community and nonprofit leaders dedicated to implementing the plan.

**Table 3 - Other local / regional / federal planning efforts**

**Narrative**

DHS works closely with other ESG jurisdictions within the State to ensure consistency and coordination wherever possible. The State periodically meets with local units of government who are also administering ESG funding, providing a venue for close coordination and communication, as well as peer to peer technical assistance. Local jurisdictions also participate in the State's ESG funding review process each biennium, and DHS staff recently provided training to these jurisdictions on best practices in preparing for a HUD on-site monitoring.

The Governor's Task Force on Housing, represents both aligning with a plan and being involved in the process in a consulted fashion. The Taskforce was created by Governor Mark Dayton in early 2018 to examine barriers that exist and to engage people from a broad range of communities with diverse perspectives and a wide range of expertise to help identify and advance solutions. The goal of the Housing Task Force

is to support what is working, gain a broader understanding of what success looks like for people across the state, identify gaps in the system, and develop innovative solutions to ensure that families, individuals, and communities have the foundation for success that they need.

Through the taskforce work in 2018, regional forums were held in all corners of the state, including Little Falls, St. Paul, Duluth, Crookston, Austin, Golden Valley and Sleepy Eye.

Minnesota Housing staff helped facilitate the taskforce efforts and the outcomes of the taskforce will guide coordination in creating and preserving more affordable housing and increasing stability for Minnesotans in their homes through connecting with non-housing services and strengthening homeownership opportunities.

See additional consultation efforts in Unique Appendices.

## **AP-12 Participation - 91.115, 91.300(c)**

### **1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting**

The Consolidated Planning process has been designed to enumerate Minnesota's overall strategy for coordinating federal and other housing and community development resources to provide decent housing, establish and maintain a suitable living environment, and expand economic opportunities, particularly for low- and moderate-income persons. Interested groups and individuals have also been encouraged to provide input into all aspects of Minnesota's Consolidated Planning activities, from assessing needs to setting priorities through performance evaluation. The public involvement process was initiated with the Citizen Participation Plan (CPP). The objectives of the CPP are to ensure that the citizens of Minnesota, particularly persons of low- and moderate-income, persons living in slum and blight areas, units of local government, housing agencies, and other interested parties, are provided with the opportunity to participate in the planning process and preparation of the Consolidated Plan, including amendments to the Consolidated Plan and the Annual Performance Report. The CPP is attached in admin tab.

The State has aimed to broaden public participation through numerous opportunities for citizens to contribute information, ideas, and opinions about ways to improve Minnesota's neighborhoods, promote housing affordability and enhance the delivery of public services to local residents. These include a broad-based, statewide survey of interested citizens and stakeholders pertaining to Minnesota's housing and community development needs; meetings with agency representatives and stakeholders during focus group sessions to address rental, homeowner, and homeless needs; and regional forums held across the state to gather input from Minnesota citizens and interested parties. Other steps the State took to encourage widespread participation in the planning process included publishing notices in a variety of media formats, and direct solicitation of stakeholders and their interest groups.

The State of Minnesota continues to be committed to keeping all interested groups and individuals informed of each phase of the Consolidated Planning process and of activities being proposed or undertaken under HUD formula grant programs. DEED, Minnesota Housing, and DHS published the draft Consolidated Plan for public review in a manner that afforded citizens, public agencies, and other interested parties a reasonable opportunity to examine its contents and submit comments. The draft Plan included the amount of assistance the state agencies expect to receive and the range of activities that may be undertaken, including the estimated amount that will benefit persons of low- and moderate-income.

The availability of a completed draft Plan, how to access a copy of it, and information on public hearings was published in the state register on February 10, 2020. The notices described the purpose of the Plan and directed readers to where the Plan and directions on how to submit comment on needs, the draft action plan, and the CAPER was available. Documentation of this information is included in unique appendices.

DEED presented ideas to its participants during input meetings throughout the state as part of the initial Consolidated Plan.



**Citizen Participation Outreach**

<b>Sort Order</b>	<b>Mode of Outreach</b>	<b>Target of Outreach</b>	<b>Summary of response/attendance</b>	<b>Summary of comments received</b>	<b>Summary of comments not accepted and reasons</b>	<b>URL (if applicable)</b>
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Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Hearing	Non-targeted/broad community	<p>The first public hearing was held on Thursday, February 20 at the Minnesota Department of Human Services in Saint Paul, Minnesota. 1 attendee participated with no comments made. The second public hearing was held on Tuesday, May 5, which was conducted via-online web conferencing due to the COVID-19 pandemic. 3 attendees participated with comments made with no changes to the plan. See unique appendices for more information.</p>	<p>The bulk of the first public hearing discussion were resources and support for Care Providers of MN regarding workers, many of whom are on the lower end of the wage-scale, have access to affordable housing in the communities where they serve seniors and to have adequate affordable housing options for the growing number of seniors in general. As the demographics shift in Minnesota and there are more people over the age of 65 and less people in the 18-64 working age category, the associations ability to provide services will be critically</p>	<p>No specific requests for changes were brought forth during this discussion.</p>	17

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Public Meeting	Non-targeted/broad community Residents of Public and Assisted Housing	In June, 2019, Minnesota Housing conducted five community solutions events across the state to garner input into its Strategic Plan, these events were Worthington (6.01), Mora (6.07), Detroit Lakes (6.07), St Paul (6.24) and Bloomington (6/26) events included 318 attendees from the public, local businesses and local government with other stakeholders.			

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Public Meeting	Non-targeted/broad community	On June 4th 2019, DEED conducted a presentation session at IRRRB Community Development Resources & Partner Funding Workshop on the CDBG Small Cities Development Program. There were a total of 60 attendees local units of government, businesses and community members.	None	None	
5	Public Meeting	Non-targeted/broad community	In October 2019, DEED conducted outreach efforts to cities for public facility projects at the Rural Water Conference that included 80 attendees.	None	None	



Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
6	Public Meeting	Non-targeted/broad community	On January and February, 2020, DEED conducted three presentations at the Housing Resources Engagement Sessions in partnership with MN Housing, Rural Development, Greater MN Housing Fund and MN Housing Partnership that consisted of technical assistance and consolidated RFO funding priority discussions. There were 205 attendees total that participated. These sessions were held in St. Peter (1/30) with 65 attendees, Cloquet (2/5) with 60 attendees, an Baxter (2/5) with 80 attendees.	None	None	

**Table 4 – Citizen Participation Outreach**

## Expected Resources

### AP-15 Expected Resources – 91.320(c)(1,2)

#### Introduction

The following section describes the annual allocation the State of Minnesota expects to receive for program year 2020 and for the remainder of the Consolidated Plan period 2017-2021. Annual allocation is based on HUD amount received and does not take into consideration deductions for DEED admin and MIF 15% allocation.

#### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	19,092,191	0	6,966,229	26,058,420	30,000,000	Department of Employment and Economic Development(DEED)

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	8,393,719	1,000,000	0	9,393,719	9,000,000	Minnesota Housing(MH)(acquisition, multifamily rental new construction and rehab only)
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	252,520	0	0	252,520	250,000	Minnesota Housing(STRMU only)

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	2,201,143	0	0	2,201,143	0	MN Dept. of Human Services(DHS)
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	4,078,002	0	0	4,078,002	4,000,000	Minnesota Housing(acquisition, multifamily rental new construction and rehab only)

**Table 5 - Expected Resources – Priority Table**

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

The HOME match requirement is met through tenant-based rental assistance from Minnesota Housing's Bridges program, which provides a rent subsidy for up to five years to persons with mental illness until they can obtain a permanent rent subsidy; and the State Housing Trust Fund program. The CDBG match will be a mix of private, local, and state resources such as loans from local banks, weatherization funds, Minnesota Housing funds, Rural Development funds that are mostly for city wide public facilities projects. CDBG-Economic Development match is through local initiatives, local banks, owner equity.

For FFY2020, ESG match requirements are being met with an increase in state-appropriated Emergency Services Program (ESP), which is entirely used to fund emergency shelter (an eligible activity under ESG match regulations) Providers receiving these ESP funds certify they will be used in compliance with the ESG Regulations and are aware they cannot be used to meet any other match requirements.

Minnesota Housing's HOME and NHTF funds will leverage other agency, private, and low income housing tax credit investment. The NHTF funds will be made available through the agency's Consolidated RFP, which consolidates and coordinates multiple housing resources into one application process. Funding partners include the Metropolitan Council, Department and Employment and Economic Development, Family Housing Fund and Greater Minnesota Housing Fund. Financing opportunities that could be leveraged with NHTF funds include several nonfederal sources through the State of Minnesota:

- Amortizing first mortgages through the State of Minnesota's Low and Moderate Income Rental Program
- Deferred loans through State of Minnesota funded Economic Development and Housing Challenge program
- Deferred loans through the State of Minnesota funded Preservation Affordable Rental Investment Fund
- Housing Investment Bonds through the State of Minnesota

One of Minnesota Housing's selection priorities incorporate a project's ability to leverage other resources: efficient use of scarce resources and leverage.

CDBG will leverage Minnesota Housing Rehab funds such as POHP, RRDL, and single family rehab. In addition, Rural Development and Public

Facility Authority funds for public facility projects. Local,EDA, and HRA funds. Private loans through banks.

**If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

The State will not use state-owned land to address the needs identified in the plan, though CDBG recipients may use locally-owned land.

**Discussion**

The NHTF program final amounts allocated is not available at the time of writing, We expect the final amount to not be substantially different than what is estimated. Should the expected annual allocation be different (more or less) than anticipated during Minnesota's citizen participation process of this plan, Minnesota Housing will run the program as described in the plan and will adjust outcomes accordingly. For all programs, if there are changes to FY 2020 allocation for other programs to what's identified, programs will also be run as described.



## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Provide Decent Affordable housing- DEED	2017	2021		Non-Entitlement	Low-Moderate Income Renter/Owner Situations	CDBG: \$13,459,085	Rental units rehabilitated: 150 Household Housing Unit Homeowner Housing Rehabilitated: 350 Household Housing Unit
2	Enhance Affordable Housing Opportunities-MH	2017	2021	Affordable Housing	Statewide	Low-Moderate Income Renter/Owner Situations	HOME: \$9,393,719 HTF: \$3,500,000	Rental units constructed: 45 Household Housing Unit Rental units rehabilitated: 45 Household Housing Unit
3	Promote Economic Development	2017	2021	Non-Housing Community Development	Non-Entitlement	Economic Opportunities	CDBG: \$4,124,700	Facade treatment/business building rehabilitation: 85 Business Jobs created/retained: 0 Jobs
4	Facilitate Housing and Service for the Homeless	2017	2021	Homeless	Statewide	Homelessness	ESG: \$2,201,143	Tenant-based rental assistance / Rapid Rehousing: 300 Households Assisted Homeless Person Overnight Shelter: 9300 Persons Assisted Homelessness Prevention: 150 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Provide Funds for Special-Needs Housing & Services	2017	2021	Non-Homeless Special Needs	Statewide	Human Services	HOPWA: \$252,520	Homelessness Prevention: 200 Persons Assisted
6	Address Public Facility-Infrastructure Needs-DEED	2017	2021	Non-Housing Community Development	Non-Entitlement	Public Facilities and Infrastructure	CDBG: \$3,600,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 490 Persons Assisted Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 750 Households Assisted

Table 6 – Goals Summary

## Goal Descriptions

1	<b>Goal Name</b>	Provide Decent Affordable housing-DEED
	<b>Goal Description</b>	Rehabilitation of 350 Owner Occupied and 150 Rental Units through SCDP, DEED funds. Owner-Occupied at \$10,527,726 and Rental at \$2,931,359, with a total of \$13,459,085.
2	<b>Goal Name</b>	Enhance Affordable Housing Opportunities-MH
	<b>Goal Description</b>	<i>Fund housing activities for low-to-moderate income renter households, including rehabilitation and new construction. HOME resources will be used to assist rental units for low-to-moderate income households, while National Housing Trust Fund (NHTF) resources will be used to assist rental units for extremely low income households.</i>

3	<b>Goal Name</b>	Promote Economic Development
	<b>Goal Description</b>	<i>Encourage robust economic growth through the development and retention of businesses throughout the State. ED plans on no activity this year with their 15% allocation. Commercial rehab through SCDP for \$4,124,700 for 85 units.</i>
4	<b>Goal Name</b>	Facilitate Housing and Service for the Homeless
	<b>Goal Description</b>	<i>Provide funds for service providers to meet the various housing and service needs of the homeless population in Minnesota. For Goal Outcome Indicator #13 (Homeless Person Overnight Shelter) the projected number of persons served includes all programs using ESG and ESG-match funds.</i>
5	<b>Goal Name</b>	Provide Funds for Special-Needs Housing & Services
	<b>Goal Description</b>	<i>Continue to fund programs that provide housing and services to special needs populations, including those with HIV/AIDS</i>
6	<b>Goal Name</b>	Address Public Facility- Infrastructure Needs-DEED
	<b>Goal Description</b>	<i>Address community needs through improvements to public facilities and streetscape with SCDP funds of \$3,600,000 to benefit a total population universe of 490, with 750 low to moderate income, based on persons, not household, for 57% low/moderate income households for all communities combined. Individual city data will be entered by project in IDIS. All projects meet 51% by census for the communities served.</i>

## AP-25 Allocation Priorities – 91.320(d)

### Introduction:

The following section describes the allocation priorities for FY 2019.

### Funding Allocation Priorities

	Provide Decent Affordable housing-DEED (%)	Enhance Affordable Housing Opportunities-MH (%)	Promote Economic Development (%)	Facilitate Housing and Service for the Homeless (%)	Provide Funds for Special-Needs Housing & Services (%)	Address Public Facility-Infrastructure Needs-DEED (%)	Total (%)
CDBG	64	0	19	0	0	17	100
HOME	0	100	0	0	0	0	100
HOPWA	0	0	0	0	100	0	100
ESG	0	0	0	100	0	0	100
HTF	0	100	0	0	0	0	100

Table 7 – Funding Allocation Priorities

### Reason for Allocation Priorities

Percentages include administration costs. Allocation priorities are based on needs in market study, needs assessment and public input.

**CDBG:** CDBG spending will be split between affordable housing, economic development and public facilities. These spending priorities have been established through the planning process of where the most need is, as well as the capacity to make an impact on those in need in the State of Minnesota. The amount spent on each category is determined both by past performance and the current ability to meet housing and community development needs in the State. Economic Development funds will be utilized to support the Minnesota Investment Fund Program by providing gap financing to businesses creating jobs that benefit LMI workers.

**HOPWA:** Federal regulations dictate both the geography in which HOPWA funds may be used and the beneficiaries. Because only 15% of persons living with HIV/AIDS live in counties outside the seven-county Twin Cities metropolitan area and most are already housed, preventing homelessness is a more cost-effective approach than housing development or tenant-based rent assistance.

**NHTF:** National Housing Trust Funds will be directed towards efforts to enhance affordable housing opportunities through new construction and rehabilitation. Per statute, and regulations at CFR 24 Part 93, all efforts are directed towards meeting the need of Minnesota's extremely low income households, those earning less than 30 percent of the area's median income.

**HOME:** Many federally assisted and naturally affordable housing developments need rehabilitation to preserve their federal rent subsidy or affordability of their units. There is a growing need for affordable rental housing. All of the HOME funds will be directed toward enhancing the affordable housing opportunities for low to moderate income households throughout the State.

**ESG:** The total funds for ESG will be spent on services and housing, including homelessness prevention and emergency shelter, for homeless households and households at-risk of homelessness in the State.

**How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?**

For CDBG, the distribution of funds address the high needs of low to moderate income households, economic opportunities, and public facilities.

For HOME and NHTF, the Consolidated Plan ranks the low to moderate income households as a high need. There is a high need for rental housing, both preservation of existing and creation of new housing. Funds will be targeted to projects that will serve a range of extremely low to moderate income households in the state.

Minnesota uses its HOPWA resources to maintain persons with HIV/AIDS in their current housing by providing emergency assistance because that is the most pressing need identified for this population.

As outlined in the Consolidated Plan, ESG funds will be used to meet the priority needs of providing emergency shelter, prevention and rapid re-housing to persons at-risk of, and experiencing, homelessness.

## AP-30 Methods of Distribution – 91.320(d)&(k)

### Introduction:

Formula grant funds from the CDBG, HOME, NHTF, HOPWA, and ESG programs may be directed to their highest and best use first, within each set of program guidelines, given the funding of all housing and community development programs throughout Minnesota.

Still, the housing and community development needs statewide far exceed the available resources to address them. Therefore, it is necessary to consider needs by type of activity and geography in order to ensure the greatest impact with limited resources. Diversity across the state means that different areas have different housing and community development needs that are best addressed through different types of investment activities. Such activities are guided by selected ranking criteria. Minnesota's experience with these programs shows that these resources are indeed distributed throughout the state. The entire state will be served by NHTF, HOME and ESG funds, and non-entitlement areas will be served by CDBG and HOPWA funds.

### Distribution Methods

**Table 8 - Distribution Methods by State Program**

<b>1</b>	<b>State Program Name:</b>	DEED:Small Cities Development Program and ED
	<b>Funding Sources:</b>	CDBG
	<b>Describe the state program addressed by the Method of Distribution.</b>	See DEED Method of Distribution table in appendices.

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Projects are evaluated based on an assessment of need, impact and capacity of the applicant to complete the project in a timely manner. <b>SCDP Funds</b>: Up to 240 of the points will be awarded based on evaluation of the proposed project to serve low and moderate income persons in relation to housing, alleviate slum and blight in commercial areas, and/or address public facility activities. Up to 180 points will be awarded based on need, impact, and capacity for the proposed project. <b>Need</b>-up to 90 points given for the following: Benefit to low and moderate income persons and are either substandard or pose a threat to the health or safety of the occupants; An inadequate supply of affordable housing for low or moderate income persons; or other documented condition that gives evidence of the need for improvement or additional units to the housing stock serving low and moderate income persons. <b>Impact</b>- up to 90 points given for the following: An evaluation of the extent to which the proposed project will eliminate housing deficiencies or improve public facilities services serving low and moderate income persons. Evaluation of administrative capacity to complete the activity in a timely manner. The application must include applicant’s history in administering SCDP funds and/or other programs similar programs. Prior SCDP performance will be taken into consideration. <b>Cost-Effectiveness</b>- up to 30 points given for the following: An evaluation of the extent to which the proposed project will make cost-effective use of grant funds, funds from other public and private sources. Per household benefit is reasonable. Project benefits existing, rather than future, population, unless growth is beyond applicant’s control. <b>State Demographics</b>-Up to 30 points based on: The number of poverty-persons in the area under the applicant’s jurisdiction. The percentage of persons residing in the area under the applicant’s jurisdiction. The per capita assessed valuation of the area under the jurisdiction of the applicant, such that points are awarded in inverse relationship to the applicant’s per capita assessed valuation.</p> <p>ED: Funds disbursed via the Minnesota Investment Fund to support economic development activities are selected based upon potential job creation and retention, project financial viability and community need factors. In more detail, projects are scored based upon the proposed project’s ability to improve local economic stability, unemployment rate and median income ratios, projected job creation &amp; retention, wage and tax base impact, financial feasibility, and public and private investment ratios.</p>
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<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Selection Criteria for the Minnesota Investment Fund is guided by Minnesota Statutes 116J.8731 which are available on the MN Office of the Revisor of Statutes web page. Application information for Minnesota Investment Fund and CDBG is available on the State of MN Department of Employment and Economic Development’s website, <a href="http://www.mn.gov/deed">www.mn.gov/deed</a>.</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>Not applicable.</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>Not applicable.</p>



<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>All funds must be used for economic development related activities undertaken by a Minnesota business. The State allocates the amount available for CDBG grants to three categories based on State Rules. 15% for Economic Development Set-Aside, 55% for SCDP Comprehensive Grants, and 30% for SCDP Single Purpose Grants. The Business Finance Unit administers the Economic Development Set-Aside Grant Program and the Community Finance Unit administers the Small Cities Development Program. No more than 20% of a CDBG allocation can be spent towards general administration. This includes general administration funds expended by DEED along with funds awarded and expended by grantees. The Commissioner of DEED has the authority to approve grants different from the above percentages.</p> <p>CDBG allocates a set of two rounds in funding. The first round of funding allocation are the use of reverted funds from past fiscal funding years with priorities for awarded public facility projects and owner-occupied/single-family projects. First round of funding allocation are released in early to mid-May.</p> <p>The second round of funding are new CDBG FY2020 funding allocations that will be for all remaining awarded projects that are not in the round one funding pool. The release of the FY2020 funding allocation is released in early-June.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>The maximum MIF grant size is \$1,000,000 and is determined by financing need, project leverage capacity and number of jobs to be created or retained. The maximum SCDP funds for Single Purpose Application - owner occupied housing rehab/rental rehab/public facility is \$600,000. The maximum SCDP funds for Comprehensive Application - a combination of at least two interrelated activities; housing, public facility or commercial activity is \$1.4 million. Each activity within the comprehensive application is limited to a maximum of \$600,000 which includes administrative dollars.</p>

	<b>What are the outcome measures expected as a result of the method of distribution?</b>	For MIF, number of LMI jobs created or retained and private leverage achieved. SCDP funds will benefit low and moderate income (LMI) persons/households, low and moderate area (LMA), prevent or eliminate slum and blight conditions and alleviate urgent community development needs caused by condition that pose a serious and immediate threat to the health or welfare of the community.
2	<b>State Program Name:</b>	Minnesota Emergency Solutions Grant Program
	<b>Funding Sources:</b>	ESG
	<b>Describe the state program addressed by the Method of Distribution.</b>	In Minnesota, the Emergency Solutions Grant Program is used to meet the priority needs of providing emergency shelter, prevention and rapid re-housing to persons at-risk of, and experiencing, homelessness.
	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	<p>Broadly, the criteria used to select applicants for ESG Shelter and Prevention / Rapid Re-Housing applicants include: 30 pts: Quality of operations and services (incl. adherence to best practices, agency experience, qualified staffing, etc.), 10 pts: Cost Effectiveness and reasonable program budget, 10 pts: Equity and Accessibility of programming. In addition, DHS considers previous program and administrative performance, the agency's financial capacity, and relative need for the proposed services in both applicant's geographic area and target population. For more detail on criteria, see "AP-30 ESG Methods of Distribution" appendices.</p> <p>As noted previously, because of the rapidly changing COVID-19 pandemic and resulting economic crisis, the distribution of CARES Act federal stimulus funding for ESG may not follow this same process. At the time of this Action Plan draft, the State is still awaiting more detailed guidance and final allocation numbers from HUD.</p>

<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Announcement of the Request For Proposals for the ESG Shelter program is distributed to all Department of Human Services - Office of Economic Opportunity funded housing agencies, all Continuum of Care committees, all members of the Minnesota Interagency Council on Homelessness, the Minnesota Coalition for the Homeless, the U.S. Department of Housing and Urban Development local office. The RFP is be posted on the Minnesota Department of Human Services website and published in the State Register.</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>ESG Shelter funds will be awarded through a two-year competitive Request For Proposals. Eligible applicants will include non-profit 501 (c) (3) organizations and local units of government. Many of non-profits are community and/or faith based.</p> <p>ESG funds distributed for prevention and rapid re-housing under this Action Plan were distributed through an amendment process to existing ESG prevention and rapid re-housing sub-recipients (who were selected through a previous competitive process in 2017).</p> <p>For more detail, see "AP-30 ESG Methods of Distribution" attachment.</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>Not Applicable.</p>

<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>The State of Minnesota will use the maximum amount of funding allowable for shelter activities, which in FFY2018 was 60 percent of the State's estimated allocation or \$1,320,685.</p> <p>The State of Minnesota and its sub-recipients will use the maximum allowed amount for ESG Administration. A portion of these funds are shared with sub-recipients to assist in administration of their ESG programs.</p> <p>Additional ESG funds above the allowable shelter and administration limits will be used exclusively for prevention and rapid re-housing activities. As noted previously, because of the rapidly changing COVID-19 pandemic and resulting economic crisis, the State may elect to use any additional ESG funding allocated under the CARES Act federal stimulus for other ESG-eligible activities and in different proportions as allowed under the Act. At the time of this Action Plan draft, the State is still awaiting more detailed guidance and final allocation numbers from HUD.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>The State of Minnesota does not have grant limits in awarding ESG funds. However, because DHS attempts to achieve statewide distribution with emergency shelter and re-housing funds, sizes of grant awards may be limited by available funds and the number of requests. There are no threshold factors for funding other than those identified in "AP-30 ESG Methods of Distribution" attachment, which is limited to the timely and complete submission of application materials by the deadline. In the case of current ESG prevention and rapid re-housing sub-recipients receiving non-competitive amendments for FFY2019, satisfactory performance in the previous year was a threshold criteria.</p>

	<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>For the upcoming program year, we anticipate that ESG and ESG-matching funds will be used to provide 9,300 persons experiencing homelessness with adequate emergency shelter and that 450 households who are either at-risk of, or currently experiencing homelessness, will be moved to permanent housing.</p> <p>By funding a continuum of activities with ESG, we address the needs of homeless persons for both crisis and short or medium-term housing, including emergency shelter, prevention (re-housing those at-risk of homelessness) and rapid re-housing (for those already homeless by HUD's definition). We are the only State agency providing funding for emergency shelter activities, which meets a critical needs gap in rural parts of Minnesota.</p>
3	<p><b>State Program Name:</b></p>	<p>Minnesota Housing: HOME</p>
	<p><b>Funding Sources:</b></p>	<p>HOME</p>
	<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>HOME is run as a statewide program that provides deferred loans to help cover financing gaps of rehabilitating or acquiring and rehabilitating qualified affordable rental housing for the purpose of preserving rental subsidies or the affordability of non federally-assisted housing, or for new construction rental activities. Assistance will generally be in the form of a 0 percent interest rate, 30 year deferred loan due and payable at the end of the term. Minnesota Housing provides the loans directly to the owners. While rehabilitation is a priority for Minnesota Housing, a portion of funds allocated to the HOME program may be directed to rental new construction, depending on the types of applications received in response to the consolidated RFP and the relative need for new construction or preservation in a local community.</p>

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>HOME is administered as a statewide program that provides deferred loans to help cover financing gaps of rehabilitating or acquiring and rehabilitating permanent affordable rental housing with or without long-term, project-based federal subsidies for the purpose of preserving the subsidies or the affordability of housing without federal subsidies, or for new construction rental activities.</p> <p>As with NHTF, described above, HOME funds are primarily provided through the Minnesota Housing Consolidated RFP, which awards assistance from several different sources. Selected applications and developers are evaluated and offered the best matched funding source. If funding is sufficient, the Agency may offer a portion of the HOME funds on a pipeline basis. Projects are evaluated for financial feasibility; developer capacity and fiscal condition are also considered, including a preference for CHDOs. All projects are required to be selected by the Minnesota Housing Board of Directors and obtain approval from the agency's Credit Underwriting committee before loans may be closed. More details of the HOME application process and lending terms are in the attached <i>HOME Term Sheet</i>.</p> <p>While rental rehabilitation is a priority for Minnesota Housing, a portion of funds allocated to HOME may be redirected to rental new construction, depending on the types of applications received in response to the consolidated RFP and the relative need for new construction or preservation.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Not Applicable.</p>

<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>Not Applicable.</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>Not Applicable.</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>Ninety percent of the program funds will be directed towards programs. Up to 10 percent will be used for administration.</p>

	<p><b>Describe threshold factors and grant size limits.</b></p>	<p>There are no limits on assistance amounts other than those established in HOME regulations. Rental applications under the Consolidated RFP must meet the threshold requirements specified in the RFP at that time. The most recent threshold requirements were that the project had to meet the six factors of project feasibility, and the applicant had to meet the five factors of organizational capacity. Application processes and eligibility criteria for the 2018 Consolidated RFP may be found in the attached <i>Multifamily Application Instructions</i>.</p>
	<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>Numbers of rental units rehabilitated and preserved or constructed.</p>
4	<p><b>State Program Name:</b></p>	<p>Minnesota Housing: HOPWA</p>
	<p><b>Funding Sources:</b></p>	<p>HOPWA</p>
	<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>Grant funds are currently awarded to JustUs (FKA Minnesota AIDS Project), which provides the assistance to low-income persons diagnosed with HIV/AIDS, and their families. JustUs is the only HOPWA formula project sponsor in Minnesota outside of the metropolitan area, and works in partnership with over 1,000 volunteers in community and outreach efforts. JustUs provides a range of support services for persons with HIV, works to prevent the spread of HIV, and collaborates with a number of community organizations.</p>



<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>With limited funding, renewal of existing grants is a priority, and 2 year grant cycle increases resource efficiency.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Not Applicable.</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>Not Applicable.</p>

<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>Following priorities set by the Minnesota HIV Housing Coalition, which acts as an advisory group to make recommendations for HOPWA funding, renewal funding for ongoing programs receive funding priority. There is a separate renewal process for ongoing HOPWA programs. If funds appropriated exceed the amount necessary to continue those programs at comparable levels, or if priorities change to address changing needs, those funds will be made available in the Minnesota Housing Multifamily Consolidated RFP process for application by all eligible sponsors, including eligible grassroots faith-based and other community-based organizations.</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>There is only one funding category and all resources are allocated to it.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>With limited funding, renewal of existing grants is a priority.</p>

	<b>What are the outcome measures expected as a result of the method of distribution?</b>	Assisted households remain in their homes.
5	<b>State Program Name:</b>	Minnesota Housing: National Housing Trust Fund
	<b>Funding Sources:</b>	HTF
	<b>Describe the state program addressed by the Method of Distribution.</b>	Minnesota will not allocate funds to subgrantees for their distribution to owners/developers. Instead, NHTF funds will be distributed directly to owner/developers of affordable housing via Minnesota Housing's annual Consolidated Request for Proposals. The NHTF funds will be part of a deferred loan pool of resources which are targeted to address specific and critical needs in rental housing markets, including multiple geographic priority areas: areas of opportunity with access to transit, areas with strong job markets or job growth, economic integration areas (higher income communities), and locations with higher performing schools; rural and tribal areas; and areas with active implementation of planned community development efforts. Assistance will generally be in the form of a 0 percent interest rate, 30 year deferred loan due and payable at the end of the term, but other allowable loan terms, including loan forgiveness, will be considered if other funding sources or circumstances warrant. Minnesota Housing retains the option to offer funds on a pipeline basis in the event qualified proposals are insufficient to use the entire HTF grant.

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>There are three main components of the RFP review process that are captured in the attached RFP guide</p> <ul style="list-style-type: none"> <li>• <b>Initial Eligibility and Feasibility:</b> Applicants must satisfy project feasibility and organizational capacity requirements to be considered for funding. Once applications are submitted to the agency, they undergo application and eligibility review to determine if they meet the basic eligibility requirements. The applications then undergo feasibility review by staff underwriters, asset managers, supportive housing officers and architects; including detailed analysis of applicant and organization capacity and priority housing need.</li> <li>• <b>Strategic Priorities:</b> Seven strategic priorities reflect the Agency’s policy goals for funding priorities. Every proposal must satisfy at least one strategic priority to be eligible for funding through the RFP. Minnesota Housing gives priority to proposals that best meet the greatest number of strategic priorities.</li> <li>• <b>Selection Priorities:</b> Among proposals that satisfy the Agency’s strategic priorities, the Agency gives priority in awarding funding to those proposals that best meet the greatest number of selection priorities.</li> </ul>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Not Applicable.</p>

<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>Not Applicable.</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>Not Applicable.</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>Minnesota Housing will allocate 10% of its grant to program planning and administration costs; up to one-third for operating cost assistance or funding operating cost assistance reserves; the balance of the grant will provide capital funding for new construction or rehabilitation of NHTF units.</p>

<p><b>Describe threshold factors and grant size limits.</b></p>	<p>There are no limits on assistance amounts other than those established in NHTF regulations.</p> <p>Rental applications under the Consolidated RFP must meet the threshold requirements specified in the RFP at that time.</p> <p>The project must meet project feasibility and organizational capacity. Application processes and eligibility criteria for the 2020 Consolidated RFP may be found in the attached <i>Multifamily Application Instructions for 2020</i>, additional details of the application process and lending terms are in the attached <i>NHTF Term Sheet</i>. Each of these documents are posted on Minnesota Housing’s website and distributed through community engagement efforts through the consolidated RFP.</p>
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>Numbers of rental units rehabilitated and preserved or constructed, or provided operating assistance.</p>

**Discussion:**

N/A

## AP-35 Projects – (Optional)

### Introduction:

As allowable in State Consolidated Plan, projects will be entered after the submission of the 2017-2021 Con Plan.

#	Project Name

Table 9 – Project Information

**Describe the reasons for allocation priorities and any obstacles to addressing underserved needs**

N/A



**AP-38 Project Summary**  
**Project Summary Information**

**AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)**

**Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?**

No

**Available Grant Amounts**

N/A

**Acceptance process of applications**

N/A

**AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)**

**Will the state allow units of general local government to carry out community revitalization strategies?**

No

**State’s Process and Criteria for approving local government revitalization strategies**

N/A

## **AP-50 Geographic Distribution – 91.320(f)**

### **Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed**

HOME, and NHTF are available statewide to eligible entities. For these programs, 100% of funds are available statewide. For ESG, emergency shelter funding is available statewide with priority given to non-entitlement (balance of State) areas. ESG Prevention and Rapid Re-Housing funding is only available to non-entitlement areas.

CDBG and HOPWA funds are available statewide to eligible non-entitlement entities. For these programs, 100% of funds are available to non-entitlement areas.

### **Geographic Distribution**

<b>Target Area</b>	<b>Percentage of Funds</b>
Statewide	100
Non-Entitlement	100

**Table 10 - Geographic Distribution**

### **Rationale for the priorities for allocating investments geographically**

There are no geographic priorities for statewide eligibility to non-entitlements for CDBG. HOME and NHTF funds are available statewide, and also do not have geographic priorities that govern distribution among set regions.

For ESG Shelter funding, the application is open to all areas of the state, but priority is given to applications from the balance of state areas (non-ESG entitlement areas). Within ESG entitlement areas, priority is given to those jurisdictions which have chosen to use their ESG resources for emergency shelter but still demonstrate significant unmet need. For ESG Prevention and Rapid Re-Housing funding, funds will only be awarded to applications from non-ESG entitlement areas of the state.

Due to the historical concentration of large shelter programs in entitlement communities, ESG Shelter funding has remained available to supplement state or local funding in some cases. However, as shelter need and capacity has continued to grow in balance of State areas, ESG shelter funding has been increasingly prioritized for these areas.

### **Discussion**

## Affordable Housing

### AP-55 Affordable Housing – 24 CFR 91.320(g)

#### Introduction:

The term affordable housing that is used in 24 CFR 92.252, 92.254, 93.302, and 93.304 includes several elements that are not requirements of ESG, HOPWA and CDBG. Therefore, the only units that receive federal assistance that can be assured of meeting the standard of "affordable housing" and are described here are HOME and NHTF units.

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	90
Special-Needs	0
Total	90

**Table 11 - One Year Goals for Affordable Housing by Support Requirement**

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	45
Rehab of Existing Units	45
Acquisition of Existing Units	0
Total	90

**Table 12 - One Year Goals for Affordable Housing by Support Type**

#### Discussion:

For NHTF, the goal is to assist construction or rehabilitation of up to 40 units of rental housing and provide up to 12 units with operating subsidies.

Operating subsidies assume providing assistance for up to fifteen years of the thirty year affordability period. The number may be greater if it is found that less than fifteen years of subsidy is necessary, or less if eligible applications are not received and operating funds are not committed to projects.

Minnesota Housing intends to use operating subsidies only with other NHTF units constructed or rehabilitated.

At an anticipated average per unit capital cost of \$98,000 for supportive housing, Minnesota Housing anticipates completing at least 22 units of housing that is affordable to extremely low income families.

Based on Minnesota Housing's experience of providing operating assistance through the State's housing trust fund for supportive housing, Minnesota Housing expects average annual operating cost assistance to be \$2,700, which will provide operating assistance for up to 12 NHTF units for 15 years. For HOME, the goal is to assist construction or rehabilitation of approximately 50 units, with average assistance of \$100,000 per unit.

With HOME and NHTF combined, it is anticipated the state will support development or rehabilitation of 90 units of housing with FY 20 resources.

## **AP-60 Public Housing - 24 CFR 91.320(j)**

### **Introduction:**

The State does not own or manage public housing.

### **Actions planned during the next year to address the needs to public housing**

The state of Minnesota directs certain state resources to preservation of public housing. Last year, \$8 million in funding from the proceeds of General Obligation (GO) bonds was made available for the preservation and rehabilitation of public housing units. Governor Walz has prioritized additional funds for public housing if a bonding bill proceeds during the 2020 legislative session.

Eligible uses of funds include but are not limited to:

- Rehabilitation of public housing that addresses health and life safety, accessibility, energy and water efficiency, and critical needs.
- Other improvements that add value to a building and are not of a recurring nature. These improvements must have an intended minimum life expectancy of ten years.
- Expenditures of a capital nature such as design, rehabilitation or major remodeling.

Troubled PHAs are not eligible to apply for these funds and the State has no plans to provide other financial assistance to troubled PHAs.

### **Actions to encourage public housing residents to become more involved in management and participate in homeownership**

The State does not own or manage public housing and, therefore, has no opportunities to access public housing tenants and has no actions planned.

### **If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance**

The state does not have a specific plan to provide other financial assistance to troubled PHAs

### **Discussion:**

## **AP-65 Homeless and Other Special Needs Activities – 91.320(h)**

### **Introduction**

During this year's plan, the State of Minnesota plans on using ESG funds to address homeless needs throughout the State in order to help combat the rate of homelessness in the State. These efforts are coordinated through the Continuum of Care and strives to reduce the amount of homelessness in the State. As noted earlier, at the time of writing this year's plan, we are in the midst of the COVID-19 global pandemic and in disaster response mode. The impact of this pandemic and the result economic toll will no doubt impact the State's homeless population in severe and lasting ways.

Fortunately, just before the publication of this Action Plan, Congress passed the CARES Act, the third stimulus package in response to COVID-19 which will infuse funds into at least two of the programs described in this plan, CDBG and ESG. While many details of its implementation are not yet known (including its impact on this current Action Plan), the State of Minnesota will utilize any additional infusion of funds to the programs covered by this plan through the CARES act and other stimulus packages to the broadest extent possible under laws and regulations and will respond to the ongoing crisis with the flexibility needed to benefit Minnesotans impacted.

### **Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including**

#### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

The State of Minnesota provides funding to a number of street outreach, emergency shelters and transitional housing programs across the state with the state and federal funding that has been made available to it. Some of these programs provide outreach to the unsheltered homeless population, but recordkeeping requirements of HUD and other funding sources, as well as limited staffing, make it challenging for most providers to conduct outreach to unsheltered persons. On-site community meals, support services, or community connect events are frequent sources of contact with unsheltered persons and can lead to additional services. The State of Minnesota continues to partner with regional Continuum of Care Committees to develop low-barrier Coordinated Entry systems in all areas of the state which will serve as a focal point for assessing and prioritizing the individual needs of both unsheltered and sheltered persons.

#### **Addressing the emergency shelter and transitional housing needs of homeless persons**

Due to the increasingly limited Federal funds available to emergency shelter providers, the State of Minnesota has maximized available resources to support these activities. According to the recently released 2018 Minnesota Homeless Study (Wilder Research) there were approximately 7,491 persons staying in emergency shelters in Minnesota in October 2018, and at least 32 pct. of persons interviewed



during the survey reported being turned away from shelter in the last 3 months due to lack of space. The goal for this year, assuming that no new resources will become available, is to continue to support shelter capacities at current levels. While emergency shelter is not a stand-alone solution to homelessness, shelter facilities fill a critical safety gap for families in many communities. This is particularly true during harsh Minnesota winters and in communities where extremely low vacancies or difficult rental markets result in many families exhausting all informal housing options during long episodes waiting for permanent housing

In such communities, youth and families in particular struggle to exit homelessness or emergency shelter quickly as poor or minimal rental histories, high rents and rental deposits, low wages and other barriers make it difficult to obtain market-rate housing. Site-based transitional housing can provide an interim option for those unable to obtain their own lease (even with rapid-rehousing assistance). For others, scattered-site transitional or rapid rehousing (funded with ESG and other sources) provides the rental assistance and supportive services that many individuals and families need to obtain and maintain private rental housing.

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

Emergency Solutions Grant Program funds will be targeted to provide prevention and rehousing assistance and services to families, individuals and youth, many of whom are veterans and some of which are chronically homeless, to move these households from homelessness to housing. By targeting these funds to persons that currently reside in shelters (or who would were not for this assistance), the length of time these households are homeless will be reduced. With the provision of supportive services to the rapid rehousing participants, it is expected that permanent housing retention will be improved.

In addition to efforts with ESG funding, the State provides over \$8.5 million dollars per year in Family Homelessness Prevention and Assistance Program (FHPAP), a funding stream which is dedicated to transitioning homeless persons to stable housing, and preventing persons who are at greatest risk from becoming homeless. The FHPAP program has asked its sub-recipients to develop plans for targeting prevention to those households most likely to actually become literally homeless. Other efforts spearheaded by the State's Office to Prevent and End Homelessness are focused on these populations and goals, including a committee of state and local stakeholders who are developing and piloting a comprehensive homeless youth response system that includes child welfare systems and improves outcomes for homeless youth.

Since the creation of the statewide veteran registry in 2014, the state has reduced the number of

veterans experiencing homelessness from 1,700 to just 220 (according to the latest data available), with at least 4 of Minnesota's 10 Continuum of Care regions recognized by HUD as having effectively ended veteran homelessness (and have systems in place to address any Veteran at-risk of or experiencing homelessness). The State's current administration has committed to ending veteran homelessness in 2019 for the remaining veterans on the state's homeless veteran registry.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs**

Discharge planning for persons residing in institutions initially occurs through the services provided by that institution, many of whom are legally required to provide discharge planning to residents leaving their facilities. In addition, the State's 10 Continuum of Care planning groups have developed Plans to End Homelessness which address coordination with discharge planning processes and in some instances housing providers provide outreach and assessment to persons who may be in need of supportive housing when leaving an institution.

Unfortunately many persons leaving these institutions are not initially eligible for HUD-funded programs administered through the Continuum of Care unless they can document that one of the following are true a) they were literally homeless upon entry, b) resided in the institution for less than 90 days, or c) they have no where else to go and will become literally homeless (sleeping on the street, etc.) if not for the HUD resources.

Despite the difficulties faced by persons leaving publicly-funded institutions (especially corrections) in obtaining HUD assistance or affordable rental housing in a tight rental market, state ESG and public benefits staff have continued to meet with the Department of Corrections in an effort to increase the effectiveness and communication for persons receiving discharge planning services from the state's correctional facilities. In future years, State ESG staff hope to expand these efforts to include local jails, as well as hospitals or rehabilitation centers where persons experiencing homelessness (or at-risk of homelessness) may be discharged.

As noted earlier, in Minnesota the Family Homeless Prevention and Assistance Program (FHPAP) program is funded at over \$8.5 million and a significant amount is used for homelessness prevention activities. These funds are available in all 87 Minnesota counties. These resources, as well as the State's Healthy Transitions for Homelessness Prevention (HTHP) funding and Homeless Youth Act funding all assist unaccompanied youth leaving foster care and young parents to become stably housed and avoid homelessness.

For persons or families receiving assistance from state and county mainstream systems, the state's Office to Prevent and End Homelessness has developed and begun implementing Foundational Service Practices (across state agencies) to improve the effectiveness of outcomes for persons experiencing homelessness. These practices adopted by state agencies and programs include but are not limited to knowing the housing status of the people the program is serving, actively reaching out to people experiencing homelessness, limiting requirements for in-person appointments at a particular location or office, assisting with the process of gathering required verifications or documentation, and allowing for multiple methods to communicate about benefits and services.

## **Discussion**

N/A

**AP-70 HOPWA Goals – 91.320(k)(4)**

<b>One year goals for the number of households to be provided housing through the use of HOPWA for:</b>	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	200
Tenant-based rental assistance	0
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
Total	200

## **AP-75 Barriers to affordable housing – 91.320(i)**

### **Introduction:**

The State's programs are heavily weighted toward reducing the financial barriers to affordable housing, but the State recognizes that there are non-financial policy barriers to affordable housing as well. The State does not have control over local land use controls, zoning, permitting, or growth policies; but it can, and does, provide incentives in Minnesota Housing's Consolidated Request for Proposals, which DEED also participates in, to alleviate the barriers to affordable housing those local policies may impose. Actions the State has taken in its Consolidated RFP in the past to reduce regulatory and policy barriers and will likely continue are described below.

### **Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment**

Containing the cost of developing affordable housing is a critical issue in Minnesota. In order to address the growing need for affordable housing, Minnesota Housing must build and preserve as many affordable units as possible with limited resources. Costs of land, materials and labor are outside of what Minnesota Housing can control; however, cost containment is a goal at Minnesota Housing. Costs are evaluated for each project and overall costs of production are also monitored and evaluated over time. Part of our award process includes incentives for projects with lower total development costs. At the same time, Minnesota Housing balances cost containment objectives with other policy goals, such as long-term operating costs.

Here are some additional examples of how Minnesota Housing reduces other barriers through our process:

- We reduce the barrier of local land use and development policies by prioritizing developments that use land efficiently and minimize the loss of agricultural land and green space,
- We reduce barriers of zoning by prioritizing developments that address the needs of underserved populations that are households of color, single-headed households (primarily women) with minor children, individuals with disabilities, and with developments that are located in opportunity areas.
- We reduce barriers of local application and permit processes by prioritizing developments for which costs are reduced or avoided by regulatory changes, incentives, or waivers by the local governing body, including fast-track permitting and approvals, flexibility in site development standards and zoning requirements, and waiver of permit or impact fees.
- In addition, the State fully supports efforts to reduce NIMBYism, prejudice, and negative attitudes toward affordable and multifamily housing, and will encourage grantees to decrease

segregation of populations. The State will also fully support civic leaders and developers who undertake education in communities statewide. Such education could be targeted, timely, and, in the context of a possible development, relevant to potentially affected citizens.

**Discussion:**

As we write this plan, we are in the midst of the COVID-19 crisis. Minnesota Housing recognizes that affordable housing barriers are rapidly evolving, with current responses to meet immediate needs and future efforts that will include disaster recovery. Because this is an evolving situation, the state will monitor and respond accordingly.

## **AP-85 Other Actions – 91.320(j)**

### **Introduction:**

The following sections discuss other actions the state will undertake in FY 2020.

### **Actions planned to address obstacles to meeting underserved needs**

The State has found that the largest obstacle in meeting underserved needs is a lack of funding. The State will continue to fund projects within its scope of funding to serve residents in need in Minnesota and will continue to seek other funding sources to address additional needs in the State.

### **Actions planned to foster and maintain affordable housing**

Minnesota Housing will continue to give preference points in its RFPs to projects for which considerations are given by local units of government to enhance the affordability of the project. However, Minnesota Housing does not require local consent.

The Low Income Housing Tax Credit Program (LIHTC) and additional state deferred financing are available to owners and investors of affordable rental housing for low-income households to help finance development. The State will mitigate the effects of zoning, land use, and impact fee barriers by giving preference points in its selection process to LIHTC projects that rehabilitate existing housing and to new construction projects that use existing sewer and water lines without substantial extensions. Preference points are also awarded for projects for which development-specific assessments or infrastructure costs are donated or waived or that have been approved for reduced setbacks, reduced parking requirements, decreased road widths, flexibility in site development standards and zoning code and other requirements, preservation of affordable housing, WAC/SAC reductions or fast-track permitting and approvals.

### **Actions planned to reduce lead-based paint hazards**

Exposure to lead-based paint is one of the most significant environmental and public health threats posed to homeowners and renters. Housing units built before 1940 are most likely to contain lead-based paint or coatings. Units built between 1960 and 1978 have a lesser risk in comparison to homes built before 1960. Lead was banned for use in household paint in 1978. In some cases, older units may have few if any lead hazards depending on construction methods, past renovation work, and other factors (HUD grants).

The Environmental Health Division of MDH oversees a comprehensive lead program that includes state-wide medical monitoring, health care, elevated blood investigations, compliance assistance, compliance assurance, and environmental remediation of identified lead hazards. The program is largely funded by federal dollars (HUD and EPA), with additional funding provided by the state's general fund. For more

information see: [www.health.state.mn.us/lead](http://www.health.state.mn.us/lead)

It is the policy of Minnesota Housing to comply with the requirements of 24 CFR part 35 when providing federal assistance. It is also the policy of Minnesota Housing that programs funded with other than federal funds will address lead hazards when the program requires the treatment of other health hazards. Where lead identification and reduction are required by this policy, it will generally be conducted in accordance with the standards of 24 CFR part 35, except that lead hazard abatement shall not be required solely on the basis of the amount of assistance provided, and as the standards may otherwise be modified in procedural manuals and guidelines adopted by Minnesota Housing. For buildings that receive both federal and non-federal funds for the same purpose, the agency shall defer to the federal requirements.

### **Actions planned to reduce the number of poverty-level families**

In Minnesota, there is a statewide network of Community Action Agencies (CAAs) and tribal governments with a common purpose: fighting poverty and its effects in Minnesota communities. The goals of these agencies are to better focus available local, state, private, and federal resources to assist low-income individuals and families to acquire useful skills and knowledge, gain access to new opportunities, and achieve economic self-sufficiency. Each agency assesses needs, establishes priorities, determines strategies to respond to local poverty issues, and delivers a broad range of services and activities to strengthen self-reliance.

The specific programs delivered by the CAAs and tribal governments include:

- Energy Assistance: Provides financial assistance toward energy bills for low-income households;
- Weatherization: Offers weatherization of homes of low-income households to reduce heat loss and increase heating efficiency;
- Financial Literacy programming: Includes Family Assets for Independence in Minnesota, a program which matches low-income households' income with state, federal, and private funding for the purpose of buying a home, furthering education, or starting a business. Other forms of financial literacy programming include tax preparation assistance, budget counseling, and general financial education;
- Food Shelves and various nutrition programs: Provides food for households experiencing emergencies through the network of locally run food shelves;
- Head Start: Assists low-income families break the cycle of poverty by improving the health and social competence of children up to age 5 and pregnant women and by promoting economic self-sufficiency for parents;
- Homeless Programs: Provides assistance to households or individuals who are at-risk of being homeless, who are currently homeless, or who were previously homeless and are receiving follow-up services;
- Housing Construction, Rehabilitation, and Assistance: Develops long-term low-income housing,



including the rehabilitation of unoccupied housing and the provision of rental housing assistance.

### **Actions planned to develop institutional structure**

The delivery of affordable housing programs authorized by the federal government and Minnesota state legislature is centralized in Minnesota Housing. DEED is the primary administrator and provider of CDBG funds in non-entitlement areas of the state. Minnesota Housing and DHS share the delivery of supportive housing programs for persons experiencing homelessness. DHS is primarily responsible for the delivery of supportive services for persons with special needs because many persons DHS serves are homeless.

Affordable housing assistance in Minnesota depends upon a large network of local lenders, housing authorities, community action agencies, nonprofit and faith-based organizations, homeowner educators and counselors, and local governments throughout the state. The State relies on these entities to administer a number of affordable and supportive housing programs, to identify housing needs at the local level, and to encourage the development of affordable housing.

Recognizing the need to increase both the accessibility and effectiveness of assistance programs for low- and very low-income people, Minnesota Housing has worked to increase the participation of local nonprofits and other nontraditional lenders in delivering its programs. These nontraditional participants provide a greater opportunity to coordinate the delivery of assistance and to better target funds to people with the greatest need.

The State does not have any plans for developing new institutional structures but will continue to participate in the various structures currently in place, supporting the Minnesota Chapter of the National Association of Housing and Redevelopment Officials (NAHRO)'s conferences and the Working Together conference. Minnesota Housing coordinates its RFP selections with other funding partners, including DEED. DEED's CDBG grantees coordinate CDBG funding with Minnesota Housing, Greater Minnesota Housing Fund, DHS, Rural Development, Department of Health, and Weatherization funding. DHS will continue to participate in the various structures currently in place. The State hosts the Minnesota Interagency Council on Homelessness (MICH), through which all state agencies involved in the provision of services to homeless persons meets monthly. Members of the MICH are assigned to all Continuum of Care committees and Family Homeless Prevention and Assistance Program advisory committees to provide technical assistance and attend meetings of these groups. The State also hosts the Interagency Stabilization Group as well as the Greater Minnesota Preservation Work Group and the Stewardship Council to ensure coordination of funding resources.

The State participates in a number of standing meetings with representatives from local government, nonprofit, and private providers of housing and homelessness services.

For economic development CDBG activities, the state does not have any plans to develop new institutional structures, but will continue to utilize collaborations already in place. DEED partners with

communities, counties, non-profit agencies, the Economic Development Association of Minnesota, Minnesota Bankers Association, and the Council of Development Finance Agencies to ensure that funds are accessible to businesses throughout the state. Working with these partner organizations enables the State of Minnesota to better access underserved communities and address financing needs for local companies throughout the region. Administration of Minnesota Investment Funds dollars is passed through to local government entities with oversight conducted by the state to ensure regulatory compliance.

### **Actions planned to enhance coordination between public and private housing and social service agencies**

The delivery of affordable housing programs authorized by the federal government and Minnesota state legislature is centralized at Minnesota Housing. DEED is the primary administrator and provider of CDBG funds in non-entitlement areas of the state. Minnesota Housing and DHS share the delivery of supportive housing programs for persons experiencing homelessness, including the Section 811 rental assistance program. DHS is primarily responsible for the delivery of supportive services for persons with special needs. Coordination between public and private housing and social services primarily occurs at the local or regional level and is supported by the Continuum of Care committees and other regional planning bodies funded, in part, by the State of Minnesota.

Affordable housing assistance in Minnesota depends upon a large network of local lenders, housing authorities, community action agencies, nonprofit and faith-based organizations, homeowner educators and counselors, and local governments throughout the state. The State relies on these entities to administer a number of affordable and supportive housing programs, to identify housing needs at the local level, and to encourage the development of affordable housing.

Recognizing the need to increase both the accessibility and effectiveness of assistance programs for low- and very low-income people, Minnesota Housing has worked to increase the participation of local nonprofits and other nontraditional lenders in delivering its programs. These nontraditional participants provide a greater opportunity to coordinate the delivery of assistance and to better target funds to people with the greatest need.

The State does not have any plans for developing new institutional structures but will continue to participate in the various structures currently in place. Minnesota Housing coordinates its RFP selections with other funding partners, including DEED. DEED's CDBG grantees coordinate CDBG funding with Minnesota Housing, Greater Minnesota Housing Fund, DHS, Rural Development, Department of Health, and Weatherization funding. In addition, DEED and Minnesota Housing partners to fund public housing rehabilitation with its Publicly Owned Housing Program (POHP) that will increase stable housing quality standards. DHS will continue to participate in the various structures currently in place. The State hosts the Minnesota Interagency Council on Homelessness (MICH), through which all state agencies involved in the provision of services to homeless persons meets monthly. Members of the MICH are assigned to

all Continuum of Care committees and Family Homeless Prevention and Assistance Program advisory committees to provide technical assistance and attend meetings of these groups. The State also hosts the Interagency Stabilization Group as well as the Greater Minnesota Preservation Work Group and the Stewardship Council to ensure coordination of funding resources.

The State participates in a number of standing meetings with representatives from local government, nonprofit, and private providers of housing and homelessness services.

The state does not have plans to provide financial assistance to troubled PHAs. Troubled and other PHAs are invited to participate in the "Working Together" conference to receive training on topics relevant to their operations. Because the state is not a public housing owner, it does not have plans to encourage residents to become more involved in management of public housing or have a specific outreach plan to public housing residents to encourage homeownership. Public housing residents are eligible to apply for homeownership assistance and receive the same outreach as other potential first-time homebuyers.

**Discussion:**

## Program Specific Requirements

### AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

#### Introduction:

The following includes program specific details for CDBG, HOME, ESG, and the National Housing Trust Fund (the Annual Action Plan includes the complete NHTF allocation plan).

#### Community Development Block Grant Program (CDBG)

##### Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
<b>Total Program Income:</b>	<b>0</b>

#### Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	70.00%

**HOME Investment Partnership Program (HOME)  
Reference 24 CFR 91.320(k)(2)**

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

None

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

Not applicable because Minnesota will not use HOME for homebuyer assistance.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

Not applicable because Minnesota will not use HOME for homebuyer assistance.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

There are no plans for using HOME to refinance existing debt.

**Emergency Solutions Grant (ESG)  
Reference 91.320(k)(3)**

1. Include written standards for providing ESG assistance (may include as attachment)

All sub-recipients of ESG funding have been required by DHS to establish written standards for the provision of emergency shelter, homelessness prevention and rapid rehousing assistance to homeless persons. The State will not be developing statewide written standards due to the complex needs and characteristics of the 87 counties in which ESG assistance is provided.

DHS has developed a monitoring tool based on the requirements found in 576.400(e)(3) and is conducting reviews of each sub-recipient's Written Standards during the annual monitoring cycle to ensure that they adequately include the elements broadly outlined in 576.400(e)(3). During the

monitoring visit, DHS staff will also ensure that the ESG sub-recipients Written Standards are in accordance with the local Continuum of Care's plans for Coordinated Assessment.

DHS has provided grantees with any HUD-issued guidance on what should be included in standards written for prevention and rapid re-housing providers (evaluating eligibility, prioritizing assistance, determining type, amount and length of assistance) and will continue to ensure sub-recipients are in compliance with this requirement.

For FFY2020, DHS has required all emergency shelters to submit their complete written standards as part of the competitive Request for Proposals process. For prevention and rapid re-housing providers, DHS will be reviewing both CoC and individual sub-recipient written standards (when different) to ensure alignment to the greatest extent possible.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

DHS funds ESG projects in all ten Minnesota CoCs Each Continuum of Care region has fully implemented Coordinated Entry (CE) and is working on refining its CE systems and evaluation. In addition, a statewide policy group was formed to include CE stakeholders including state funders, Continuum of Care Coordinators, and technical assistance providers.

With the release of additional CE guidance from HUD, the State's ESG office staff have joined with CoC Coordinators and other state policymakers to serve on a several statewide Coordinated Entry committees, in an effort to increase communication and consistency in practices across the state when possible.

The State also continues to play an active role in ensuring these systems meet both the requirements and intent of the new HUD regulations, as well as meets the needs of both persons experiencing homelessness, and the funders of homeless systems. As the state ESG office receives feedback from local sub-recipients (through monitoring and grantee meetings) regarding the effectiveness and efficiency of local Coordinated Entry systems, state staff will continue to engage CoC committees in an effort to improve and reform CE systems to better serve persons experiencing homelessness.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

ESG funds are awarded as part of a funding allocation process that combined the grant with available money from four state-funded programs: the Emergency Services Program (ESP), the Homeless Youth Act (HYA), the Transitional Housing Program (THP) and Safe Harbor Shelter and Housing.

Due to the historical concentration of large shelters in the state's six entitlement areas, the application process for ESG Shelter funding is open to programs from all areas of the state. Priority will be given to shelter applications from the balance of State areas (non-entitlement areas), and funds for homelessness prevention and rapid re-housing activities will only be awarded to balance of state areas who do not receive their own ESG allocation. Additional FFY2020 ESG resources awarded under the recently passed CARES federal stimulus act (whether use for shelter or prevention activities) may be distributed using a different process in light of the current emergency and evolving pandemic issues.

The allocation of funding to specific programs is based on the overall quality of responses to the evaluation criteria and in accordance with regional and local priorities, as established by each Continuum of Care (CoC) committee. Eligible organizations include local government, nonprofit, community, and faith-based organizations such as shelters, transitional housing programs, and emergency service providers.

As part of a biennial competitive funding process, Requests For Proposals (RFPs) are sent to all current Office of Economic Opportunity homeless programs grantees, all Continuum of Care Committees throughout the state, and all other interested parties who have contacted OEO during the course of the year and expressed interest in the homeless program funding. DHS also publishes the RFP in the State Register and posts the RFP on the DHS website. More information is available under the attachment "AP-30 Method of Distribution"

As noted previously, because of the rapidly changing COVID-19 pandemic and resulting economic crisis, the distribution of CARES Act federal stimulus funding for ESG may not follow this same process. At the time of this Action Plan draft, the State is still awaiting more detailed guidance and final allocation numbers from HUD.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The recipient is a State and therefore not required to meet the homeless participation requirement in 24 CFR 576.405. However, all sub-recipients are expected to actively work to consult and involve homeless or formerly homeless individuals in their policy development and program operations and are monitored regularly on this topic. In addition, State staff are incentivizing shelter providers to engage residents and former residents in an examination of shelter rules and policies as a part of a state-funded Request for Proposals (RFP) to lower the barriers to shelter.

Finally, in conjunction with a philanthropic partner and local shelter provider, staff from DHS conducted a half-day listening session with a handful of current residents in an ESG-funded emergency shelter. This session was held in advance of making the FFY2019 ESG funding awards and

provided state staff with invaluable insights and input into what some shelter residents see as the most effective services and practices, as well as potential barriers to shelter or services which DHS will continue to address through funding, monitoring and technical assistance.

5. Describe performance standards for evaluating ESG.

See unique appendices. The existing performance standards for ESG were developed in recent years during meetings with CoC representatives from around the state, and reflect the basic purpose of ESG shelter, prevention and rapid re-housing funds to a) keep people safely sheltered, b) re-house persons who are homeless, and c) ensure persons are stably housed at program exit. ESG sub-recipient performance reports are sent to each CoC Coordinator, and include information on these goals and sub-recipient performance. This set of outcomes, as well as specific annual goals for these ESG-funded activities, are included in the Outcomes Measures and Performance Standards section of this Plan.

For the current Action Plan Year, the following performance standards will be used for evaluating each FY2019 ESG-funded activity:

Emergency Shelter:

# of individuals in households receiving safe, adequate emergency shelter.

Prevention (Re-Housing)/Rapid Re-Housing;

# of individuals in households who are stably re-housed.

# of individuals in households who remain stably housed at program exit.

In addition to these performance standards, on-going evaluation of ESG sub-recipient performance occurs through DHS Grantee Assessment Tool (Risk Analysis) and its bi-annual monitoring process. This monitoring process places a heavy emphasis on program performance and effectiveness as well as ensuring sub-recipients have the technical assistance they need to be successful.

ESG Monitoring is described in more detail in the following attachment uploaded below: ESG Monitoring. The State will continue to share the outcomes of its monitoring visits with Continuum of Care Coordinators when there are relevant performance issues identified, and seek mutual problem-solving and assistance from CoC committees when appropriate.

**Housing Trust Fund (HTF)**  
**Reference 24 CFR 91.320(k)(5)**

1. How will the grantee distribute its HTF funds? Select all that apply:



Applications submitted by eligible recipients

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A

3. If distributing HTF funds by selecting applications submitted by eligible recipients,

a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Eligible entities for NHTF include owners or developers that must satisfy the definition of recipient in 24 C.F.R. 93.2 and be either:

- A for profit entity,
- A 501(C)(3) non profit entity (including Community Housing Development Organizations, or CHDO),
- A government unit (excluding the federal government), or
- A religious organization.

The owner must provide evidence of a qualifying interest in the property. Such interest must be recorded and appear in the county records. The minimum qualifying interest is 100 percent fee simple interest that may also be subject to a mortgage.

The owners and development team must not be debarred or excluded from receiving federal assistance prior to selection or entering into a Written Agreement or closing the loan.

Applicants and their development team must undergo an evaluation by Minnesota Housing of their capacity and pass Minnesota Housing underwriting before the applicant qualifies as an eligible recipient. Applicants must have demonstrated experience and capacity to conduct and eligible NHTF activity as evidenced by its ability to own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development.

Minnesota Housing underwriting standards require that at least one sponsor must demonstrate acceptable performance (multifamily housing experience) and financial capacity for the scale for the

proposed project regardless of guaranty provisions, if any. All loans require a full sponsor credit review for final approval.

Eligible recipients will certify that housing units assisted with the NHTF will comply with NHTF program requirements during the entire period that begins upon selection and ending upon the conclusion of all NHTF funded activities. Recipients must demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity. Recipients must also demonstrate familiarity with requirements of other Federal, State or local housing programs that may be used in conjunction with NHTF funds to ensure compliance with all applicable requirements and regulations of such programs.

b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The Consolidated RFP provides a comprehensive system to evaluate a project against eligibility criteria, selection priorities, and capacity of developers and owners. Selections are made after careful and thorough consideration of the project.

The RFP application process begins with the announcement of the Consolidated RFP, and includes outreach and technical assistance to interested applicants. Once applications are submitted to the agency, they undergo application and eligibility review to determine if they pass basic application requirements and selection criteria. The applications then undergo feasibility review by staff underwriters, including detailed analysis of applicant and organizational capacity and priority housing needs. Next, all applications are reviewed together in consistency meetings with staff to ensure consistency in evaluation by individual underwriters. When applications pass this level of review, they undergo a second application review for feasibility, including site visits, if applicable. Once applications are considered feasible, they move on to a selection meeting, which is run through the agency's Mortgage Credit Committee and includes underwriters, managers, and senior leadership. The Mortgage Credit Committee deliberates on feasible applications compared with funding resources available, weighing appropriate uses of those funds and the agency's Strategic Priorities, feasibility, and organizational capacity, and recommends a package of developments for selection. This recommendation is then brought before Minnesota Housing's Board of Directors for final review and approval.

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

There are three main components of the RFP review process that are captured in the attached RFP guide.

- **Initial Eligibility and Feasibility:** Applicants must satisfy project feasibility and organizational capacity requirements to be considered for funding. Once applications are submitted to the agency, they undergo application and eligibility review to determine if they meet the basic eligibility requirements. The applications then undergo feasibility review by staff underwriters, including detailed analysis of applicant and organization capacity and priority housing need.
- **Strategic Priorities:** Seven strategic priorities reflect the Agency’s policy goals for funding priorities. Every proposal must satisfy at least one strategic priority to be eligible for funding through the RFP. Minnesota Housing gives priority to proposals that best meet the greatest number of strategic priorities.
- **Selection Priorities:** Among proposals that satisfy the Agency’s strategic priorities, the Agency gives priority in awarding funding to those proposals that best meet the greatest number of selection priorities.

d. Describe the grantee’s required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Minnesota Housing will accept and consider proposals for NHTF from across the state consistent with the states certification to affirmatively further fair housing. The needs of very low income and extremely low income tenants across Minnesota are a high priority in the Consolidated Plan; however, geographic location of a project may be considered in the context of the project’s proximity to certain community features whose presence is a priority for Minnesota Housing.

Of 18 Selection Priorities, six relate specifically to the geographic location of projects, including economic integration areas, workforce housing communities, rural and tribal areas, location efficiency (transit), access to higher performing schools, and community revitalization areas. In sum, these geographic priority areas support a balanced and diverse distribution of resources across the state

e. Describe the grantee’s required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Applicants must be capable of undertaking and completing NHTF funded activities in a timely manner, consistent with regulatory requirements to meet five year expenditure deadlines. Minnesota Housing expects all project funds to be secured within approximately six months of selection, and the project must close within 18 months from the date of selection. This capability is evaluated during the Consolidated RFP process. Capacity of the entire development team is evaluated, taking into consideration experience with similar projects, financial and staff capacity, status of other projects in the team's development pipeline, and other factors relevant to the role of the entity.

As described in the agency's Multifamily RFP Guide, the following factors will be considered in determining whether an organization has demonstrated sufficient organizational capacity:

- The applicant's purpose and mission;
- The applicant's related housing experience;
- Whether the applicant has successfully completed similar projects or is partnering with other organizations that have successfully completed similar projects;
- Whether the applicant has strong current and expected ongoing capacity to complete the proposed housing as well as other proposals being developed by the organization; and
- Whether the applicant has the capacity to maintain the rental housing long term.

f. Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Developments that provide fully executed commitments for project based rental assistance (standard or in conjunction with Long Term Homeless units) at the time of application are given selection priority.

g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

New Construction, rehabilitation, and rehabilitation and acquisition rental projects with NHTF have a

required affordability period of thirty years. Additional preference will be given to projects that have commit to affordability for 35 or 40 years. Operating cost assistance reserves may be funded for the amount estimated to be necessary for up to fifteen years from the start of the affordability period.

h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Minnesota’s Consolidated Plan identifies priority housing needs among extremely low income renters for all renter household types. The total unmet need among extremely low income renters in Minnesota was estimated to be 136,332 units in at the time of the Consolidated Plan publication. NHTF resources will be used exclusively to support units affordable to extremely low income renters (at or below 30% of area median income), and will prioritize new construction activities to expand the housing stock for this population.

In addition to helping to meet the substantial unmet need of extremely low income renters, Minnesota Housing has defined the following Strategic and Selection priorities. As described in the previous section, the Strategic Priority policies describe the main strategic focus and driving policy goals of Minnesota Housing in the current funding round, and will be of primary importance in the evaluation of applications. The Selection Priorities capture other elements that are beneficial to a project. These priorities, described below, are communicated to potential applications through the “Strategic and Selections Priorities.”

- Access to Fixed Transit
- Greater Minnesota Workforce Housing
- Economic Integration
- Tribal
- Planned Community Development
- Preservation (including federally assisted housing)
- Supportive Housing

Among proposals that best satisfy these Strategic Priorities, Minnesota Housing will give priority in awarding funding to the proposals that best meet the greatest number of selection priorities in effect at the time of the RFP. These are given less weight in evaluation than the Strategic Priorities. Selection priorities may be found in the “Multifamily Request for Proposal Guide” and are listed below.

- Large Family Housing
- Permanent Supportive Housing for High Priority Homeless
- Consistency with Local Continuum of Care Priorities
- People with Disabilities
- Serves Lowest Income Tenants/Affordable to the Local Workforce
- Rental Assistance
- Long Term Affordability
- Economic Integration

- Access to Higher Performing Schools
- Workforce Housing Communities
- Location Efficiency
- Planned Community Development
- Eventual Tenant Ownership
- QCT/Community Revitalization and Tribal Equivalent Areas
- Rural/Tribal
- Federal, Local, Philanthropic, Employer Contributions
- Minority Owned/Women Owned Business Enterprise
- Preservation
- Financial Readiness to Proceed.
- Greater Minnesota Workforce Housing – Meaningful Employer Contribution
- High Speed Internet
- Universal Design

i. Describe the grantee’s required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Minnesota Housing’s NHTF funds will leverage other agency, private, and low income housing tax credit investment. The NHTF funds will be made available through the agency’s Consolidated RFP, which consolidates and coordinates multiple housing resources into one application process. Funding partners include the Metropolitan Council, Department and Employment and Economic Development, Family Housing Fund and Greater Minnesota Housing Fund. Financing opportunities that could be leveraged with NHTF funds include several nonfederal sources through the State of Minnesota:

- Amortizing first mortgages through the State of Minnesota’s Low and Moderate Income Rental Program
- Deferred loans through State of Minnesota funded Economic Development and Housing Challenge program
- Deferred loans through the State of Minnesota funded Preservation Affordable Rental Investment Fund
- Housing Investment Bonds through the State of Minnesota

Two of the agency’s selection priorities incorporate a projects ability to leverage other resources. These include federal, local, philanthropic, and employer contributions; and financial readiness to proceed.

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

**6. Performance Goals and Benchmarks.** The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

**7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds.** Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

Minnesota will establish the maximum per-unit development subsidy at the same level as per unit cost thresholds established the cost containment methodology associated with the State's Low Income Housing Tax Credit Qualified Allocation Plan (QAP). The thresholds, based upon total actual



development costs for developments funded by Minnesota Housing since 2002, are adjusted for number of bedrooms and geographic location of the project. Despite the per unit subsidy limits, subsidies may be further limited on individual projects based on the result of subsidy layering reviews and the financing needs of the project.

Per unit subsidy limits are set forth in the table attached, but are subject to change whenever a new QAP is adopted or modified. Adjustments are made in response to cost trends. Any changes will continue to be reasonable, based on actual costs, and adjusted for the number of bedrooms and geographic location of the program.

Per Unit Subsidy as Adjusted for Mix of Unit Sizes

	Cost adjustments to Families/Mixed	Subsidy limit for Families/Mixed Developments
New Construction Metro for Singles	1.16	
New Construction Metro for Families/Mixed	1.00	\$273,000
New Construction Metro for Large Families	0.95	
New Construction Greater MN for Singles	1.16	
New Construction Greater MN for Families/Mixed	1.00	\$217,000
New Construction Greater MN for Large Families	0.95	
Rehabilitation Metro for Singles	1.23	
Rehabilitation Metro for Families/Mixed	1.00	\$218,000
Rehabilitation Metro for Large Families	0.83	
Rehabilitation Greater MN for Singles	1.23	
Rehabilitation Greater MN for Families/Mixed	1.00	\$173,000
Rehabilitation Greater MN for Large Families	0.83	
<ul style="list-style-type: none"> <li>• "Metro" applies to the seven-county Twin Cities metro area, while "Greater MN" applies to the other 80 counties.</li> <li>• "Singles" applies to developments where the share of efficiencies and 1 bedroom units is 75% or greater.</li> <li>• "Large Families" applies to developments where the share of units with 3 or more bedrooms is 50% or greater.</li> <li>• "Families/Mixed" applies to all other developments.</li> <li>• "New Construction" includes regular new construction, adaptive reuse/conversion to residential housing, and projects that mix new construction and rehabilitation if the new construction gross square footage is greater than the rehabilitation square footage.</li> </ul>		

Minnesota Housing will establish the maximum per-unit development subsidy at the same level as per-unit cost thresholds established the cost containment methodology associated with the State's Low-income Housing Tax Credit Qualified Allocation Plan (QAP). The above thresholds reflect the limits active for the 2020 RFP.

**8. Rehabilitation Standards.** The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

All NHTF units must comply with Minnesota Housing's Multifamily Rental Housing Design/Construction Standards, including Chapter 9, Design, Construction, and Property Standards for Federally Funded Projects. These standards are attached. Chapter 9 provides federal program requirements, while projects must achieve all requirements detailed in the guide.



# **Multifamily Rental Housing Design/Construction Standards**

*April 2019*

*(Applicable to 2020 Housing Tax Credits)*



*The Minnesota Housing Finance Agency does not discriminate on the basis of race, color, creed, national origin, sex, religion, marital status, status with regard to public assistance, disability, familial status, gender identity, or sexual orientation in the provision of services.*

*An equal opportunity employer.*

*This information will be made available in alternative format upon request.*

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## Chapter 1 – Overview and Applicability

The Minnesota Housing Finance Agency (Minnesota Housing) is committed to meeting Minnesotans' needs for decent, safe and sustainable affordable housing. Since building codes, local regulations and ordinances primarily focus on health, safety and/or protecting property values, they cannot be relied on to meet all expectations. Therefore, in an effort to better meet customer needs and communicate expectations, Minnesota Housing has developed Design/Construction Standards for multifamily rental housing.

Minnesota Housing encourages sustainable, healthy housing that optimizes the use of cost effective durable building materials and systems that minimize the consumption of natural resources during construction and in long-term maintenance and operation. In addition, Minnesota Housing welcomes new ideas and looks forward to implementing ideas that will provide long-lasting benefits to its customers.

While developing the Design/Construction Standards, Minnesota Housing sought input from funding partners; development partners, including owners, developers, attorneys, architects and contractors; along with input from its production and asset management staff.

These standards are applicable to multifamily rental housing developments selected by Minnesota Housing for financing in the 2020 HTC funding year. This includes projects selected through the 2019 Consolidated RFP, 2020 Housing Tax Credit (HTC) allocations through Round 1 or Round 2, and 2020 HTC 4% Only projects. This will allow for consistent application of standards by tax credit year.

Developments selected for financing on a year round basis are generally subject to the design standards in effect at the time of selection. If the year round funding request is combined with tax credits, the tax credit year determines the design standards. If a newer version of this guide is released after selection, the developer and architect may generally use the standards of the guide that were current at the time of the initial funding award.

Refer to the beginning summary section of each standard to learn whether the standard is applicable to the project. The project activity or funding source generally dictates when and how a standard applies. Projects involving Adaptive Reuse or "gut" rehabilitation of rental housing must comply, to the maximum extent feasible, with standards for rehabilitation and new construction. When strict compliance to these standards is not feasible, contact the Minnesota Housing staff architect assigned to the project to discuss whether a waiver or variance is warranted.

Unless specifically excluded elsewhere, projects receiving funding from Minnesota Housing must comply with Minnesota Housing's typical process for design, construction and submittals noted in the Minnesota Housing Architect's Guide and the Minnesota Housing Contractor's Guide, as applicable.



## Chapter 2 – General Occupancy New Construction Minimum Standards

### 2.01 Background

Once a decision is made to construct a new multifamily housing project to serve a particular housing need, selecting an appropriate site location is important. If Minnesota Housing funding is requested to construct a new housing project, the decision to build on a particular site must include determining whether the site can be developed and if it complies with Minnesota Housing standards.

The following standards are supplemental to basic standards established by applicable building codes, local zoning and other applicable regulations. Where two standards govern the same condition, conformance to the most restrictive standard is required. Regardless of whether the local jurisdiction has adopted or not adopted the Minnesota State Building Code, all improvements receiving Minnesota Housing funding must be in compliance with the most current Minnesota State Building Code in effect at the time of the application for funding.

### 2.02 Purpose

The purpose is to ensure multifamily rental housing financed by Minnesota Housing is of decent quality, energy efficient, functional, sustainable and effective in reducing long-term maintenance costs.

### 2.03 Requirements

The following new construction minimum standards involving site design, building design, mechanical and electrical systems, and building components must be adhered to if receiving Minnesota Housing funding for new construction.

- A. **Site Design:** Site improvements must comply with the following standards associated with grading, drainage, parking, garages, sidewalks, play equipment/area and signage as follows:
  1. **Grading/Drainage:** The site must be well drained. Surface water must be directed away from the structure. Snow removal/storage must be addressed.
  2. **Parking** must comply with the following requirements:
    - (a) Number of parking spaces must be in accordance with the local zoning requirements. For sites with no local zoning requirements, provide:
      - i. At least one parking space (off street/onsite) for each one-bedroom Dwelling Unit.
      - ii. At least two parking spaces (off street/onsite) for each two-bedroom or larger Dwelling Unit.
      - iii. Adaptive Reuse type projects or Efficiency Units may have less than one parking space for each Dwelling Unit.
      - iv. For special occupant population types (senior housing, supportive housing, congregate Sleeping Units, high density projects, and mixed-use projects), the exact number of parking spaces must be reviewed by Minnesota Housing on a case-by-case basis.
    - (b) Parking spaces must be at least 8'-6" wide except at designated handicapped parking space(s) and must be in compliance with applicable codes.

- (c) Parking spaces, drive lanes, vehicle access aisles, and pedestrian accessibility access aisles must be paved (concrete, bituminous, pavers, or other Minnesota Housing approved material).
  - (d) Provide a poured concrete curb and gutter at outer perimeter of drive lanes and parking.
    - i. Exceptions: Not required for semi-private driveway leading up to attached garage or if omission of a curb and gutter is part of a planned surface storm water management system.
3. **Garages:**
- (a) If private garages are provided, they must meet the following:
    - i. A full partition extending from floor to ceiling made of solid material must separate each garage stall within any bank of garages.
    - ii. Continuous foundations and frost footings are required at all attached garages and detached garages larger than two stalls.
    - iii. Minimum size requirements:
      - a. Clear Width: 11'-0" (single stall), 20'-0" (double stall)
      - b. Net Area: 231 sq. ft. (single stall), 420 sq. ft. (double stall)
      - c. Overhead Door: 9'-0" wide (single stall), 16'-0" wide (double stall)
    - iv. Garages required to be accessible must comply with minimum quantity, dimensions and clearances as required by applicable accessibility codes.
  - (b) If an underground parking garage is provided, the exterior entrance drive slope must not exceed 7 percent, unless heated. We encourage site designs that do not require heated entrance drives.
4. **Exterior Sidewalks:** Sidewalks must be a minimum of four feet wide and made of concrete reinforced with continuous wire mesh.
5. **Play Area/Play Equipment:** A play area for children, along with appropriate play equipment, must be provided for children, unless exempt.
- (a) The entire play area must be filled with natural or synthetic protective materials and equipped with reasonable play equipment for the size of the lot. The perimeter must be designed to keep play area material from spilling, such as curb or sidewalk.
  - (b) The size of the play area must be provided in proportion to the child population of the project.
  - (c) The play area and equipment must be in compliance with equipment manufacturer requirements.
  - (d) Avoid locating any play area(s) where children are required to cross roadways.
  - (e) Provide drain tile beneath all permeable play area surface materials with outlet to nearest storm sewer or drainage ditch.
  - (f) Provide shade, seating and trash receptacle near all play areas.
  - (g) Play areas must be on an accessible route with accessible entrance onto the play area surface.
  - (h) Play area equipment is not required if any of the following conditions apply: The project contains only one-bedroom or smaller units; the project is on a zero lot line site; there is a

public park within a ¼ of a mile of the project (measured from the closest property line in a straight-line to the park) unless separated by a busy street, or if Minnesota Housing agrees it is not economically viable.

6. **Signage:** Signage to be provided as follows:

- (a) If a temporary construction sign is provided, it must be at least 4'x 8' in size and erected onsite at time of construction start. It must contain the project name, Minnesota Housing Logo, names of other funders (or their logos – please confirm with other funders), Equal Housing Opportunity logo, owner's name, general contractor's name, architect's name, and leasing information and phone number.
- (b) Every project must have a permanent project sign that is visible from the nearest street. It must provide the name of the project, an Equal Housing Opportunity logo, and leasing information and phone number. Nighttime lighting is recommended.

B. **Building Design:** The building design must be reasonably appropriate for the intended site, resident population and anticipated market, and must be in compliance with the following minimum standards:

1. **Laundry:** Housing must have access to laundry facilities and must comply with the following requirements:

- (a) Common laundry is required unless laundry equipment is provided in each Dwelling/Efficiency Unit.
- (b) If common laundry, one washer and one dryer must be provided for every 12 Dwelling Units. Provide folding table and seating area. For senior housing, one-bedroom Dwelling Units or Efficiency Units, provide one washer and one dryer for every 16 units.
- (c) If laundry equipment is provided in each Dwelling/Efficiency Unit, stackable equipment is acceptable in non-accessible units.
- (d) Every clothes washer must have a disaster pan with floor drain, or be located in a room with appropriate flooring whereby the floor slopes to floor drain.
- (e) Avoid locating clothes washers near areas with carpeting.

2. **Elevator:** Housing required to have an elevator must meet the following requirements associated with an elevator:

- (a) The maximum length of travel from any housing unit to an elevator must not exceed 250 lineal feet.
- (b) The number of required elevators in each building must be dictated by the number of Stories above grade as follows:
  - i. Three to five Stories above grade: one elevator required
  - ii. Six to nine Stories above grade: two elevators required
  - iii. Nine or more Stories above grade: consult Minnesota Housing

3. **Dwelling, Efficiency, and Sleeping Unit:** Housing must meet the following requirements associated with decent living space:

- (a) Living room: Minimum dimension must be 11'- 6" and appropriately sized for anticipated household size. The room must have a window (or glass patio door) to exterior for natural lighting.
- (b) Primary or master bedroom
  - i. Minimum dimension must be 10'-0"
  - ii. Minimum square footage must be 115 sq. ft.
  - iii. A window for natural light must be provided.
    - a. Exceptions. Windowless bedrooms designed to meet applicable building codes may be allowed:
      - If the local Tenant-Based Rental Assistance (TBRA) voucher administrator receives approval for an acceptability criteria variation from their HUD field office that allows TBRA to be used in units with windowless bedrooms; Or
      - Without an acceptability criteria variation if 100% of the units receive Project-based Rental Assistance (PBRA).
  - i. Closet (five lineal ft. of net rod/shelf length)
  - ii. Door and walls to ceiling for privacy. Exception: Efficiency Units/Sleeping Units.
- (c) Secondary bedroom(s)
  - i. Minimum dimension 9'-6"
  - ii. Minimum square footage must be 100 sq. ft.
  - iii. A window for natural light must be provided.
    - a. Exceptions. Windowless bedrooms designed to meet applicable building codes may be allowed:
      - If the local Tenant-Based Rental Assistance (TBRA) voucher administrator receives approval for an acceptability criteria variation from their HUD field office that allows TBRA to be used in units with windowless bedrooms, Or
      - Without an acceptability criteria variation if 100% of the units receive Project-based Rental Assistance (PBRA).
  - iv. Closet (4 lineal ft. of net rod/shelf length)
  - v. Door and walls to ceiling for privacy
- (d) Kitchen
  - i. Kitchen counter work minimum area must be 6'-0" for one-bedroom Dwelling Units, 7'-0" for two- and three-bedroom Dwelling Units and 8'-0" for larger Dwelling Units. This distance is measured in lineal footage along the front, excluding sink, refrigerator and range.
  - ii. In addition to the minimum work area noted above, Dwelling Units with three or more bedrooms must include a peninsula or island with counter-height stool seating for at least two people or the Dwelling Units must accommodate an eat-in kitchen.
  - iii. A range/oven is required in all Dwelling Units and Efficiency Units. All two-bedroom or larger Dwelling Units must have a 30" wide self-cleaning oven. All one-bedroom Dwelling

Units and Efficiency Units can use a 24" minimum self-cleaning oven. Avoid locating the oven at the end of a counter. Provide a grease shield behind all ovens or ranges and on abutting partitions. The shields must be high-pressure plastic laminate, enameled or stainless steel.

- iv. Provide a "frost-free" refrigerator with 15" minimum wide counter on the latch side. The refrigerator must be a minimum of 14 cu. ft. for one-bedroom Dwelling Units and Efficiency Units. Larger Dwelling Units must have a larger refrigerator appropriately sized.
- v. Provide hard surface flooring in kitchen.

(e) Dining

- i. Dining area must:
  - a. Have hard-surface flooring
  - b. Be distinct from the living area
  - c. Be provided in two-bedroom and larger Dwelling Units
  - d. Have a window to the exterior or be open to the living room
- ii. The dining area must be appropriately sized for the intended household size and accommodate the following:
  - a. Two-bedroom Dwelling Units: Table with four chairs
  - b. Three-bedroom Dwelling Units: Table with six chairs
  - c. Four-bedroom or larger Dwelling Units: Table with seven chairs
- iii. Dining area exceptions:
  - a. An eat-in kitchen may be substituted for a dining area as long as the kitchen can accommodate an appropriately sized table with chairs for the intended household size, plus two guests.
  - b. A 4'-0" long snack bar located on rear side of kitchen countertop may be used in lieu of designated dining room/area in one-bedroom Dwelling Units and Efficiency Units.

(f) Bathroom. Defined as follows:

- i. Defined as follows:
  - a. Full bathroom includes a lavatory sink, water closet and tub with showerhead.
  - b. Three-quarter (3/4) bathroom includes a lavatory sink, water closet and shower
  - c. Half bathroom/powder room (1/2) includes a lavatory sink and water closet
  - d. Compartmentalized full bathroom includes all items of a full bathroom; however, the tub with showerhead and water closet can be in a private room with a door. At least one vanity (lavatory) is in the separate alcove. Minnesota Housing encourages this design in three-bedroom and larger Dwelling Units.
- ii. Minimum bathroom requirements based upon unit type:

<b>Unit Type</b>	<b>Minimum # of Bathrooms required</b>
Sleeping Units	¾ Bath
Efficiency Units	¾ Bath
1 BR Dwelling Units	¾ Bath
2 BR Dwelling Units	1 Full Bath
3 BR Dwelling Units	1 Full Bath + ¾ Bath
>3 BR Dwelling Units	1 Full Bath + ¾ Bath
2-story Townhouse with <u>no</u> bedrooms on Ground level	¾ Bath Ground Level and 1 Full Bath Upper Level
2-story Townhouse with at least one Ground level bedroom	¾ Bath Ground Level and 1 Full Bath Upper Level

- iii. Minimum accessories:
  - a. Towel bar(s) within reach of lavatory and tub/shower
  - b. Toilet paper holder
  - c. Shower curtain rod (if applicable)
  - d. Mirror
  - e. A dedicated drawer, cabinet or shelf space for safe medicine storage is required in at least one bathroom of each Dwelling Unit.
- (g) Storage space/closets
  - i. Entry coat closet is required for one-bedroom and larger Dwelling Units in close proximity to the main entry.
  - ii. Designated linen/towel storage space is required in a cabinet design or a closet.
  - iii. General storage space for household cleaning supplies, vacuum, etc. is required.
- (h) Multi-story Dwelling Unit living areas
  - i. Individual Dwelling Units with multi-stories must have a kitchen/kitchenette, living area, dining (or eat-in kitchen) on the same or main level.
  - ii. Refer to Chapter 7, *Visitability Standards*, for additional multi-story Dwelling Unit requirements.
- C. **Mechanical, Electrical and Plumbing (MEP) Systems:** Housing must have plumbing, mechanical and electrical systems that comply with the following standards:
  - 1. **Independent Technical Analysis:** Minnesota Housing reserves the right to require an independent technical analysis of any or all building components to determine life expectancy and anticipated ongoing lifecycle costs, as well as a maximum 10-year payback on energy-efficient investment premiums.
  - 2. **Plumbing Systems:** Plumbing systems must meet the following requirements:

- (a) All kitchen sinks must be double compartment (33"x 22" min.), 7" deep minimum with the exception of one-bedroom Dwelling Units and Efficiency Units, which may have a single compartment sink.
  - (b) Disaster pan with floor drain must be provided under any water heater or clothes washer located above ground level. On ground level floors, a floor drain may be provided in lieu of a disaster pan if floor slopes to drain.
  - (c) Water softening is required where the hardness exceeds 14 grains, except where special circumstances exist.
  - (d) Plumbing chases and plumbing walls must not be located within building exterior walls.
3. **Private Well and Septic:** Sites not served by municipal water and/or sewer may be approved to have private wells and/or sewers if they are code compliant and drinking water is tested and meets safe drinking water standards prescribed by Minnesota Department of Health.
4. **Heating, Ventilating and Air Conditioning (HVAC) System:** Air conditioning (AC) or the ability for tenant supplied through-wall AC units must be provided at all units. AC sleeves must be provided with a tight-fitting, insulated cover. Owner supplied through-wall AC units must be ENERGY STAR.
5. **Electrical Systems:** The following requirements must be met:
- (a) Ceiling or wall mounted light fixture in all bedrooms
  - (b) Task lighting above kitchen range and kitchen sink
  - (c) Exterior light fixtures and lamps must be rated for -20 degree Fahrenheit weather
  - (d) Separately Metered Commercial Space: All applicable utilities serving commercial space such as water service, gas service, electrical service, etc. must be metered separately from all housing space (Dwelling Units, common space, etc.)
  - (e) **Broadband Infrastructure:** To provide a platform for all residents to participate in the digital economy, all multifamily new construction projects must include unit-based, Broadband (aka High-speed Internet) Infrastructure. Broadband Infrastructure is defined as cables, fiber optics, wiring, or other permanent (integral to the structure) infrastructure – including wireless infrastructure with a minimum broadband speed of 25 Megabits per second (Mbps) download and 3 Mbps upload. If receiving federal assistance, speed will be mandated by the U.S. Department of Housing and Urban Development (HUD). The cost for this infrastructure is an approved construction cost.
    - i. Exceptions:
      - a. Internet service (and its ongoing service fee) is not required and not allowed to be paid for with acquisition or construction funds.
      - b. Broadband Infrastructure is not required if:
        - The location of the property makes installation infeasible due to lack of Internet service
        - The cost of installing the infrastructure would result in a fundamental alteration in the nature of its program or activity or create an undue financial burden
      - c. The applicability of any of the above exceptions will be at the sole discretion of Minnesota Housing

- D. **Building Components:** Minnesota Housing encourages the advancement of sustainable building strategies. Refer to Chapter 8, *Sustainable Housing*, for requirements and guidance in meeting Mandatory and Optional Criteria. The following building components must also meet the following minimum standards:
1. **Millwork**
    - (a) All new kitchen cabinets and new bathroom cabinets must have solid wood face-frames, solid wood doors and solid wood drawer fronts. Cabinet box construction may be particle board with melamine surface finish. Exposed end panels must be surfaced with plastic laminate of wood veneer. Exposed end panels in supportive housing units and areas must be plywood or solid wood for durability.
    - (b) Drawer-box construction must have dovetail or other Minnesota Housing approved reinforced joint construction.
    - (c) All millwork must meet the Kitchen Cabinet Manufacturers Association (KCMA) ANSI/KCMA A161.1 standards. KCMA Certification is suggested, but not required.
  2. **Exterior Windows and Doors**
    - (a) All new windows and doors must be ENERGY STAR-qualified. Confirm that the most updated ENERGY STAR requirements are met at the time of purchase. Confirm that the applicable Minnesota region is designated for ENERGY STAR requirements.
    - (b) Special windows, such as those required for high-rise buildings, that are unable to meet ENERGY STAR qualifications are acceptable if they include double pane, low-e glass and thermally broken frames.
    - (c) All windows and windows within doors must be furnished with window coverings for privacy and control of heat/solar shading.
    - (d) All operable windows and operable windows within doors must have insect screens.
    - (e) The sill of all windows must be solid wood, stone, man-made solid surface material, or other material approved by Minnesota Housing.
    - (f) When possible, design the building garage overhead openings with two doors in lieu of one large door. This allows less energy to escape and provides an alternative opening in case of maintenance and repair.
    - (g) Door viewers or sidelight must be provided at Dwelling Unit main entrances.
    - (h) Window fall protection must be provided at all new and replacement window locations whenever lowest part of window opening is within 36-inches of floor.
  3. **Roofing**
    - (a) Low-slope roofing
      - i. Must have a minimum of ¼" per foot (finished) slope unless otherwise approved by Minnesota Housing staff architect and building official.
      - ii. Approved systems must be either:
        - a. A 60 mil PVC membrane fully adhered or induction welded
        - b. A 60 mil TPO membrane fully adhered, induction welded, or ballasted



- c. A 60 mil EPDM membrane fully adhered
- d. A four-ply asphalt/gravel built-up assembly
- iii. Warranty: Full system warranty, 20 years from substantial completion, is required.
- (b) Sloped roofing: A minimum 30-year shingle.
- 4. **Patio and Entrance Slabs** must comply with the following requirements:
  - (a) Stoop/footing frost protection required at all entrance slabs with  $\frac{1}{4}$ " per foot maximum slope.
  - (b) Where soils are frost susceptible, stoop/footing frost protection required at all patio slabs.
  - (c) Protect front entrance slab from rain/snow accumulation with an overhang or canopy.
- 5. **Closet Doors:** Conventional, residential grade, bi-fold doors and hardware package are not acceptable in new construction. Side-hinged, swinging type or other Minnesota Housing approved doors must be provided. If approved by Minnesota Housing, closets may be provided without doors under the following conditions:
  - (a) Closets within Efficiency Units
  - (b) Walk-thru closets separating a bedroom and ensuite bathroom
- 6. **Fire Protection**
  - (a) All townhomes and rental single family homes must have at least one fire extinguisher in each Dwelling Unit.
  - (b) Range hood fire suppression canisters, although not required, are encouraged to be installed if the range hood over the stove will allow.
- E. **Schematic Design Concept/Cost Estimate:** The owner must have an architect develop a reasonable schematic design concept. The owner must also have a third-party entity (architect, professional engineer, general contractor, or qualified cost estimator) prepare a cost estimate that conforms to all applicable Minnesota Housing standards. Refer to the Formal Application section of Minnesota Housing's [Architect's Guide](#).

## Chapter 3 – General Occupancy Rehabilitation Minimum Standards

### 3.01 Background

The following standards apply to any rental housing project receiving rehabilitation funding.

For rehabilitation projects (also including substantial and adaptive reuse), any building components or systems being replaced/installed new must also meet the requirements in Chapter 2, *General Occupancy New Construction Minimum Standards*. For example: roofing, kitchen cabinets, windows, etc.

Architectural services are likely to be essential to the success of the project. Refer to Minnesota Housing's [Architect's Guide](#) to determine if architectural services are required for the project.

The following rehabilitation standards are supplemental to basic standards established by applicable building codes, local zoning and other applicable regulations. Where two standards govern the same condition, conformance to the most restrictive standard is required. Regardless if the local jurisdiction has adopted or not adopted Minnesota State Building Code, housing must be in compliance with Minnesota State Building Code.

### 3.02 Purpose

The purpose is to ensure rental housing receiving rehabilitation funding is of decent quality, energy efficient, functional, sustainable and effective in reducing long-term maintenance costs.

### 3.03 Rehabilitation Classification

For the purpose of applying our design standards and sustainability requirements, all rehabilitation projects must be classified as substantial or moderate at time of application for funding. This classification may not necessarily align with building code definitions; it is only intended to identify a compliance path for our purposes. Minnesota Housing has discretion for determining and approving category type of rehabilitation classification and compliance path. Limited scope status may only be considered by Minnesota Housing after funding is awarded.

### 3.04 Rehabilitation Classification Definitions

A. **Substantial Rehabilitation** (or gut rehab) is defined as a project that meets one of the following:

1. Includes the replacement or improvements or both of at least two major systems of the building, including its envelope. Major building systems include roof structures, wall or floor structures, foundations, plumbing, HVAC and electrical systems. The building envelope is defined as the air barrier and thermal barrier separating exterior from interior space.
2. The work area exceeds 50 percent of the aggregate area of the building per the 2015 Minnesota Conservation Code for Existing Buildings Section 505 Level 3 Alteration.

B. **Moderate Rehabilitation** is defined as a project that meets one of the following:

1. Does not fall into the Substantial Rehabilitation classification as defined above
2. Where the work is limited to the 2015 Minnesota Conservation Code for Existing Buildings definition of Section 502 Repairs, Section 503 Level 1 Alteration or Section 504 Level 2 Alteration

C. **Limited Scope Rehabilitation** status may be considered by Minnesota Housing based upon the cost, funding source, and number of Dwelling Units, number of Stories, or other purpose.

- D. **Adaptive Reuse** refers to the process of reusing an existing building for a purpose other than which it was originally built or designed for.

### 3.05 Requirements

A. **Needs Assessment (Physical Needs Assessment [PNA] or Capital Needs Assessment [CNA]):**

Multifamily projects proposing any rehabilitation and applying for funds through the Minnesota Housing Consolidated RFP, year round funding application, or other Minnesota Housing funding are required to submit a needs assessment. The primary difference between a CNA and a PNA is that a CNA is performed in accordance with another party's established protocol that is approved by Minnesota Housing, versus one that is performed in accordance with Minnesota Housing's protocol for a PNA, which is described in more detail below.

All Adaptive Reuse projects must follow either Substantial Rehabilitation or Moderate Rehabilitation requirements and must include a Needs Assessment. New improvement work as part of an Adaptive Reuse project must follow Chapter 2 *General Occupancy New Construction Minimum Standards*.

1. **CNA:** If the applicant chooses to submit an approved CNA (or if a CNA is required for other funding sources), it must be completed in accordance with any of the following established formats:
  - (a) USDA Rural Development
  - (b) HUD/FHA Project Capital Needs Assessment (PCNA) or Green Capital Needs Assessment (GCNA). HUD Multifamily Accelerated Process (MAP) Appendix 5G
  - (c) ASTM E 2018-08 Standard Guide for Property Conditions Assessment
  - (d) Other Minnesota Housing approved format
2. **PNA:** If the applicant chooses to submit a PNA (rather than a CNA), the PNA must consist of a satisfactorily completed Minnesota Housing [Physical Needs Assessment](#) template (PNA) that involves the following requirements:
  - (a) The PNA must represent the property's "as-is," pre-rehabilitation condition.
    - (b) Life Expectancy of systems. The PNA must provide a Life Expectancy analysis including Estimated Age, EUL, and ERL of the following minimum elements identified in the PNA and as necessary to complete the [20 Year Capital Expenditure Template \(20YCE\)](#), that is described below.
  - (c) Inspections must be conducted to identify capital needs and deficiencies under applicable federal, state and local regulations/codes/ordinances as well as other deficiencies as identified by the qualified needs assessor, as follows:
    - i. **Site and Accessory Structures**
      - a. **Site and Roof Drainage:** The site must be well drained. There must be no standing water in non-designated holding pond areas 12 hours after a rain event. Surface drainage must be directed away from the structure, to a designated ponding area, or to a municipal storm sewer system. Include roof drainage provisions when assessing site drainage conditions.
      - b. **Parking and Pavement:** Adequate parking for the resident population must be available for resident use. Any onsite pavement with initial signs of raveling, transverse cracks, longitudinal cracks, or minor block cracking must have preventative

maintenance that includes corrective measures such as crack sealing, seal coating, asphalt patching and repair. Any onsite pavement with severe cracking damage must be replaced. Hard surface parking must be properly striped and any accessible parking spaces properly identified.

- c. **Accessory Structures:** Detached garages, play structures, retaining walls, porches, decks, canopies, trash enclosures, sheds, etc., must be free of life safety hazards and must meet applicable codes unless grandfathered to remain.
- ii. **Structural Integrity:** Structures must be structurally sound and free of any pending or imminent structural collapse or failure. (e.g., decks, basement columns, foundations, floors, walls, roof framing, headers, lintels)
- iii. **Building Envelope:** The building envelope must be weather and water tight. All openings susceptible to water and air penetration must be sealed. Ensure the envelope is adequately insulated or supplement the insulation to the envelope. Typically the attic is the cheapest and easiest to supplement and will provide the greatest cost-to-benefit payback. Ensure that all attics are adequately ventilated to prevent ice-damming and all attic bypasses are sealed and insulated.
- iv. **Common Areas:** Stairs, attached/underground garages, furniture, fixtures and equipment, common area cabinetry, common area doors windows, common area finishes, and common area bathrooms must meet applicable codes and regulations and should be free of life safety hazards.
- v. **Dwelling/Efficiency Units:**
  - a. Minimum Dwelling Unit quantity and unit type for Minnesota Housing's PNA inspection must include:
    - At least 25 percent of all units
    - Each type of unit size (such as 0BR/Sleeping Units, 1BR, 2B, 3BR etc.) and typical unit types in typical buildings
    - All accessible units
    - Those units that are subject to architectural stress such as ground level units, units underneath the roof, units adjacent to elevator cores, and units on the sides of the building that receive the most weathering
  - b. Minimum Dwelling/Efficiency Unit inspectable elements:
    - Functional kitchen: Kitchen must be appropriately sized and equipped with appropriate cabinets, sink, and operational range/oven/hood/refrigerator/exhaust appropriately sized for intended household.
    - Bath cabinets, bath exhaust, plumbing fixtures, flooring, wall/ceiling finish, doors, windows, window coverings, etc.
  - c. Decent living space must be as outlined in Chapter 2, *General Occupancy New Construction Minimum Standards*; however, Moderate Rehabilitation projects may request a variance for the minimum dimension(s) and area of the living room and bedrooms by 15 percent. If approved by Minnesota Housing, the 15 percent reduction must be clarified as follows:

- Living room: 11'-6" x 85% = 9'-9".
  - Primary/master bedroom: 10'-0" x 85% = 8'-6". 115 sq. ft. x 85% = 96 sq. ft.
  - Secondary bedroom(s): 9'-6" x 85% = 8'-1". 100 sq. ft. x 85% = 85 sq. ft.
- vi. **Plumbing and Sanitation Systems:** All plumbing systems must be code compliant, adequately sized and operable with an anticipated minimum seven-year life expectancy. Obsolete, water wasting fixtures must be replaced and no leaks allowed. Minnesota Housing may require sanitary sewer lines to be video-scoped to detect if any unforeseen repair and maintenance is necessary. If present, existing private wells or septic systems must be inspected by a third party entity to determine whether it is code compliant, permitted and functioning properly.
- vii. **Mechanical Systems:** All heating, AC, and ventilation systems must be code compliant, adequately sized, and operable with an anticipated minimum seven-year life expectancy. Bathrooms must have an operating exhaust vent ducted to the exterior. Clothes dryers must be connected to code compliant rigid type vent exhausting to the exterior. To the greatest extent feasible, ensure that all Dwelling Units are air conditioned or equipped with A/C sleeve(s).
- viii. **Electrical Systems:** All electrical systems must be code compliant with circuit breakers and adequately sized for the structure and intended use. All electrical life safety fixtures must be in place and functional including the following:
- a. Smoke detectors: Smoke detectors meeting requirements of Underwriter Laboratories, Inc. and approved by the International Conference of Building Officials must be furnished and installed in all areas as if required for new construction. If code permits, smoke detectors may be battery operated; however, at least one hard-wired smoke detector with battery back-up must be provided in each dwelling and be audible from all sleeping rooms.
  - b. Ground-fault circuit-interrupter (GFCI) protection: The same level of GFCI receptacle protection must be provided in rehabilitation projects as required for new construction, whether or not mandated by code/regulations.
  - c. Arc-fault circuit-interrupter (AFCI) protection. AFCI protection must be provided for receptacle outlets in locations as required per applicable codes/regulations.
  - d. Carbon Monoxide (CO) alarms and Nitrogen Dioxide (NO<sup>2</sup>) alarms must be provided as required per applicable state statute.
  - e. Emergency/exit lighting must be operational and code compliant.
- ix. **Elevator:** If there is an existing elevator and hoist way in a building then it must be made to be in compliance with 2007 Minnesota Elevator Code as applicable to existing buildings.
- x. **Fire Protection:**
- a. All townhomes and rental single family homes must have at least one fire extinguisher in each Dwelling Unit.
  - b. Range hood fire suppression canisters: Although not required, they are encouraged to be installed if the range hood over the stove will allow.

- xi. **Environmental Standards (Remediation):** It is essential to perform all environmental assessments early in the planning process to ensure that all mitigation measures and costs are integrated into the scope of work. Project activities must comply with requirements for Phase I/Phase II Environmental Site Assessments (ESAs), Lead Based Paint evaluation and reduction, Lead Based Paint visual inspection requirements, Asbestos Inspection Surveys, Radon Mitigation, Historic Preservation, Contamination and Clandestine Drug Lab Cleanup. These requirements can be found in the [Environmental Standards](#) section on the Minnesota Housing website.
  - xii. **Accessibility:** Refer to Chapter 6, *Accessibility Standards*, for Accessibility Analysis and Survey Requirements for existing buildings.
3. **Needs Assessor Qualifications.** All PNAs must be prepared by a needs assessor who is a licensed architect, licensed professional engineer, or an individual who meets the definition of a Qualified Rehabilitation Specialist as defined in the Minnesota Housing Architect’s Guide. The needs assessor (for Minnesota Housing’s purpose) may be a member of the project team but must not have an identity of interest with the owner or developer.
  4. **Age of PNA/CNA:** The age of any needs assessment report from time of application (or at time of Preservation pre-application, if required) must be one year or less. If over one year, but less than two years, the needs assessment report may be used to comply with this needs assessment requirement; however, an updated 20YCE (less than six months old) must be included. Provide complete new PNA/CNA if older than two years.
  5. **Incomplete Need Assessment:** Minnesota Housing reserves the right not to accept any PNA or CNA if it does not adequately include a complete assessment of a property’s condition. Minnesota Housing reserves the right to have any incomplete PNA or CNA updated and re-submitted. The cost for new or updated PNAs or CNAs will be the responsibility of the developer or owner.
    6. **20-Year Capital Expenditure Template (20YCE).** A [20YCE](#) must be completed for each rehabilitation project regardless if providing a CNA or PNA. If a CNA already includes a similar 20-year capital expenditure analysis, it may be used to satisfy the need for a 20YCE, except when ETool form of CNA is provided. If working on a project that involves scattered sites and/or multiple building types, use the [20 Year Capital Expenditure Template for Multiple Building/ Scattered Sites](#)
  7. **Need Categories:** Each component listed within the 20YCE must be categorized under one of the following three types of need categories:
    - (a) **Need Category One – CRITICAL NEEDS:** Critical Needs are those described in Chapter 10 of this guide and are required to be identified **only** if the project is claiming or receiving Preservation funding based upon “Risk of Loss Due to Critical Physical Needs.” Otherwise, Critical Needs must be categorized as short-term needs.
    - (b) **Need Category Two – SHORT-TERM NEEDS (Year One):** Short-term needs are remedies to physical deficiencies, such as deferred maintenance, that may not warrant immediate attention but require repairs or replacements that should be undertaken on a priority basis in addition to routine preventative maintenance. Short-term needs that have outlived their Effective Useful Life (EUL) must be included in a proposed rehabilitation (20YCE Year One).
    - (c) **Need Category Three – CAPITAL NEEDS OVER A TERM:** Capital needs over a term may include component replacement and major maintenance over a term due to Expected Useful Life (EUL) estimates. The cost for a component or building item replacement must be indicated in



the year the component/item reaches its Effective Remaining Life (ERL). For Minnesota Housing's purpose, the term for replacement must be 20 years from the time the CNA/PNA is completed. Other aesthetic/marketability needs may be included. In addition, some components may require repairs/replacement several times over the 20 year period.

**B. Other Requirements** for properties undergoing rehabilitation:

1. **Post-construction Capital Expenditures Needs Over a Term:** Not required for Minnesota Housing with exception to federally funded projects. Refer to Chapter 9 of this guide for post-construction capital expenditure projection requirements.
2. **Other Inspections:** Minnesota Housing encourages the owner to engage the local building inspector, the Minnesota Housing staff architect, and any other funder's inspecting rehabilitation specialist or architect in the initial inspection process. Conducting these inspections early in the development, planning and budgeting phase will ensure that all local Property Standards, local building codes and other deficiencies are identified and included in the preparation of the bid specification/scope of work.
3. **Preliminary Scope of Work/Cost Estimate:** The owner must provide a preliminary scope of work and cost estimate prepared by a third party entity such as an architect, professional engineer, general contractor, qualified cost estimator or Qualified Rehabilitation Specialist. The scope and estimate must adequately address property deficiencies to ensure compliance with all applicable building codes and all requirements within this guide. Work scope must include any reasonable accommodation requests for persons with accessibility needs.
4. **Decent, Safe, Sanitary and in Good Repair:** Unless local codes, ordinances or zoning requirements require more stringent standards, existing conditions with no improvements planned must be in compliance with HUD's Uniform Physical Condition Standards (UPCS) (Title 24, Part 5, Subpart G). The type of funding will usually dictate which standard applies. If you are uncertain how UPCS applies to your property, contact your Minnesota housing management officer (HMO). Regardless, the site, buildings and structures and all parts thereof must be kept in good repair. All defective components must be repaired or replaced.
5. **Broadband Infrastructure:** To provide a platform for all residents to participate in the digital economy, all multifamily rehabilitation projects must include unit-based, Broadband (aka High-speed Internet) Infrastructure. Broadband Infrastructure is defined as cables, fiber optics, wiring, or other permanent (integral to the structure) infrastructure – including wireless infrastructure with a minimum broadband speed of 25 Mbps download and 3 Mbps upload. If receiving federal assistance, speed will be mandated by HUD. The cost for this infrastructure is an approved construction cost.
  - (a) Exceptions:
    - i. Internet service (and its ongoing service fee) is not required and not allowed to be paid for with acquisition or rehab funds.
    - ii. Broadband Infrastructure is not required if:
      - a. The location of the property makes installation infeasible due to lack of Internet service
      - b. The cost of installing the infrastructure would result in a fundamental alteration in the nature of its program or activity or create an undue financial burden

- c. At rehabilitation projects, the structure of the building makes installation infeasible
    - iii. The applicability of any of the above exceptions will be at the sole discretion of Minnesota Housing.
- C. **Energy Efficiency:** Refer to Chapter 8, *Sustainable Buildings*, for energy efficiency upgrade requirements.



## **Chapter 4 – Intentionally Omitted**

## Chapter 5 – Housing Tax Credit Only Design and Construction Standards

### 5.01 Background

This chapter is for projects receiving an allocation or award of 4% or 9% Housing Tax Credits (HTC) only from Minnesota Housing (no other capital funding from us). Projects receiving an HTC allocation or award must comply with Minnesota Housing’s typical process for multifamily design, construction and submittals noted in the Architect’s Guide and Contractor’s Guide except as noted below.

These standards are applicable to multifamily rental housing developments selected by Minnesota Housing for 2020 Housing Tax Credit (HTC) allocations through Round 1 or Round 2 and 2020 HTC 4% only projects. Awards of 2019 4% tax credits (without any other source of Minnesota Housing financing) will continue to be subject to the 2018 Design/Construction Standards. This will allow for consistent application of standards by tax credit year.

If Minnesota Housing’s allocated 9% HTCs are apportioned to a suballocator, the project is still required to meet the requirements of this guide; however, no submittals to Minnesota Housing are required.

### 5.02 Purpose

The purpose is to ensure rental housing financed by HTCs is cost reasonable and of similar quality and livability as any other housing financed by or in part with other Minnesota Housing funding.

### 5.03 Requirements

- A. **Design and Construction Standards for all Housing Tax Credit Projects:** The design and construction of any project receiving HTC funding for new construction or rehabilitation must comply with all applicable requirements of this guide in effect at the time of initial HTC selection. If projects claim and are awarded large family points, the Moderate Rehabilitation 15 percent reduction in room sizes noted in Chapter 3 of this guide applies. Additional design requirements may be applicable if points are claimed or awarded that require the project to include specific design elements (such as non-smoking building and/or Universal Design).
- B. **Cost Reasonableness for all Housing Tax Credit Projects:** Minnesota Housing will evaluate the costs of each project in comparison to other current comparable projects. Unique characteristics will be accounted for in determining whether the proposed project costs are reasonable. Minnesota Housing will use its Predictive Cost Model to test cost reasonableness for all projects. The model uses cost data from previous projects, industry cost data from RSMean, and regression analysis to predict total project costs. Based on a project’s characteristics (building type, project size, location, population served, financing, etc.), the model predicts the total project costs. Additional documentation will be required if the proposed costs are not comparable or reasonable.
- C. **Application Submittals applicable to 4% and 9% HTC:** All projects receiving only Minnesota 4% or 9% HTC and no other funding (HTC only) from Minnesota Housing must submit the following at application:
  1. Minnesota Housing’s Tax Credit Design Standards/Review Process Certification Form. The Application Phase must be indicated on the form

2. Minnesota Housing's [Multifamily Intended Methods Worksheet](#) (Intent to Comply Certification), which is associated with 2015 Enterprise Green Communities Criteria (EGCC) and applicable MN Overlay or, provide evidence that the project is seeking EGCC Certification
  3. [Universal Design Worksheet](#) confirms which optional Universal Design features are being implemented (applicable only if awarded HTC scoring points for Universal Design features). For 9% HTC, this worksheet may be provided after application but prior to commencing construction
  4. Other submittals or information requested by Minnesota Housing
- D. **Pre-construction Submittals Applicable to 9% HTC Only:** In addition to the application submittals noted above (Item C), projects receiving only 9% HTC must also submit the following prior to commencing construction:
1. Concept/schematic design documents if revised after initial application
  2. Construction documents at 50 percent completed
  3. Construction documents at 100 percent prior to bidding
  4. [Universal Design Worksheet](#), which confirms which optional Universal Design features are being implemented (is applicable only if awarded HTC scoring points for Universal Design features)
  5. Applicable Environmental Assessments per Minnesota Housing's [Environmental Standards](#) including: Phase I ESA and Phase II ESA, Lead-Based Paint, Asbestos, Radon, and Minnesota Pollution Control Action Plan
  6. **NOTE:** Construction must not start until all construction documents (plans, specifications and addendum) and other required submittals have been approved by Minnesota Housing
- E. **Construction Monitoring Applicable to 9% HTC Only:** Minnesota Housing representatives must be granted access to the site, as deemed necessary, to monitor work in progress. If requested, Minnesota Housing must receive:
1. Regular construction meeting minutes
  2. Observation reports
  3. Change orders
  4. Any other documentation that alters the contract, alters the completion date, or as determined by Minnesota Housing
- F. **End of Construction Submittals Applicable to 4% and 9% HTC Only:** Minnesota Housing must receive the following after construction and before IRS Form 8609 submittal:
1. Minnesota Housing's [Tax Credit Design Standards/Review Process Certification Form](#). The Project Completion Phase must be indicated on the form
  2. Minnesota Housing's [Multifamily Intended Methods Worksheet](#) (Compliance Certification), which is associated with EGCC and applicable MN Overlay or, provide evidence that the project received EGCC Certification
  3. ENERGY STAR New Homes Program Certification or, ENERGY STAR Multifamily High Rise Certification, if new construction (submittal is applicable only to projects receiving 9% HTCs)
  4. Certificate of Substantial Completion
  5. Certificate of Occupancy (if applicable, or proof all permits are closed)

6. Environmental documentation (if applicable) including Lead Clearance Reports, Asbestos abatement reports or Management Plan, MPCA close-out and post-construction radon testing. HTC 4% only deals need only submit these if requested
  7. Other submittals or information, as requested by Minnesota Housing
- G. **General Notes:** Failure to comply with the standards or submittal requirements may be subject to penalty during subsequent HTC selections. The information listed in this Chapter 5 of this guide must not supersede or have preference over any requirements of the Housing Tax Credit Qualified Allocation Plan (QAP) or Housing Tax Credit Procedure Manual.

## Chapter 6 – Accessibility Standards

### 6.01 Background

In an effort to provide housing that reduces barriers for people with disabilities and to be compatible with the Minnesota Accessibility Code, Minnesota Housing has adopted the following standards. The new construction requirements only apply to multifamily projects containing four or more units (Dwelling Units/Efficiency Units/Sleeping Units) that are financed by Minnesota Housing, including projects receiving only HTC's allocated by Minnesota Housing. Developments receiving only HTC's from a local suballocator are exempt from this standard and need only comply with the Minnesota State Building Code provisions and the suballocator's requirements.

Regardless of whether or not the local jurisdiction has adopted the Minnesota State Building Code, all new construction projects and rehabilitation of existing properties financed by Minnesota Housing must be in compliance with all applicable accessibility codes and regulations (including the Americans with Disabilities Act). Where two standards govern the same condition, conformance to the most restrictive standard is required.

All projects involving rehabilitation must have an Accessibility Analysis and Survey to identify accessibility deficiencies and determine whether it is feasible to make modifications to eliminate accessibility deficiencies.

### 6.02 Requirements

- A. **New Construction of projects with four or more housing units:** To promote housing that reduces physical barriers for people who are physically disabled, new construction projects must meet the following:
1. In addition to applicable state and local codes, all new construction projects must comply with the Fair Housing Act of 1968, as amended.
  2. A minimum of five percent of the total housing units (with its fraction rounded up) in the project must be designed and constructed to meet accessibility requirements for a Type A Unit as promulgated by the Minnesota Accessibility Code. The five percent requirement applies to townhouses (regardless if being built to Minnesota Building Code or Minnesota Residential Code) as well as all other types of multifamily housing units.
  3. In addition to, and separate from, the five percent Type A Units, at least two percent (but not less than one) of the total housing units must be adaptable for persons with vision/hearing impairments. Adaptable communication features must include rough-in for audible and visual alarms and notification appliances per applicable ICC/ANSI A117.1 requirements and rough-in wiring to allow future installation of visual and audible notification devices.
  4. Accessible parking spaces must be made available to match the number of Type A Units provided. Additional parking spaces must be provided as required for visitor parking and/or commercial space. Required accessible parking spaces in excess of quantities per applicable building codes and ordinances may be left as non-accessible spaces. These spaces must be designed to allow conversion to accessible parking spaces if needed later.

5. If grab bars are not installed at time of initial occupancy in any Type A Unit as permitted by code, the owner must be responsible for installing code-compliant grab bars immediately upon request by a resident.
- B. **Rehabilitation of Existing Buildings:** To promote housing that affords people with disabilities equal opportunity to use and enjoy occupied buildings, Minnesota Housing requires existing buildings to have an Accessibility Analysis and Survey conducted by an architect, qualified needs assessor, or Qualified Rehabilitation Specialist prior to finalizing the work scope. Housing that is being rehabilitated must meet the following, as applicable:
  1. **Accessibility Analysis and Survey:** Depending upon whether housing is receiving any federal financial assistance, each building receiving Minnesota Housing financial rehabilitation assistance is required to have an Accessibility Analysis and Survey conducted in accordance with the following:
    - (a) Housing receiving **NO** federal financial assistance must have an Accessibility Analysis and Survey that must determine compliance with the following, as applicable:
      - i. The Fair Housing Act of 1968, as amended, that must also include any documented requests for reasonable accommodations and/or reasonable modifications
      - ii. Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189)
      - iii. State and local codes
    - (b) Housing receiving federal financial assistance must have an Accessibility Analysis and Survey (in addition to all items listed above for housing receiving no federal financial assistance) to determine compliance with the following:
      - i. The Architectural Barriers Act (1968)
      - ii. Section 504 of the Rehabilitation Act (1973)
    - (c) A summary of Accessibility Analysis and Survey must be submitted to Minnesota Housing prior to finalizing work scope and must include the following:
      - i. Total existing housing unit count, existing accessible housing unit count (Type A and Type B/Adaptable), housing unit types (efficiency, one-bedroom, two-bedroom, etc.), accessible and non-accessible parking count, and other general accessible property information
      - ii. Identification of all accessibility deficiencies including any requests for reasonable accommodations and/or reasonable modifications
      - iii. Determination of feasible and/or infeasible accessibility improvements
      - iv. Cost estimates as needed to support feasibility
      - v. Other information deemed necessary
  2. Rehabilitation work scope must include all accessibility improvements that are determined to be reasonable and feasible as identified in the Accessibility Analysis and Survey. Funded improvements must not reduce or have the effect of reducing accessibility of a building or portion of a building.

3. Housing involving gut rehabilitation, Substantial Rehabilitation or Adaptive Reuse must, to the maximum extent feasible, comply with new construction standards unless mandated otherwise by a local building code official.
- A. **Universal Design:** Projects awarded Universal Design points for application scoring must include all requirements per the Minnesota Housing approved Universal Design Worksheet. Refer to our [Building Standards](#) webpage for a copy of this document.
- B. **State Visitability Statute:** Refer to Chapter 7, *Visitability Requirements*, for additional accessibility requirements applicable to certain new construction financed by Minnesota Housing.

## Chapter 7 – Visitability Requirement

The 2001 Minnesota Legislature imposed a Visitability requirement on certain new construction financed by Minnesota Housing. This requirement was promoted by the disability community.

The Visitability requirement applies to the following types of new construction that are financed in whole or in part by Minnesota Housing:

- A. Single-family homes
- B. Duplexes
- C. Triplexes
- D. Multi-level townhomes

This requirement does not apply to projects receiving only an HTC allocation.

This requirement does not apply to owner-occupied housing financed by Minnesota Housing mortgage programs except in cases where Minnesota Housing has also provided financing for the construction with state appropriated funds.

Visitability is defined as designs that allow persons with mobility impairments to enter a residence and comfortably stay for a duration. There are three specific design elements that must be incorporated in each Dwelling Unit to satisfy the state Visitability requirement. The Dwelling Unit must include:

- A. At least one no-step entrance
- B. Thirty-two inch clear opening doorways throughout the dwelling
- C. At least a one-half bathroom on the main level that meets minimum clear floor space for half baths (powder room) as required by Fair Housing Act Part B: Usable Bathrooms



## Chapter 8 – Sustainable Housing

### 8.01 Background

Minnesota Housing's Sustainable Housing Standards are applicable for all new construction and rehabilitation and require compliance with the 2015 version of the Enterprise Green Communities Criteria (EGCC) and most current version of the MN Overlay and Guide to the 2015 Enterprise Green Communities Criteria.

Current and previous Sustainable Housing Standards are available on Minnesota Housing's [Building Standards](#) webpage.

### 8.02 Exception

The State of Minnesota Sustainable Building Guidelines are applicable for projects receiving Publicly Owned Housing Program (POHP) general obligation bond proceeds. Refer to Minnesota Housing POHP Program Guide for more information. The Minnesota Housing Sustainable Housing Standards do not apply if the project is receiving POHP general obligation bond proceeds and it is determined the project must comply with The State of Minnesota Sustainable Building Guidelines.

### 8.03 Energy Rebate Analysis

If required by the Minnesota Housing Underwriting Guide, an Energy Rebate Analysis (ERA) must be provided.

- A. At the application phase, submit a preliminary/draft explanation of energy rebates being considered with estimated rebate amounts.
- B. Prior to closing/loan commitment, submit a final ERA as follows:
  1. Prepared by a third-party entity with no identity of interest to the developer, borrower or owner of the development property. The third-party entity must be a licensed architect, licensed engineer, needs assessor, HERS Rater or other entity deemed qualified by Minnesota Housing to provide this service.
  2. The ERA must be on the letterhead of the entity it was prepared by and must include contact information and date it was prepared.
  3. The ERA must include a list of eligible utility company, local, regional, state or federal rebate programs.
  4. The ERA must include recommendations of applicable rebates to be included with estimated rebate amounts or estimated tax credit amounts.
  5. Include calculations, energy models or other technical data to support recommendations.
  6. Include letters, program data information, or other documentation from utility providers to support noted programs.
  7. If renewable energy strategies are proposed, a cost-benefit analysis must be included.

Visit [www.dsireusa.org](http://www.dsireusa.org) for potential rebate information in your project's area.

## **Chapter 9 – Design, Construction, and Property Standards for Federally Funded Projects (i.e. National Housing Trust Fund/HOME)**

### **9.01 Background**

The National Trust Fund Program (NHTF) and HOME Investment Partnerships Program (HOME) are both federally funded programs and are subject to applicable Code of Federal Regulations (CFR). Projects receiving funding from both or either federal program(s) are required to comply with applicable Property Standards at 24 CFR Part 93, Subpart G, §93.301 (if receiving NHTF funds) and/or 24 CFR Part 92, Subpart F, §92.251 (if receiving HOME funds), including part (a) *New construction projects* and part (b) *Rehabilitation projects*. In addition, the project must comply with all other applicable Minnesota Housing policies, including this guide.

Regardless if a project is new construction and/or rehabilitation, all building materials used during construction or rehabilitation must be new and compliant with applicable building codes and Minnesota Housing approved plans and specifications. Construction materials must also be installed in accordance with manufacturers' recommendations. Construction contracts and construction documents must describe the work to be undertaken in adequate detail and in compliance with Minnesota Housing [Building Standards](#).

Minnesota Housing must review and approve written cost estimates for construction or rehabilitation and determine that the costs are reasonable. Minnesota Housing staff must be given access to the site to conduct progress and final inspections to ensure work was done in accordance with approved plans and specifications, applicable codes and the construction contract. For rehabilitation, Minnesota Housing will also conduct an initial property inspection to identify the minimum deficiencies that must be addressed in order for housing to meet UPCS.

The standards identified in this chapter may be changed by either statute, regulatory action of the federal government and/or building code change, which may be put into effect by the governing authorities having jurisdiction. Any change will be in effect on the effective date of the change. When previously approved designs are affected by new action(s), as described herewith, owners must discuss with Minnesota Housing the effect of the change on the project and whether previously approved plans and specifications must be altered. Where two standards govern the same condition, conformance to the most restrictive standard is required.

In addition, the owner must maintain the housing as decent, safe and sanitary housing in good repair at the time construction or rehabilitation is completed and throughout the affordability period as required by federal regulations (24 CFR § 92.252 (HOME) and/or 24 CFR § 93.302 (NHTF)). The affordability period may vary depending upon funding type and amount.

### **9.02 Purpose**

The purpose is to ensure projects funded with NHTF and/or HOME funds comply with all applicable building codes/standards, federal regulations and applicable requirements of this guide.

### 9.03 Property Standards (New Construction Projects)

The following federal regulations and Minnesota Housing [Building Standards](#) apply to new construction projects receiving NHTF and/or HOME funds, as applicable:

- A. **State and Local Codes, Ordinances, and Zoning Requirements:** (24 CFR §93.301(a)(1))/(24 CFR §92.251(a)(1)): Housing that is newly constructed with NHTF and/or HOME funds must be designed to meet all applicable state and local codes, ordinances, and zoning requirements. NHTF and/or HOME assisted new construction projects must meet state or local residential and building codes, as applicable or, in the absence of a state or local building code, the International Residential Code or International Building Code (as applicable to the type of housing ) of the International Code Council. The housing must meet the applicable requirements upon project completion.
- B. **Accessibility:** (24 CFR §93.301(a)(2)(i))/(24 CFR §92.251(a)(2)(i)): The housing must meet the accessibility requirements of 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. "Covered Multifamily Dwellings," as defined at 24 CFR §100.201, must also meet the design and construction requirements at 24 CFR §100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619). In addition, housing must meet Minnesota Housing's Accessibility Standards contained within Chapter 6 of this guide.
- C. **Energy Efficiency:** (24 CFR §93.301(a)(2)(ii)): Any housing that is receiving NHTF funds must meet the energy efficiency standards established pursuant to Section 109 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12709). In addition, all housing must meet EGCC as amended per applicable MN Overlay. Depending upon type and size of the project the owner must commission either a HERS Rater or licensed mechanical engineer to determine applicable Building Performance requirements/strategies and ensure conformance to the most stringent requirements.
- D. **Disaster Mitigation:** (24 CFR §93.301(a)(2)(iii))/(24 CFR §92.251(a)(2)(iii)): The state of Minnesota does not impose additional standards that require housing to be improved to mitigate potential disasters. If a local governing authority has adopted standards to mitigate potential disasters, which are applicable to the project at hand, or if Minnesota or HUD adopts disaster mitigation requirements, those standards must be adhered to.
- E. **Construction Documents and Cost Estimates:** (24 C.F.R. § 93.301(b)(1)(iv)/§ 92.251 (b)(1)(iv)): To ensure that the work to be undertaken will meet NHTF and applicable Minnesota Housing Building Standards, the construction documents (work write-ups) must be prepared by a qualified entity (architect, engineer, or approved rehabilitation specialist) in sufficient detail and must be reviewed and approved by Minnesota Housing's staff architect. In addition, the Minnesota Housing staff architect will review cost estimate and construction bids for cost reasonableness.
- F. **Broadband Infrastructure:** (24 CFR §93.301(a)(2)(vi))/(24 CFR §92.251(a)(2)(vi)): In a building with more than four rental units, the construction must include installation of Broadband Infrastructure, as this term is defined in 24 CFR §5.100, except where Minnesota Housing determines, and in accordance with §93.407(a)(2)(iv), documents the determination that:
  1. The location of the new construction makes installation of Broadband Infrastructure infeasible; OR
  2. The cost of installing the infrastructure would result in a fundamental alteration in the nature of its program or activity or create an undue financial burden.
- G. **Other New Construction Standards:** Housing must also meet all applicable Minnesota Housing's General Occupancy New Construction Standards as described within Chapter 2 of this guide.

#### 9.04 Property Standards (Rehabilitation Projects)

The following federal regulations and Minnesota Housing [Building Standards](#) apply to all rehabilitation projects receiving Minnesota Housing's NHTF and/or HOME funds, as applicable:

- A. **Health and Safety:** (24 CFR §93.301(b)(1)(i))/(24 CFR §92.251(b)(1)(i)): If the housing is occupied at the time of initial inspection, all Life-Threatening Items (LTI) must be identified and addressed immediately including all LTI associated with UPCs, as listed in **Appendix A** of this guide. All other deficiencies or items (non-Life-Threatening) not addressed immediately must be addressed in the rehabilitation work scope.
- B. **Major Systems:** (24 CFR §93.301(b)(1)(ii))/(24 CFR §92.251(b)(1)(ii)): All major systems must be assessed and include: structural support; roofing; cladding and weatherproofing (e.g., windows doors, siding gutters plumbing, electrical, heating, ventilation, and AC). The owner must estimate (based on age and condition) the remaining useful life of these systems upon project completion of each major system. For rental housing, if the remaining useful life of one or more major system (that is/are scheduled to remain) is less than the applicable period of affordability, then the owner must establish a replacement reserve with monthly payments that are deemed adequate by Minnesota Housing to repair or replace the system(s) as needed. To assist the owner in assessing major systems the owner must commission an architect or rehabilitation specialist to carry out this assessment.
- C. **Capital Needs Assessment:** (24 CFR §93.301(b)(1)(ii), §93.301(b)(1)(ix))/(24 CFR §92.251(b)(1)(ii), §92.251(b)(1)(ix)): For multifamily housing projects of 26 units or more, the owner must undertake a capital needs assessment (CNA) in a format approved by Minnesota Housing. The CNA must determine all work that will be performed in the rehabilitation of the housing and the long-term physical needs of the project. The CNA must include determining the useful life of major systems upon project completion (including structural support, roofing, cladding and weatherproofing (e.g. windows, doors, siding, gutters, plumbing, electrical, and heating, ventilation, and AC). If the remaining useful life of one or more major system is less than the affordability period, the owner must establish a replacement reserve with monthly payments that is deemed adequate by Minnesota Housing to replace the system(s) as needed).
- D. **Lead-based Paint:** (24 CFR §93.301(b)(1)(iii))/(24 CFR §92.251 (b)(1)(iii)). Unless exempt from HUD's lead-based paint regulations, housing must meet the lead-based paint requirements at 24 CFR Part 35. To determine applicable requirements under Subpart J - Rehabilitation, the level of federal assistance and the hard costs of rehabilitation must be evaluated and the level of federal rehabilitation assistance determined. The level of federal rehabilitation assistance will dictate appropriate lead hazard evaluation and reduction requirements. All notices required by 24 CFR Part 35 must be provided in accordance with the regulations.
- E. **Accessibility:** (24 CFR §93.301(b)(1)(iv))/(24 CFR §92.251(b)(1)(iv)). The housing must meet the accessibility requirements in 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented as 28 CFR Parts 35 and 36, as applicable. "Covered Multifamily Dwellings," as defined at 24 CFR §100.201, must also meet the design and construction requirements at 24 CFR §100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619). Rehabilitation may include improvements that are not required by regulation or state law that permit use by a person with disabilities. In addition, housing must meet Minnesota Housing's Accessibility Standards contained within Chapter 6 of this guide. The owner must commission an Accessibility Analysis and Survey per Minnesota Housing's Accessibility Standards. Funded improvements must not reduce or have the effect of reducing accessibility of a building or portion of a building.



- F. **Disaster Mitigation:** (24 CFR § 93.301(b)(1)(vi))/(24 CFR § 92.251(b)(1)(vi)). The state of Minnesota does not impose any additional standards to mitigate the impact of potential disasters. If a local governing authority has adopted standards to mitigate potential disasters, which are applicable to the project at hand, or if Minnesota and/or HUD adopt disaster mitigation requirements, those standards must be adhered to.
- G. **State and Local Codes, Ordinances, and Zoning Requirements:** (24 CFR §93.301(b)(1)(vii))/(24 CFR §92.251 (b)(1)(vii)): The housing must meet all applicable state and local codes, ordinances and requirements or, in the absence of a state and local building code, the International Building Code of the International Code Council. Minnesota Housing encourages owners to contact their local building inspector early in the work scope development process to ensure property and all work is in conformance with state and local codes, ordinances, and zoning requirements.
- H. **Uniform Physical Condition Standards:** (24 CFR §93.301(b)(1)(viii))/(24 CFR §92.251(b)(1)(viii)): Upon completion, the project and units must be decent, safe, sanitary and in good repair as described in 24 CFR §5.703. The minimum deficiencies that must be corrected under Minnesota Housing's rehabilitation standards is based on inspectable items and inspected areas in accordance with HUD-prescribed physical inspection procedures (Uniform Physical Conditions Standards) pursuant to 24 CFR §5.705, Refer to **Appendix A**.
- I. **Broadband Infrastructure:** (24 CFR §93.301(b)(1)(x))/(24 CFR §92.251(b)(1)(x)): A building with more than four rental units and undergoing Substantial Rehabilitation as defined in 24 CFR §5.100, must provide for installation of Broadband Infrastructure, as this term is also defined in 24 CFR § 5.100, except where Minnesota Housing determines and, in accordance with §93.407(a)(2)(iv)/§92.508(a)(3)(iv), documents the determination that:
  - 1. The location of the Substantial Rehabilitation makes installation of Broadband Infrastructure infeasible;
  - 2. The cost of installing the infrastructure would result in a fundamental alteration in the nature of its program or activity or creates an undue financial burden; or
  - 3. The structure of the housing to be substantially rehabilitated makes installation of Broadband Infrastructure infeasible.
- J. **Other Rehabilitation Standards:** Housing must also meet Minnesota Housing's General Occupancy Rehabilitation Minimum Standards as described within Chapter 3 of this guide.

### 9.05 Post-Construction Capital Expenditure Analysis

A post-rehabilitation CNA must be provided to Minnesota Housing upon construction close out by the owner. Refer to the HOME and NHTF Combined Program Guide. It must include applicable capital projections through the end of the affordability period. Minnesota Housing's staff architect will review the capital expenditure projections based on the completed work to ensure that an appropriate useful life timeline and items are included.

## Chapter 10 – Critical Needs and Preservation Housing Projects

### 10.01 Background

This chapter is applicable only if pursuing Preservation funding through *Risk of Loss Due to Critical Physical Needs*. Refer to the current Multifamily Housing Tax Credit Self-scoring Worksheet and Request for Proposals Deferred Loan Priority Checklist available at the [Application Resources for Multifamily Financing](#) webpage to determine eligibility requirements. Applicants claiming *Risk of Loss Due to Critical Physical Needs* must determine (by third party assessment) the following:

- A. Whether or not there are any Critical Physical Needs. Critical Physical Needs are deficiencies that if left unattended will likely jeopardize the property's federal assistance.
- B. Whether or not repair/replacement of major physical plant components (including Critical Physical Needs) that have been identified will result in 15+ years of sustained operations.
- C. Whether or not identified scope of Critical Physical Needs exceeds the available reserves by at least \$5,000 per unit.

Refer to Chapter 3 *Rehabilitation* of this guide for definitions and general information related to needs assessments, 20-Year Capital Expenditure Template, needs categories and other standard rehabilitation procedures.

### 10.02 Purpose

The purpose is to ensure projects submitting a proposal for Preservation funding through Minnesota Housing that claim *Risk of Loss Due to Critical Physical Needs* are in a physical condition likely to cause the project to be in imminent danger of losing its federal subsidy.

### 10.03 Requirements

Applicants claiming *Risk of Loss due to Critical Physical Needs* must provide the following to Minnesota Housing at time of initial application for funding in order for Minnesota Housing to consider the applicant's claim:

- A. **Minnesota Housing Physical Needs Assessment Template (PNA) or other Minnesota Housing approved CNA format**, which supports the following conclusions regarding any identified Critical Physical Needs:
  1. As-is condition of a property's physical condition is determined to be deficient in accordance with HUD's UPCS. UPCS deficiencies that have the following characteristics may be considered Critical Physical Needs:
    - (a) Condition(s) determined to be critical via a certified HUD UPCS/Real Estate Assessment Center (REAC) Deficiencies Inspection Report. Other Deficiencies and Deficiently Levels defined in the [REAC Dictionary of Deficiency Definitions 2012 version](#) may be considered a Critical Physical Need if approved by Minnesota Housing. Health and safety hazards including building or fire code violation.
    - (b) Conditions that adversely affect egress
    - (c) Conditions that prevent sustaining occupancy
    - (d) Material existing of potential unsafe conditions

- (e) Conditions that, if not remedied, having the potential to result in or contribute to critical element/system failure within one year or will most probably result in a significant escalation of remedial costs
  - (f) Site drainage issues causing water penetration into the building through situations that impact life and safety
  - (g) Repairs or replacements of code-required electrical items such as smoke detectors, fire alarms, GFCI protection, AFCI protection, carbon monoxide (CO) alarms or nitrogen dioxide (NO<sup>2</sup>) alarms
  - (h) Non-aesthetic, elevator life and safety work including work in compliance with the 2007 Minnesota Elevator Code
  - (i) Kitchen and Bath Cabinets and Counters:
    - i. Replacement due to other critical/immediate needs work. Example: If cabinets are removed/damaged due to the destructive repair and replacement of plumbing main lines, new cabinets may be included as critical/immediate needs
    - ii. Replacement if there's a presence of mold or other life and safety concern
    - iii. **NOTE:** Damaged cabinets and countertops such as missing loose doors/drawers, delamination, holes, or other wear-and-tear are not necessarily critical/immediate needs. (These items must be included under Non-Critical Rehabilitation Needs.)
  - (j) Parking lot and other paved surfaces with systemic tripping hazards or other site life and safety corrections
  - (k) Environmental remediation for mold, radon, friable asbestos, lead-based paint hazards (deteriorated paint), etc. Remediation due to a proposed rehabilitation activity is not considered a critical/immediate need.
  - (l) Remedies to correct non-compliant accessibility features. Typically non-grandfathered improvements based upon the age of the building/site. Refer to Accessibility paragraph for more information.
2. Other building components and mechanical system deficiencies for which UPCS does not provide a measure, which are confirmed to exist by a qualified, independent third-party professional assessor. A deficiency that has the following characteristics may be considered a Critical Physical Need:
- (a) All components are of imminent structural collapse or failure
  - (b) Building envelope work limited to the replacement of siding, trim, stucco, masonry, windows, doors, roofing, sheathing, roof substrate, weather barrier, waterproofing, etc., that, due to its inability to adequately prevent water or air penetration, has resulted in mold or other unsafe, interior health and life safety conditions
  - (c) Remedies to replace systemic leaky or failed water and sewer piping. Sewer scoping and jet cleaning are maintenance items and not a Critical Need.
  - (d) Repairs or replacements of mechanical equipment, controls, ductwork, etc., that, due to their inability to properly heat, cool, or ventilate, has resulted in mold or other unsafe, interior health and life safety conditions. Abandoned and non-functioning equipment or low cubic feet per minute (CFM) ventilation systems are considered a Critical Need.

**B. Accessibility.**

1. Remedies to bring existing conditions to current accessibility codes are typically not considered Critical Need.
2. Accessibility improvements are not Critical Need unless required by a building official or occupancy was threatened without improvement.
3. Accessibility improvements must be included in the general work scope (non-Critical Need).

**C. Minnesota Housing 20-Year Capital Expenditure (20YCE) Template.**

In addition to short-term needs and needs over term, Critical Needs must be identified in the Critical Needs column and must only include cost of repairs, replacements, and remedies that address the conditions described above.

**D. Critical Physical Needs – Additional Narrative:**

When claiming and identifying a Critical Need on the 20YCE, it must be supported by an attached narrative to explain how and why the identified condition meets the definition of "Critical Need." Items with zero years or negative ERL are not automatically considered a Critical Need but instead must meet one of the conclusions in 10.3A.1 (a) through (l).

- E. **Forensic/Destructive inspections**, X-ray imaging, plumbing pipe video-scoping, special testing, or third party professional opinion (architect, engineer, environmental specialist, etc.) may be required to confirm if repair or replacement is a Critical Need.
- F. **Energy efficiency upgrades** are not considered Critical Need.
- G. **Link to [Three Year Critical Needs Model](#)**



## Chapter 11 – Fair Housing Policy

It is the policy of Minnesota Housing to affirmatively further fair housing in all its programs so that individuals of similar income levels have equal access to Minnesota Housing programs, regardless of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, familial status, gender identity or sexual orientation.

Minnesota Housing's fair housing policy incorporates the requirements of the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988, as well as the Minnesota Human Rights Act. Housing providers are expected to comply with the applicable statutes, regulations, and related policy guidance. Housing providers should ensure that admissions, occupancy, marketing and operating procedures comply with nondiscrimination requirements.

In part, the Fair Housing Act and the Minnesota Human Rights Act make it unlawful to, because of protected class status:

- discriminate in the selection/acceptance of applicants in the rental of housing units;
- discriminate in terms, conditions or privileges of the rental of a Dwelling Unit or services or facilities;
- engage in any conduct relating to the provision of housing that otherwise make unavailable or denies the rental of a Dwelling Unit;
- make, print or publish (or cause to make, print or publish) notices, statements or advertisements that indicate preferences or limitations based on protected class status;
- represent a dwelling is not available when it is in fact available;
- deny access to, or membership or participation in, associations or other services organizations or facilities relating to the business of renting a dwelling or discriminate in the terms or conditions of membership or participation; or
- engage in harassment or quid pro quo negotiations related to the rental of a Dwelling Unit.

Minnesota Housing has a commitment to affirmatively further fair housing for individuals with disabilities by promoting the accessibility requirements set out in the Fair Housing Act, which establish design and construction mandates for Covered Multifamily Dwellings and requires housing providers to make reasonable accommodations and to allow persons with disabilities to make reasonable modifications.

Applicants will be required to submit an Affirmative Fair Housing Marketing Plan at the time of application, to update the plan regularly and to use affirmative fair housing marketing practices in soliciting renters, determining eligibility and concluding all transactions.

As a condition of funding through Minnesota Housing, housing providers are not permitted to refuse to lease a unit to, or discriminate against, a prospective resident solely because the prospective resident has a Housing Choice Voucher or other form of tenant-based rental assistance.

## **Chapter 12 – Fraud, Misuse of Funds, Conflict of Interest, Suspension, and Disclosure and Reporting**

### **12.01 Fraud**

Fraud is any intentionally deceptive action made for personal gain or to damage another.

Any person or entity (including its employees and affiliates) that enters into an agreement with Minnesota Housing and witnesses, discovers evidence of, receives a report from another source, or has other reasonable basis to suspect that fraud or embezzlement has occurred must immediately make a report through one of the ways described in section 12.05.

### **12.02 Misuse of Funds**

A loan or grant agreement is a legal contract between Minnesota Housing and the borrower or grantee. The borrower or grantee promises to use the funds to engage in certain activities or procure certain goods or services while Minnesota Housing agrees to provide funds to the borrower or grantee to pay for those activities, goods or services. Regardless of the Minnesota Housing program or funding source, the borrower or grantee must use Minnesota Housing funds as agreed, and the borrower or grantee must maintain appropriate documentation to prove that funds were used for the intended purpose(s).

A misuse of funds shall be deemed to have occurred when: (1) Minnesota Housing funds are not used as agreed by a borrower or grantee; or (2) A borrower or grantee cannot provide adequate documentation to establish that Minnesota Housing funds were used in accordance with the terms and conditions of the loan or grant agreement.

Any borrower or grantee (including its employees and affiliates) of Minnesota Housing funds that discovers evidence, receives a report from another source, or has other reasonable basis to suspect that a misuse of funds has occurred must immediately make a report through one of the ways described in section 12.05.

### **12.03 Conflict of Interest**

A conflict of interest, actual, potential, or perceived, occurs when a person has an actual or apparent duty or loyalty to more than one organization and the competing duties or loyalties may result in actions which are adverse to one or both parties. A potential or perceived conflict of interest exists even if no unethical, improper or illegal act results from it.

An individual conflict of interest is any situation in which one's judgment, actions or non-action could be interpreted to be influenced by something that would benefit them directly or through indirect gain to a friend, relative, acquaintance or business or organization with which they are involved.

Organizational conflicts of interest occur when:

- A contracting party is unable or potentially unable to render impartial assistance or advice to Minnesota Housing due to competing duties or loyalties
- A contracting party's objectivity in carrying out the award is or might be otherwise impaired due to competing duties or loyalties

- A contracting party has an unfair competitive advantage through being furnished unauthorized proprietary information or source selection information that is not available to all competitors

Once made aware of a conflict of interest, Minnesota Housing will make a determination before disbursing any further funds or processing an award. Determinations could include:

- Revising the contracting party's responsibilities to mitigate the conflict
- Allowing the contracting party to create firewalls that mitigate the conflict
- Asking the contracting party to submit an organizational conflict of interest mitigation plan
- Terminating the contracting party's participation

Any person or entity (including its employees and affiliates) that enters into an agreement with Minnesota Housing must avoid and immediately disclose to Minnesota Housing any and all actual, perceived or potential conflicts of interest through one of the ways described in section 12.05.

A contracting party should review its contract agreement and request for proposals (RFP) material, if applicable, for further requirements.

#### **12.04 Suspension**

By entering into any agreement with Minnesota Housing, a contracting party represents that the contracting party (including its employees or affiliates that will have direct control over the subject of the agreement) has not been suspended from doing business with Minnesota Housing. Refer to Minnesota Housing's website for a list of [suspended individuals and organizations](#).

#### **12.05 Disclosure and Reporting**

Activities required to be reported under this chapter may be made in any of the following ways:

- Minnesota Housing's Chief Risk Officer
- Any member of Minnesota Housing's [Senior Leadership Team](#)
- The Minnesota Housing hotline reporting service vendor, EthicsPoint, by calling toll-free 866.886.1274 to speak with a live operator or by visiting the EthicsPoint reporting [webpage](#)

## Appendix A: Uniform Physical Conditions Standards for Multifamily Housing Rehabilitation Involving Federal Programs

**NOTE:** LTI = Life-threatening Item that must be addressed immediately if the housing is occupied.

REQUIREMENTS FOR SITE			
<i>Inspectable Item</i>	<i>Observed Deficiency</i>	<i>Type and Degree of Deficiency</i>	<i>LTI</i>
Fencing and Gates	Damaged/Falling/Leaning	Fence or gate is missing or damaged to the point it does not function as it should	
	Holes	Hole in fence or gate is larger than 6" by 6"	
	Missing Sections	An exterior fence, security fence or gate is missing a section, which could threaten safety or security	
Grounds	Erosion/Rutting Areas	A rut/groove is 6-8" wide and 3-5" deep. And/or runoff has extensively displaced soils, which has caused visible damage or potential failure to adjoining structures or threatens the safety of pedestrians or makes the grounds unusable	
	Overgrown/Penetrating Vegetation	Vegetation is extensive and dense; it is difficult to see broken glass, holes and other hazards. And/or Vegetation contacts or penetrates an unintended surface. And/or Vegetation has visibly damaged a component, area or system of the property or has made them unusable or unpassable	
	Ponding/Site Drainage	There is an accumulation of more than 5" deep and/or a large section of the grounds – more than 20% – is unusable for its intended purpose due to poor drainage or ponding	
Health and Safety	Air Quality – Sewer Odor Detected	Sewer odors that could pose a health risk if inhaled for prolonged periods	
	Air Quality – Propane/Natural Gas/Methane Gas Detected	Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose a health risk if inhaled	Yes
	Electrical Hazards – Exposed Wires/Open Panels	Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)	Yes
	Electrical Hazards – Water Leaks on/near Electrical Equipment	Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion	Yes
	Flammable Materials – Improperly Stored	Flammable materials are improperly stored, causing the potential risk of fire or explosion	
	Garbage and Debris – Outdoors	Too much garbage has gathered – more than the planned storage capacity – or garbage has gathered in an area not sanctioned for staging or storing garbage or debris	

Health and Safety Cont.	Hazards – Other	Any general defects or hazards that pose risk of bodily injury	
	Hazards – Sharp Edges	Any physical defect that could cause cutting or breaking of human skin or other bodily harm	
	Hazards – Tripping	Any physical defect in walkways or other traveled area that poses a tripping risk	
	Infestation – Insects	Evidence of infestation of insects – including roaches and ants throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk	
	Infestation – Rats/Mice/Vermin	Evidence of rats or mice – sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk	
Mailboxes/Project Signs	Mailbox – Missing/Damaged	Mailbox cannot be locked or is missing	
	Signs Damaged	The project sign is not legible or readable because of deterioration or damage	
Parking Lots/Driveways/Roads	Cracks	Cracks that are large enough to affect traffic ability over more than 5% of the property's parking lots/driveways/roads or pose a safety hazard	
	Ponding	3" or more of water has accumulated making 5% or more of a parking lot/driveway unusable or unsafe	
	Potholes/Loose Material	Potholes or loose material that have made a parking lot/driveway unusable/unpassable for vehicles and/or pedestrians or could cause tripping or falling	
	Settlement/Heaving	Settlement/heaving has made a parking lot/driveway unusable/unpassable or creates unsafe conditions for pedestrians and vehicles	
Play Areas and Equipment	Damaged/Broken Equipment	More than 20% of the equipment is broken or does not operate as it should or any item that poses a safety risk	
	Deteriorated Play Area Surface	More than 20% of the play surface area shows deterioration or the play surface area could cause tripping or falling and thus poses a safety risk	
Refuse Disposal	Broken/Damaged Enclosure-Inadequate Outside Storage Space	A single wall or gate of the enclosure has collapsed or is leaning and in danger of falling or trash cannot be stored in the designated area because it is too small to store refuse until disposal	
Retaining Walls	Damaged/Falling/Leaning	A retaining wall is damaged and does not function as it should or is a safety risk	
Storm Drainage	Damaged/Obstructed	The system is partially or fully blocked by a large quantity of debris , causing backup into adjacent areas or runoffs into areas where runoff is not intended	

Walkways/Steps	Broken/Missing Hand Railing	The hand rail is missing, damaged, loose or otherwise unusable	
	Cracks/Settlement/Heaving	Cracks, hinging/tilting or missing sections that affect traffic ability over more than 5% of the property's walkways/steps or any defect that creates a tripping or falling hazard	
	Spalling/Exposed Rebar	More than 5% of walkways have large areas of spalling – larger than 4" by 4" --that affect traffic ability	

<b>REQUIREMENTS FOR BUILDING EXTERIOR</b>			
<i>Inspectable Item</i>	<i>Observed Deficiency</i>	<i>Type and Degree of Deficiency</i>	<i>LTI</i>
Doors	Damaged – Frames/Threshold/Lintels/Trim	Any door that is not functioning or cannot be locked because of damage to the frame, threshold, lintel or trim	
	Damaged – Hardware/Locks	Any door that does not function as it should or cannot be locked because of damage to the door's hardware	
	Damaged – Surface (Holes/Paint/Rusting/Glass)	Any door that has a hole or holes greater than 1" in diameter, significant peeling/cracking/no paint or rust that affects the integrity of the door surface, or broken/missing glass	
	Damaged/Missing Screen/Storm/Security Door	Any screen door or storm door that is damaged or is missing screens or glass – shown by an empty frame or frames or any security door that is not functioning or is missing	
	Deteriorated/Missing Caulking/Seals	The seals/caulking is missing on any entry door, or they are so damaged that they do not function as they should	
	Missing Door	Any exterior door that is missing	
Fire Escapes	Blocked Egress/Ladders	Stored items or other barriers restrict or block people from exiting	Yes
	Visibly Missing Components	Any of the functional components that affect the function of the fire escape – one section of a ladder or railing, for example – are missing	
Foundations	Cracks/Gaps	Large cracks in foundation more than 3/8" wide by 3/8" deep by 6" long that present a possible sign of a serious structural problem, or opportunity for water penetration or sections of wall or floor that are broken apart	
	Spalling/Exposed Rebar	Significant spalled areas affecting more than 10% of any foundation wall or any exposed reinforcing material – rebar or other	

Health and Safety	Electrical Hazards – Exposed Wires/Open Panels	Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)	Yes
	Electrical Hazards – Water Leaks on/near Electrical Equipment	Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion	Yes
	Emergency Fire Exits – Emergency/Fire Exits Blocked/Unusable	The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit	Yes
	Emergency Fire Exits – Missing Exit Signs	Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign	
	Flammable/Combustible Materials – Improperly Stored	Flammable materials are improperly stored, causing the potential risk of fire or explosion	
	Garbage and Debris – Outdoors	Too much garbage has gathered – more than the planned storage capacity – or garbage has gathered in an area not sanctioned for staging or storing garbage or debris	
	Hazards – Other	Any general defects or hazards that pose risk of bodily injury	
	Hazards – Sharp Edges	Any physical defect that could cause cutting or breaking of human skin or other bodily harm	
	Hazards – Tripping	Any physical defect in walkways or other traveled area that poses a tripping risk	
	Infestation – Insects	Evidence of infestation of insects – including roaches and ants throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk	
Infestation – Rats/Mice/Vermin	Evidence of rats or mice – sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk		
Lighting	Broken Fixtures/Bulbs	10% or more of the lighting fixtures and bulbs surveyed are broken or missing	
Roofs	Damaged Soffits/Fascia	Soffits or fascia that should be there are missing or so damaged that water penetration is visibly possible	
	Damaged Vents	Vents are missing or so visibly damaged that further roof damage is possible	
	Damaged/Clogged Drains	The drain is damaged or partially clogged with debris or the drain no longer functions	
	Damaged/Torn Membrane/Missing Ballast	Ballast has shifted and no longer functions as it should or there is damage to the roof membrane that may result in water penetration	

Roofs Cont.	Missing/Damaged Components from Downspout/Gutter	Drainage system components are missing or damaged causing visible damage to the roof, structure, exterior wall surface, or interior	
	Missing/Damaged Shingles	Roofing shingles are missing or damaged enough to create a risk of water penetration	
	Ponding	Evidence of standing water on roof, causing potential or visible damage to roof surface or underlying materials	
Walls	Cracks/Gaps	Any large crack or gap that is more than 3/8" wide or deep and 6" long that presents a possible sign of serious structural problem or opportunity for water penetration	
	Damaged Chimneys	Part or all of the chimney has visibly separated from the adjacent wall or there are cracked or missing pieces large enough to present a sign of chimney failure or there is a risk of falling pieces that could create a safety hazard	
	Missing/Damaged Caulking/Mortar	Any exterior wall caulking or mortar deterioration that presents a risk of water penetration or risk of structural damage	
	Missing Pieces/Holes/Spalling	Any exterior wall deterioration or holes of any size that present a risk of water penetration or risk of structural damage	
	Stained/Peeling/Needs Paint	More than 20% of the exterior paint is peeling or paint is missing and siding surface is exposed thereby exposing siding to water penetration and deterioration	
Windows	Broken/Missing/Cracked Panes	Any missing panes of glass or cracked panes of glass where the crack is either greater than 4" and/or substantial enough to impact the structural integrity of the window pane	
	Damaged Sills/Frames/Lintels/Trim	Sills, frames, lintels, or trim are missing or damaged, exposing the inside of the surrounding walls and compromising its weather tightness	
	Damaged/Missing Screens	Missing screens or screens with holes greater than 1" by 1" or tears greater than 2" in length	
	Missing/Deteriorated Caulking/Seals/Glazing Compound	There are missing or deteriorated caulk or seals--with evidence of leaks or damage to the window or surrounding structure	
	Peeling/Needs Paint	More than 20% of the exterior window paint is peeling or paint is missing and window frame surface is exposed thereby exposing window frame to water penetration and deterioration	
	Security Bars Prevent Egress	The ability to exit through egress window is limited by security bars that do not function properly and, therefore, pose safety risks	Yes



<b>REQUIREMENTS FOR BUILDING SYSTEMS</b>			
<i>Inspectable Item</i>	<i>Observed Deficiency</i>	<i>Type and Degree of Deficiency</i>	<i>LTI</i>
Domestic Water	Leaking Central Water Supply	Leaking water from water supply line is observed	
	Missing Pressure Relief Valve	There is no pressure relief valve or pressure relief valve does not drain down to the floor	
	Rust/Corrosion on Heater Chimney	The water heater chimney shows evidence of flaking, discoloration, pitting or crevices that may create holes that could allow toxic gases to leak from the chimney	
	Water Supply Inoperable	There is no running water in any area of the building where there should be	
Electrical System	Blocked Access/Improper Storage	One or more fixed items or items of sufficient size and weight impede access to the building system's electrical panel during an emergency	
	Burnt Breakers	Carbon residue, melted breakers or arcing scars are evident	
	Evidence of Leaks/Corrosion	Any corrosion that affects the condition of the components that carry current or any stains or rust on the interior of electrical enclosures, or any evidence of water leaks in the enclosure or hardware	
	Frayed Wiring	Any nicks, abrasion or fraying of the insulation that exposes any conducting wire	
	Missing Breakers/Fuses	Any open and/or exposed breaker port	Yes
	Missing Outlet Covers	A cover is missing, which results in exposed visible electrical connections	Yes
Elevators	Not Operable	The elevator does not function at all or the elevator doors open when the cab is not there	
Emergency Power	Auxiliary Lighting Inoperable (if applicable)	Auxiliary lighting does not function	
Fire Protection	Missing Sprinkler Head	Any sprinkler head is missing, visibly disabled, painted over, blocked, or capped	
	Missing/Damaged/Expired Extinguishers	There is missing, damaged or expired fire extinguisher in any area of the building where a fire extinguisher is required	Yes
Health and Safety	Air Quality – Mold and/or Mildew Observed	Evidence of mold or mildew is observed that is substantial enough to pose a health risk	
	Air Quality – Propane/Natural Gas/ Methane Gas Detected	Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose a health risk if inhaled	Yes
	Air Quality – Sewer Odor Detected	Sewer odors that could pose a health risk if inhaled for prolonged periods	

Health and Safety Cont.	Electrical Hazards – Exposed Wires/Open Panels	Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)	Yes
	Electrical Hazards – Water Leaks on/near Electrical Equipment	Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion	Yes
	Elevator – Tripping	An elevator is misaligned with the floor by more than 3/4 of an inch. The elevator does not level as it should, which causes a tripping hazard	
	Emergency Fire Exits – Emergency/Fire Exits Blocked/Unusable	The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit	Yes
	Emergency Fire Exits – Missing Exit Signs	Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign	
	Flammable Materials – Improperly Stored	Flammable materials are improperly stored, causing the potential risk of fire or explosion	
	Garbage and Debris – Indoors	Too much garbage has gathered – more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris	
	Hazards – Other	Any general defects or hazards that pose risk of bodily injury	
	Hazards – Sharp Edges	Any physical defect that could cause cutting or breaking of human skin or other bodily harm	
	Hazards – Tripping Hazards	Any physical defect in walkways or other travelled area that poses a tripping risk	
	Infestation – Insects	Evidence of infestation of insects – including roaches and ants – throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk	
	Infestation – Rats/Mice/Vermin	Evidence of rats or mice – sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk	
	HVAC	Boiler/Pump Leaks	Evidence of water or steam leaking in piping or pump packing
Fuel Supply Leaks		Evidence of any amount of fuel leaking from the supply tank or piping	
General Rust/Corrosion		Significant formations of metal oxides, significant flaking, discoloration, or the development of a noticeable pit or crevice	
Misaligned Chimney/Ventilation System		A misalignment of an exhaust system on a combustion fuel-fired unit (oil, natural gas, propane, wood pellets etc.) that causes improper or dangerous venting of gases	Yes

Roof Exhaust System	Roof Exhaust Fan(s) Inoperable	The roof exhaust fan unit does not function	
Sanitary System	Broken/Leaking/Clogged Pipes or Drains	Evidence of active leaks in or around the system components or evidence of standing water, puddles or ponding – a sign of leaks or clogged drains	
	Missing Drain/Cleanout/Manhole Covers	A protective cover is missing	

<b>REQUIREMENTS FOR COMMON AREAS</b>			
<i>Inspectable Item</i>	<i>Observed Deficiency</i>	<i>Type and Degree of Deficiency</i>	<i>LTI</i>
Basement/Garage /Carport	Baluster/Side Railings – Damaged	Any damaged or missing balusters or side rails that limit the safe use of an area	
Closet/Utility/Mechanical	Cabinets – Missing/Damaged	10% or more of cabinet, doors, or shelves are missing or the laminate is separating	
Community Room	Call for Aid – Inoperable	The system does not function as it should	
Halls/Corridors/Stairs	Ceiling – Holes/Missing Tiles/Panels/Cracks	Any holes in ceiling, missing tiles or large cracks wider than 1/4 of an inch and greater than 11” long	
Kitchen	Ceiling – Peeling/Needs Paint	More than 10% of ceiling has peeling paint or is missing paint	
Laundry Room	Ceiling – Water Stains/Water Damage/Mold/Mildew	Evidence of a leak, mold or mildew – such as a darkened area – over a ceiling area greater than 1 foot square	
Lobby	Countertops – Missing/Damaged	10% or more of the countertop working surface is missing, deteriorated, or damaged below the laminate; not a sanitary surface to prepare food	
Office	Dishwasher/Garbage Disposal-Inoperable	The dishwasher or garbage disposal does not operate as it should	
Other Community Spaces	Doors-Damaged Frames/Threshold/Lintels/Trim	Any door that is not functioning or cannot be locked because of damage to the frame, threshold, lintel or trim	
Patio/Porch/Balcony	Doors – Damaged Hardware/Locks	Any door that does not function as it should or cannot be locked because of damage to the door's hardware	
Restrooms	Doors – Damaged Surface (Holes/Paint/Rust/Glass)	Any door that has a hole or holes greater than 1” in diameter, significant peeling/cracking/no paint or rust that affects the integrity of the door surface, or broken/missing glass	

Storage	Doors – Damaged/Missing Screen/Storm/Security Door	Any screen door or storm door that is damaged or is missing screens or glass – shown by an empty frame or frames or any security door that is not functioning or is missing	
	Doors – Deteriorated/Missing Seals (Entry Only)	The seals/caulking is missing on any entry door, or they are so damaged that they do not function as they should	
	Doors – Missing Door	Any door that is missing that is required for the functional use of the space	
	Dryer Vent – Missing/Damaged/ Inoperable	The dryer vent is missing or it is not functioning because it is blocked. Dryer exhaust is not effectively vented to the outside	
	Electrical – Blocked Access to Electrical Panel	One or more fixed items or items of sufficient size and weight impede access to the building system's electrical panel during an emergency	
	Electrical – Burnt Breakers	Carbon residue, melted breakers or arcing scars are evident	
	Electrical – Evidence of Leaks/Corrosion	Any corrosion that affects the condition of the components that carry current or any stains or rust on the interior of electrical enclosures or any evidence of water leaks in the enclosure or hardware	
	Electrical – Frayed Wiring	Any nicks, abrasion, or fraying of the insulation that exposes any conducting wire	
	Electrical – Missing Breakers	Any open and/or exposed breaker port	
	Electrical – Missing Covers	A cover is missing, which results in exposed visible electrical connections	Yes
	Floors – Bulging/Buckling	Any flooring that is bulging, buckling or sagging or a problem with alignment between flooring types	
	Floors – Floor Covering Damaged	More than 10% of floor covering has stains, surface burns, shallow cuts, small holes, tears, loose areas or exposed seams	
	Floors – Missing Floor/Tiles	More than 5% of the flooring or tile flooring is missing	
	Floors- Peeling/Needs Paint	Any painted flooring that has peeling or missing paint on more than 10% of the surface	
	Floors – Rot/Deteriorated Subfloor	Any rotted or deteriorated subflooring greater than 6" by 6"	
	Floors – Water Stains/Water Damage/ Mold/Mildew	Evidence of a leak, mold or mildew – such as a darkened area – covering a flooring area greater than 1 foot square	
	GFI – Inoperable	The GFI does not function	
	Graffiti	Any graffiti on any exposed surface greater than 6" by 6"	

Storage Cont.	HVAC – Convection/ Radiant Heat System Covers Missing/Damaged	Cover is missing or substantially damaged, allowing contact with heating/surface elements or associated fans	
	HVAC – General Rust/Corrosion	Significant formations of metal oxides, flaking, or discoloration – or a pit or crevice	
	HVAC – Inoperable	HVAC does not function. It does not provide the heating and cooling it should. The system does not respond when the controls are engaged	
	HVAC – Misaligned Chimney/ Ventilation System	Any misalignment that may cause improper or dangerous venting of gases	Yes
	HVAC – Noisy/Vibrating/Leaking	HVAC system shows signs of abnormal vibrations, other noise, or leaks when engaged	
	Lavatory Sink – Damaged/Missing	Sink has extensive discoloration or cracks in over 50% of the basin or the sink or associated hardware have failed or are missing and the sink can't be used	
	Lighting – Missing/Damaged/Inoperable Fixture	More than 10% of the permanent lighting fixtures are missing or damaged so they do not function	
	Mailbox – Missing/Damaged	The U.S Postal Service mailbox cannot be locked or is missing	
	Outlets/Switches/Cover Plates-Missing/Broken	Outlet or switch is missing or a cover plate is missing or broken, resulting in exposed wiring	Yes
	Pedestrian/Wheelchair Ramp	A walkway or ramp is damaged and cannot be used by people on foot, in wheelchair, or using walkers	
	Plumbing – Clogged Drains	Drain is substantially or completely clogged or has suffered extensive deterioration	
	Plumbing – Leaking Faucet/Pipes	A steady leak that is adversely affecting the surrounding area	
	Range Hood /Exhaust Fans – Excessive Grease/Inoperable	A substantial accumulation of dirt or grease that threatens the free passage of air	
	Range/Stove – Missing/Damaged/Inoperable	One or more burners are not functioning or doors or drawers are impeded or on gas ranges pilot is out and/or flames are not distributed equally or oven not functioning	
Refrigerator – Damaged/Inoperable	The refrigerator has an extensive accumulation of ice or the seals around the doors are deteriorated or is damaged in any way, which substantially impacts its performance		
Restroom Cabinet – Damaged/Missing	Damaged or missing shelves, vanity top, drawers, or doors that are not functioning as they should for storage or their intended purpose		

Storage Cont.	Shower/Tub – Damaged/Missing	Any cracks in tub or shower through which water can pass or extensive discoloration over more than 20% of tub or shower surface or tub or shower is missing	
	Sink – Missing/Damaged	Any cracks in sink through which water can pass or extensive discoloration over more than 10% of the sink surface or sink is missing	
	Smoke Detector – Missing/Inoperable	Smoke detector is missing or does not function as it should	Yes
	Stairs – Broken/Damaged/Missing Steps	A step is missing or broken	
	Stairs Broken/Missing Hand Railing	The hand rail is missing, damaged, loose or otherwise unusable	
	Ventilation/Exhaust System – Inoperable	Exhaust fan is not functioning or window designed for ventilation does not open	
	Walls – Bulging/Buckling	Bulging, buckling or sagging walls or a lack of horizontal alignment	
	Walls – Damaged	Any hole in wall greater than 2" by 2"	
	Walls – Damaged/Deteriorated Trim	10% or more of the wall trim is damaged	
	Walls – Peeling/Needs Paint	10% or more of interior wall paint is peeling or missing	
	Walls – Water Stains/ Water Damage/Mold/Mildew	Evidence of a leak, mold or mildew – such as a common area – covering a wall area greater than 1 foot square	
	Water Closet/Toilet – Damaged/Clogged/Missing	Fixture elements – seat, flush handle, cover etc. – are missing or damaged or the toilet seat is cracked or has a broken hinge or toilet cannot be flushed	
	Windows – Cracked/Broken/Missing Panes	Any missing panes of glass or cracked panes of glass where the crack is either greater than 4" and/or substantial enough to impact the structural integrity of the window pane	
	Windows – Damaged Window Sill	The sill is damaged enough to expose the inside of the surrounding walls and compromise its weather tightness	
Windows – Inoperable/Not Lockable	Any window that is not functioning or cannot be secured because lock is broken		
Windows – Missing/Deteriorated Caulking/ Seals/Glazing Compound	There are missing or deteriorated caulk or seals--with evidence of leaks or damage to the window or surrounding structure		

Storage Cont.	Windows – Peeling/Needs Paint	More than 10% of interior window paint is peeling or missing	
	Windows – Security Bars Prevent Egress	The ability to exit through the window is limited by security bars that do not function properly and, therefore, pose safety risks	Yes
Health and Safety	Air Quality – Mold and/or Mildew Observed	Evidence of mold or mildew is observed that is substantial enough to pose a health risk	
	Air Quality – Propane/Natural Gas/ Methane Gas Detected	Strong propane, natural gas or methane odors that could pose a risk of explosion/fire and/or pose a health risk if inhaled	Yes
	Air Quality – Sewer Odor Detected	Sewer odors that could pose a health risk if inhaled for prolonged periods	
	Electrical Hazards – Exposed Wires/Open Panels	Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)	Yes
	Electrical Hazards – Water Leaks on/near Electrical Equipment	Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion	Yes
	Emergency Fire Exits – Blocked/Unusable	The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit	Yes
	Emergency Fire Exits – Missing Exit Signs	Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign	
	Flammable/Combustible Materials – Improperly Stored	Flammable or combustible materials are improperly stored, causing the potential risk of fire or explosion	
	Garbage and Debris – Indoors	Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris	
	Garbage and Debris – Outdoors	Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris	
	Hazards – Other	Any general defects or hazards that pose risk of bodily injury	
	Hazards – Sharp Edges	Any physical defect that could cause cutting or breaking of human skin or other bodily harm	
	Hazards – Tripping	Any physical defect in walkways or other travelled area that poses a tripping risk	
	Infestation – Insects	Evidence of infestation of insects – including roaches and ants – throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk	

Health and Safety Cont.	Infestation – Rats/Mice/Vermin	Evidence of rats or mice – sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk	
Pools and Related Structures	Fencing – Damaged/Not Intact	Any damage that could compromise the integrity of the fence	
Trash Collection Areas	Chutes – Damaged/Missing Components	Garbage has backed up into chutes, because the collection structure is missing or broken or compactors or components – chute, chute door, and other components – have failed	

<b>REQUIREMENTS FOR UNIT</b>			
<b>Inspectable Item</b>	<b>Observed Deficiency</b>	<b>Type and Degree of Deficiency</b>	<b>LTI</b>
Bathroom	Bathroom Cabinets – Damaged/Missing	Damaged or missing shelves, vanity tops, drawers, or doors that are not functioning as they should for storage or their intended purpose	
	Lavatory Sink – Damaged/Missing	Any cracks in sink through which water can pass or extensive discoloration over more than 10% of the sink surface or sink is missing	
	Plumbing – Clogged Drains, Faucets	Drain or faucet is substantially or completely clogged or has suffered extensive deterioration	
	Plumbing – Leaking Faucet/Pipes	A steady leak that is adversely affecting the surrounding area	
	Shower/Tub – Damaged/Missing	Any cracks in tub or shower through which water can pass or extensive discoloration over more than 20% of tub or shower surface or tub or shower is missing	
	Ventilation/Exhaust System- Absent/Inoperable	Exhaust fan is not functioning or window designed for ventilation does not open	
	Water Closet/Toilet- Damaged/Clogged/Missing	Fixture elements – seat, flush handle, cover etc. – are missing or damaged or the toilet seat is cracked or has a broken hinge or toilet cannot be flushed	
Call-for-Aid (if applicable)	Inoperable	The system does not function as it should	
Ceiling	Bulging/Buckling/Leaking	Bulging, buckling or sagging ceiling or problem with alignment	
	Holes/Missing Tiles/Panels/Cracks	Any holes in ceiling, missing tiles or large cracks wider than 1/4 of an inch and greater than 6” long	
	Peeling/Needs Paint	More than 10% of ceiling has peeling paint or is missing paint	
	Water Stains/Water Damage/Mold/Mildew	Evidence of a leak, mold or mildew – such as a darkened area – over a ceiling area greater than 1 foot square	



Doors	Damaged – Frames/Threshold/Lintels/Trim	Any door that is not functioning or cannot be locked because of damage to the frame, threshold, lintel or trim	
	Damaged – Hardware/Locks	Any door that does not function as it should or cannot be locked because of damage to the door's hardware	
	Damaged/Missing – Screen/Storm/Security Door	Any screen door or storm door that is damaged or is missing screens or glass – shown by an empty frame or frames or any security door that is not functioning or is missing	
	Damaged Surface – Holes/Paint/Rusting/Glass/Rotting	Any door that has a hole or holes greater than 1” in diameter, significant peeling/cracking/no paint or rust that affects the integrity of the door surface, or broken/missing glass	
	Deteriorated/Missing Seals (Entry Only)	The seals/caulking is missing on any entry door, or they are so damaged that they do not function as they should	
	Missing Door	Any door that is required for security (entry) or privacy (Bathroom) that is missing or any other unit door that is missing and is required for proper unit functionality	
Electrical System	Blocked Access to Electrical Panel	One or more fixed items or items of sufficient size and weight impede access to the building system's electrical panel during an emergency	
	Burnt Breakers	Carbon residue, melted breakers or arcing scars are evident	
	Evidence of Leaks/Corrosion	Any corrosion that affects the condition of the components that carry current or any stains or rust on the interior of electrical enclosures or any evidence of water leaks in the enclosure or hardware	
	Frayed Wiring	Any nicks, abrasion, or fraying of the insulation that exposes any conducting wire	
	GFI – Inoperable	The GFI does not function	
	Missing Breakers/Fuses	Any open and/or exposed breaker port	Yes
	Missing Covers	A cover is missing, which results in exposed visible electrical connections	Yes
Floors	Bulging/Buckling	Any flooring that is bulging, buckling or sagging or a problem with alignment between flooring types	
	Floor Covering Damage	More than 10% of floor covering has stains, surface burns, shallow cuts, small holes, tears, loose areas or exposed seams	
	Missing Flooring Tiles	Any flooring or tile flooring that is missing	
	Peeling/Needs Paint	Any painted flooring that has peeling or missing paint on more than 10% of the surface	

Floors Cont.	Rot/Deteriorated Subfloor	Any rotted or deteriorated subflooring greater than 6" by 6"	
	Water Stains/Water Damage/Mold/Mildew	Evidence of a leak, mold or mildew – such as a darkened area – covering a flooring area greater than 1 foot square	
Health and Safety	Air Quality – Mold and/or Mildew Observed	Evidence of mold or mildew is observed that is substantial enough to pose a health risk	
	Air Quality – Sewer Odor Detected	Sewer odors that could pose a health risk if inhaled for prolonged periods	
	Air Quality – Propane/Natural Gas/Methane Gas Detected	Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose a health risk if inhaled	Yes
	Electrical Hazards – Exposed Wires/Open Panels	Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)	Yes
	Electrical Hazards – Water Leaks on/near Electrical Equipment	Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion	Yes
	Emergency Fire Exits – Blocked/Unusable	The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit	Yes
	Emergency Fire Exits – Missing Exit Signs	Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign	
	Flammable Materials – Improperly Stored	Flammable materials are improperly stored, causing the potential risk of fire or explosion	
	Garbage and Debris – Indoors	Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris	
	Garbage and Debris – Outdoors	Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris	
	Hazards – Other	Any general defects or hazards that pose risk of bodily injury	
	Hazards – Sharp Edges	Any physical defect that could cause cutting or breaking of human skin or other bodily harm	
	Hazards – Tripping	Any physical defect in walkways or other travelled area that poses a tripping risk	
Infestation – Insects	Evidence of infestation of insects – including roaches and ants – throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk		

Health and Safety Cont.	Infestation – Rats/Mice/Vermin	Evidence of rats or mice – sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk	
Hot Water Heater	Misaligned Chimney/Ventilation System	Any misalignment that may cause improper or dangerous venting of gases	Yes
	Inoperable Unit/Components	Hot water from hot water taps is no warmer than room temperature indicating hot water heater is not functioning properly	
	Leaking Valves/Tanks/Pipes	There is evidence of active water leaks from hot water heater or related components	
	Pressure Relief Valve Missing	There is no pressure relief valve or pressure relief valve does not drain down to the floor	
	Rust/Corrosion	Significant formations of metal oxides, flaking, or discoloration – or a pit or crevice	
HVAC System	Convection/Radiant Heat System Covers Missing/Damaged	Cover is missing or substantially damaged, allowing contact with heating/surface elements or associated fans	
	Inoperable	HVAC does not function. It does not provide the heating and cooling it should. The system does not respond when the controls are engaged	
	Misaligned Chimney/Ventilation System	Any misalignment that may cause improper or dangerous venting of gases	Yes
	Noisy/Vibrating/Leaking	The HVAC system shows signs of abnormal vibrations, other noise, or leaks when engaged	
	Rust/Corrosion	Deterioration from rust or corrosion on the HVAC system in the Dwelling Unit	
Kitchen	Cabinets – Missing/Damaged	10% or more of cabinet, doors, or shelves are missing or the laminate is separating	
	Countertops – Missing/Damaged	10% or more of the countertop working surface is missing, deteriorated, or damaged below the laminate – not a sanitary surface to prepare food	
	Dishwasher/Garbage Disposal- Inoperable	The dishwasher or garbage disposal does not operate as it should	
	Plumbing – Clogged Drains	Drain is substantially or completely clogged or has suffered extensive deterioration	
	Plumbing – Leaking Faucet/Pipes	A steady leak that is adversely affecting the surrounding area	
	Range Hood/Exhaust Fans – Excessive Grease/Inoperable	A substantial accumulation of dirt or grease that threatens the free passage of air	
	Range/Stove – Missing/Damaged/ Inoperable	One or more burners are not functioning or doors or drawers are impeded or on gas ranges pilot is out and/or flames are not distributed equally or oven not functioning	

Kitchen Cont.	Refrigerator – Missing/Damaged/ Inoperable	The refrigerator has an extensive accumulation of ice or the seals around the doors are deteriorated or is damaged in any way, which substantially impacts its performance	
	Sink – Damaged/Missing	Any cracks in sink through which water can pass or extensive discoloration over more than 10% of the sink surface or sink is missing	
Laundry Area (Room)	Dryer Vent – Missing/Damaged/ Inoperable	The dryer vent is missing or it is not functioning because it is blocked. Dryer exhaust is not effectively vented to the outside	
Lighting	Missing/Inoperable Fixture	A permanent light fixture is missing or not functioning, and no other switched light source is functioning in the room	
Outlets/Switches	Missing	An outlet or switch is missing	Yes
	Missing/Broken Cover Plates	An outlet or switch has a broken cover plate over a junction box or the cover plate is missing	Yes
Patio/Porch/Balcony	Baluster/Side Railings Damaged	Any damaged or missing balusters or side rails that limit the safe use of an area	
Smoke Detector	Missing/Inoperable	Smoke detector is missing or does not function as it should	Yes
Stairs	Broken/Damaged/Missing Steps	A step is missing or broken	
	Broken/Missing Hand Railing	The hand rail is missing, damaged, loose or otherwise unusable	
Walls	Bulging/Buckling	Bulging, buckling or sagging walls or a lack of horizontal alignment	
	Damaged	Any hole in wall greater than 2" by 2"	
	Damaged/Deteriorated Trim	10% or more of the wall trim is damaged	
	Peeling/Needs Paint	10% or more of interior wall paint is peeling or missing	
	Water Stains/Water Damage/Mold/Mildew	Evidence of a leak, mold or mildew covering a wall area greater than 1 foot square	
Windows	Cracked/Broken/Missing Panes	Any missing panes of glass or cracked panes of glass where the crack is either greater than 4" and/or substantial enough to impact the structural integrity of the window pane	
	Damaged Window Sill	The sill is damaged enough to expose the inside of the surrounding walls and compromise its weather tightness	
	Missing/Deteriorated Caulking/Seals/Glazing Compound	There are missing or deteriorated caulk or seals--with evidence of leaks or damage to the window or surrounding structure	
	Inoperable/Not Lockable	Any window that is not functioning or cannot be secured because lock is broken	

Windows Cont.	Peeling/Needs Paint	More than 10% of interior window paint is peeling or missing	
	Security Bars Prevent Egress	The ability to exit through the window is limited by security bars that do not function	Yes

## Appendix B – Terms

Term	Definition
20YCE	Twenty-year Capital Expenditure
AC	Air conditioning
Accessibility Analysis and Survey	A Minnesota Housing required written report documenting an existing property's compliance with applicable accessibility codes and regulations based upon a site inspection and review of existing as-built plans or new plans. Applicability and other requirements are based on funding sources.
Adaptive Reuse	Refers to the process of reusing an old site or building for a purpose other than which it was originally built or designed.
AFCI	Arc-fault circuit-interrupter
Americans with Disabilities Act	42 U.S.C. 12131-12189
Broadband Infrastructure	Cables, fiber optics, wiring, or other permanent (integral to the structure) infrastructure – including wireless infrastructure with a minimum broadband speed of 25 Mbps download and 3 Mbps upload (if receiving federal assistance, speed will be mandated by the U.S. Department of Housing and Urban Development).
CFR	Code of Federal Regulations
CNA	Capital Needs Assessment
Covered Multifamily Dwellings	As defined at 24 CFR §100.201
Critical Need or Critical Physical Needs	Property condition deficiencies that if left unattended will likely jeopardize the property's federal assistance.
Design/Construction Standards	Minnesota Housing Design and Construction Standards contained in this guide.
Dwelling Unit	A single unit providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping (separated bedroom or bedrooms), eating, cooking (full kitchen) and sanitation (3/4 or full bath).
Efficiency Unit (a/k/a SRO)	A single room occupant unit providing complete, independent living facilities, including living, sleeping, and eating. Includes provisions for in-unit sanitation (bathroom) and kitchen facilities.
EGCC	2015 Enterprise Green Communities Criteria

ENERGY STAR	A U.S. Environmental Protection Agency program that helps save money, reduces financial risk from rising energy costs, and protects our climate through energy efficiency. ENERGY STAR labeled/qualified designation may include windows, doors, plumbing fixtures, lighting, and appliances. ENERGY STAR certified buildings follow either the Homes program or Multifamily High Rise program.
ESAs	Environmental Site Assessments
ERA	Energy Rebate Analysis
ERL	Effective Remaining Life
EUL	Expected Useful Life
GFCI	Ground-fault circuit-interrupter
HERS Rater	A Residential Energy Services Network (RESNET) certified individual required for ENERGY STAR for Homes certification program.
HOME	HOME Investment Partnerships Program
HTC	Housing Tax Credits
HUD	The United States Department of Housing and Urban Development
HVAC	Heating, ventilating and air conditioning system
IRS	Internal Revenue Service
KCMA	Kitchen Cabinet Manufacturers Association
Mbps	Megabits per second
Minnesota Housing	The Minnesota Housing Finance Agency
MN Overlay	Minnesota Housing's amendment to the 2015 Enterprise Green Communities Criteria.
Moderate Rehabilitation	Refer to Section 3.04
MPCA	Minnesota Pollution Control Agency
NHTF	National Housing Trust Fund Program
PNA	Physical Needs Assessment
Predictive Cost Model	A Minnesota Housing developed software tool used to compare a project's proposed costs with the expected costs based upon Minnesota Housing's experience with similar projects and industry-wide standards. The model considers the following project specific attributes: activity type (new construction vs. rehabilitation), building type, unit sizes, gross square foot, amount of non-residential space, location, year built, garage type, and acquisition type (land or structure).
Preservation	Funding priority and policy focused on preserving properties with existing federal assistance (project based rental assistance or operating subsidies).

Property Standards	Refer to 24 CFR Part 93, Subpart G, §93.301 (if receiving NHTF funding) and/or 24 CFR Part 92, Subpart F, §92.251 (if receiving HOME funding), including part (a) New construction projects and part (b) Rehabilitation projects.
Qualified Rehabilitation Specialist	As defined in the Minnesota Housing Architect's Guide.
REAC	Real Estate Assessment Center
Sleeping Unit	Also known as congregate living or dormitory. A room or space in which people sleep, which can also include permanent provisions for living, eating and either sanitation (bathroom) or kitchen facilities but not both.
Story(ies)	Also known as level or floor. That portion of a building included between the upper surface of the floor and the upper surface of the floor or roof next above.
Substantial Rehabilitation	Refer to Section 3.04.B
Sustainable Building Guidelines	State building guidelines that apply to projects receiving Minnesota Housing Publicly Owned Housing Program general obligation bond proceeds.
Sustainable Housing Standards	Minnesota Housing standards for new construction and rehabilitation that requires compliance with the 2015 Enterprise Green Communities Criteria and most current version of the MN Overlay and Guide to the 2015 Enterprise Green Communities Criteria.
Type A	Accessible Dwelling Units or Sleeping Units which meet the Type A Unit requirements of the Minnesota Accessibility Code.
Type B	Accessible Dwelling Units or Sleeping Units which meet the Type B Unit requirements of the Minnesota Accessibility Code.
Universal Design	As defined in the Multifamily 2018 Housing Tax Credit Self-Scoring Worksheet.
UPCS	HUD's Uniform Physical Condition Standards
USDA	The United States Department of Agriculture
Visitability	Designs that allow persons with mobility impairments to enter and stay, but not live, in a residence.



**9. Resale or Recapture Guidelines.** Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

N/A

**10. HTF Affordable Homeownership Limits.** If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

Minnesota Housing does not limit to segments of the NHTF eligible population. Minnesota Housing makes an effort to integrate units targeted to households experiencing homelessness or those at risk of homelessness across a variety of developments. In the appropriate situation, Minnesota Housing may utilize NHTF funds in units that are targeted to High Priority Homeless households or whose eligibility is limited to High Priority Homeless households. In the interest of furthering economic integration, High Priority Homeless units typically make up a small number of units in each development.

**12. Refinancing of Existing Debt.** Enter or attach the grantee's refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee's refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter "N/A."

Minnesota Housing will not use NHTF to refinance existing debt.



# MULTIFAMILY REQUEST FOR PROPOSALS 2018 RFP/2019 QAP Strategic and Selection Priorities

## Strategic Priorities

*Proposals must meet at least one Strategic Priority to be eligible for funding from Minnesota Housing through the 2018 RFP, and developments that meet more than one of these criteria will receive priority.*

- **Access to Fixed Transit:** Projects within one half mile of a planned or existing light rail transit, bus rapid transit, or commuter rail station
- **Greater Minnesota Workforce Housing:** Greater Minnesota projects that support community efforts to provide workforce housing
- **Economic Integration:** Projects located in higher income communities with access to low and moderate wage jobs outside of rural/tribal areas
- **Tribal:** Projects sponsored by tribal governments, tribally designated housing entities or tribal corporate entities
- **Planned Community Development:** Projects that contribute to active implementation of local community development efforts
- **Preservation:** Projects that preserve existing federally assisted housing or other critical housing projects
- **Supportive Housing:** Projects that serve people with disabilities or High Priority Homeless households

## Selection Priorities

*Among proposals that meet more than one of the Strategic Priorities, Minnesota Housing will also give priority in awarding funding to those proposals that align with the following Selection Priorities.*

- **Greatest Need Tenant Targeting:**
  - *Large Family Housing:* Projects that provide two, three or more bedrooms
  - *Permanent Supportive Housing for High Priority Homeless:* Projects that set aside and rent units to High Priority Homeless households who are households prioritized for permanent supportive housing by the Coordinated Entry system
  - *People with Disabilities:* Projects that set aside permanent supportive housing units and rent to People With Disabilities
- **Serves Lowest Income for Long Durations:**
  - *Serves Lowest Income Tenants/Rent Reduction:* Projects that provide rent levels affordable to the lowest income tenants
  - *Rental Assistance:* Proposals that include fully executed commitments for project-based rental assistance at the time of application
  - *Long Term Affordability:* Projects that will provide long-term affordability, up to 40 years



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[www.mnhousing.gov](http://www.mnhousing.gov)

## Selection Priorities, cont.

- **Areas of Opportunity:**
  - *Economic Integration:* Projects that provide housing for households with a wide range of incomes and housing needs in mixed-income projects or within higher income communities
  - *Access to Higher Performing Schools:* Projects serving families in locations that will provide access to higher performing schools
  - *Workforce Housing Communities:* Projects located near a city or township with a workforce housing need based on job growth, individual employer growth or having a large share of the workforce commuting long distances
  - *Location Efficiency:* Projects that promote location efficiency based on access to transportation and walkability
- **Supporting Community and Economic Development:**
  - *Planned Community Development:* Projects that contribute to active implementation of local community development efforts
  - *Rural/Tribal:* Projects located in a rural/tribal designated area outside of the Twin Cities seven county metro area
  - *Qualified Census Tract (QCT)/Community Revitalization and Tribal Equivalent Areas:* Projects that are located in a QCT community revitalization area or a tribal equivalent area and are part of a concerted plan that provides for community revitalization
  - *Eventual Tenant Ownership:* Housing Tax Credit projects with detached single family units are eligible for homeowner conversion
  - *Minority Owned/Women Owned Business Enterprise:* Projects that have a project sponsor, executive director of a nonprofit, general contractor, architect or management agent that is a minority owned/woman owned business enterprise
- **Preservation:** Projects that meet one of the three Risk of Loss Thresholds that also meet either the Existing Federal Assistance or Critical Affordable Units at Risk of Loss scoring criteria
  - Risk of loss due to market conversion
  - Risk of loss due to critical physical needs
  - Risk of loss due to ownership capacity/program commitment
- **Efficient Use of Scarce Resources and Leverage:**
  - *Financial Readiness to Proceed/Leveraged Funds:* Projects that have secured funding commitments for one or more permanent funding sources at the time of application
  - *Other Contributions:* Projects that receive contributions from the federal government; a local unit of government; an area employer; and/or a private philanthropic, religious or charitable organization
  - *Intermediary Costs:* Projects with low intermediary costs
  - *Cost Containment:* Projects that meet cost containment thresholds based on development type and location
- **Building Characteristics:**
  - *Universal Design:* Projects that meet Minnesota Housing's minimal essential design features in addition to optional features
  - *Smoke Free Buildings:* Projects that will institute and maintain a written policy prohibiting smoking in all units and common areas

For additional information regarding application requirements and ongoing compliance obligations related to these priorities, as well as information regarding additional threshold requirements for Housing Tax Credit projects, please see the Application Resources and Tax Credits webpages at [www.mnhousing.gov](http://www.mnhousing.gov) for additional information.

### Questions

Summer Jefferson, Tax Credit Program Manager: 651.296.9790 or [Summer.Jefferson@state.mn.us](mailto:Summer.Jefferson@state.mn.us)



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[www.mnhousing.gov](http://www.mnhousing.gov)



## Multifamily Application Instructions Consolidated RFP and HTC Rounds 1 and 2

These application instructions (previously referred to as the Multifamily Consolidated RFP Guide) apply to the following Minnesota Housing Finance Agency (Minnesota Housing) Request for Proposals processes:

The Multifamily Consolidated RFP

Housing Tax Credit Round 1

Housing Tax Credit Round 2

**The Multifamily Consolidated RFP**, offered once per year, provides a means of "one stop shopping" by consolidating and coordinating multiple housing resources into one multifamily application process. Applicants request funding for a specific housing development and/or activities that meet a specific housing need and generally do not apply for specific funding sources.

Minnesota Housing, in conjunction with its funding partners, will select developments and award the most appropriate funding sources. Funding partners include the Metropolitan Council, Greater Minnesota Housing Fund and Metro Housing and Redevelopment Authority (Metro HRA).

The Family Housing Fund, Hennepin County, Ramsey County, the city of Minneapolis (CPED), the city of Saint Paul, Minnesota Department of Human Services, Minnesota Department of Employment and Economic Development, the United States Department of Housing and Urban Development and the United States Department of Agriculture participate in the review of proposals.

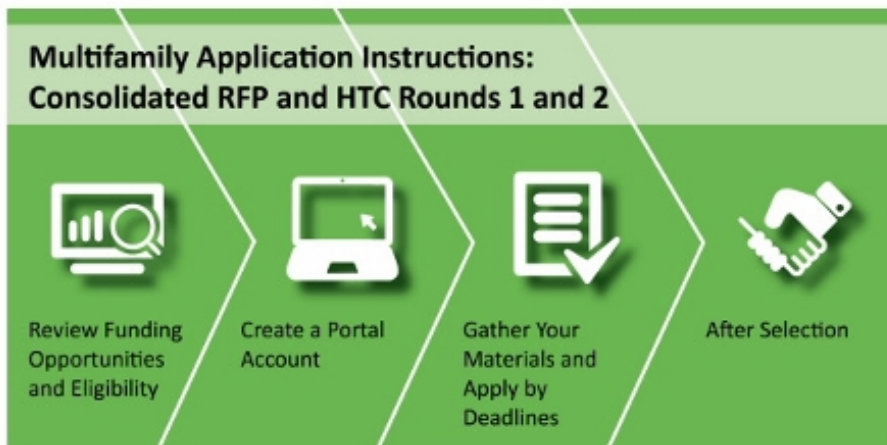
**The Housing Tax Credit (HTC) Round 1** is offered through the Multifamily Consolidated RFP and uses a forward selection process, with selections taking place in the fall of the year preceding the allocation year of the credits.

**The Housing Tax Credit (HTC) Round 2** makes available for allocation any tax credits remaining or returned since HTC Round 1. Additionally, HTC Round 2 establishes a waiting list for credits that may be returned. In HTC Round 2, all projects located in suballocator jurisdictions may apply directly to Minnesota Housing.

For more information on the HTC application cycle and who is eligible to apply for HTC Round 1 and/or HTC Round 2, refer to the current [HTC Program Procedural Manual](#).

This document is intended to provide general instructions and information regarding Minnesota Housing's process. Each housing resource is subject to specific requirements and limitations that are not set out in detail in, or modified by, this document. The allocation of tax credits is governed by the HTC QAP, HTC Procedural Manual, and HTC Self scoring worksheets and applicants for 9% or 4% tax credits should consult those documents.

Here's how to get started:



## Review Funding Opportunities and Eligibility

### Available Funding

Consolidated RFP/ HTC Round 1	HTC Round 2
Amortizing mortgages	Amortizing mortgages
Housing Tax Credits	Housing Tax Credits (HTC)
Deferred loans	Deferred loans, subject to funding availability
Project-based Rental Assistance from Metro HRA	

A number of funding sources depend on availability of state or federal resources. Notification of state sources and amounts available will be provided following the conclusion of Minnesota's legislative session.

### Consolidated RFP: Funding Partner Programs

[Review a complete list and overview](#) of our funding partner programs and priorities.

**Project Eligibility, Feasibility and Organizational Capacity**

Projects must fall into the categories listed below in order to be eligible for funding:<sup>1</sup>

Eligible Housing Types	Eligible Projects	Eligible Activities
Permanent general occupancy rental housing  Permanent Supportive Housing	Have a minimum of four units  Scattered site buildings on different tracts of land if the project is 100 percent rent restricted.	New construction  Acquisition of land or existing structures  Rehabilitation of housing  Adaptive reuse/conversion to housing from another use  Preservation  Demolition  Construction financing  Permanent financing  Rental assistance  Operating assistance if eligible for capital funding from the National Housing Trust Fund

**NOTE:** Developments with age restrictions may not be eligible under some funding sources.

Applicants must also satisfy the following feasibility and capacity funding requirements, including:

Overall Project Feasibility	Organizational Capacity
Whether the proposed site is appropriate for the proposed housing  Whether the proposed housing is needed in the intended market based upon population, job growth and very low housing vacancy rates  Whether the costs of developing the housing are reasonable  Whether the applicant has demonstrated cost containment efforts for all stages and aspects of the development without compromising overall development quality  Whether the housing is economically viable  For Permanent Supportive Housing, whether the service model, staffing and secured funding are adequate to address the needs of the population to be served	The applicant’s related housing experience  Whether the applicant has successfully completed similar projects or is partnering with other organizations that have successfully completed similar projects  Whether the applicant has strong current and expected ongoing capacity to complete the proposed housing as well as other proposals being developed by the organization  Whether the applicant has the capacity to maintain the rental housing long term

<sup>1</sup> Tax credit eligibility is governed by the HTC QAP, HTC Procedural Manual, and HTC Self scoring worksheets.  
 Multifamily Application Instructions  
 Consolidated RFP and HTC Rounds 1 and 2



## **Ineligible Projects**

Any residential rental unit that is part of a hospital, nursing home, sanitarium, life care facility, or intermediate care facility for the mentally and physically handicapped is not for use by the general public and is not eligible for housing tax credits under section 42. Projects with buildings having four or fewer residential units must comply with 42(i)(3)(c). Some programs may have other ineligible project types; see specific program manuals available on Minnesota Housing's website for additional detail.

## **Strategic Priorities and Selection Priorities**

When determining funding awards, Minnesota Housing will give priority to those proposals that best meet the greatest number of [Strategic and Selection Priorities](#). These priorities reflect Minnesota Housing's strategic policy goals outlined in the current funding round. Proposals must meet at least one strategic priority to be eligible for funding from Minnesota Housing, and developments that best meet the most of these criteria will receive priority.

## **Underwriting and Design Standards**

### **Minnesota Housing Multifamily Underwriting Standards**

Refer to the [Minnesota Housing Multifamily Underwriting Standards](#) for information on Minnesota Housing's underwriting standards.

### **Rent and Income Limits**

Minnesota Housing will require income and rent limits consistent with those specified in the owner's application, provided that they are not higher than applicable program statutory income and rent limits.

### **Multifamily Design Standards**

Minnesota Housing is committed to constructing or rehabilitating multifamily housing to a standard that when properly maintained, remains decent, safe and affordable for a long-term duration.

Applications are subject to an architectural concept review that is conducted by the Minnesota Housing staff architect assigned to the development. In evaluating various design/construction alternatives available to a particular development, Minnesota Housing seeks to find solutions that create the most lasting value with the lowest life-cycle costs while maintaining a reasonable initial cost. Design concept changes may be required as a condition of selection.

Minnesota Housing has established minimum design standards that are applicable to the construction/rehabilitation project being proposed. Minnesota Housing's Rental Housing Design and Construction Standards incorporate requirements from a variety of sources to further the agency's charge to facilitate the provision of decent, safe and sanitary housing in the state. Some provisions are requirements of federal programs, some stem from Fair Housing Act, and some stem from building codes or other areas of state statute. Overall, our standards ensure that affordable housing financed by the agency is sustainable, cost-effective, healthy, and energy efficient. The type of housing and funding program often dictates which standards apply. Refer to the Minnesota Housing [Building Standards](#) web page for the Rental Housing Design/Construction Standards and other design information.

**NOTE:** If claiming points for universal design, refer to the design requirements in the [Housing Tax Credit Self-Scoring Worksheet and Deferred Loan Priority Checklist](#) associated with universal design.



## Create a Portal Account

Applicants apply for funding through Minnesota Housing’s online Portal, which allows them to log in, custom build an application checklist based on the type of proposal they will submit and upload all application materials. **Each item has descriptive help text for submission.** [Review instructions on how to navigate the Portal and submit an application.](#)

To apply through the Portal, applicants will need to request a user account. To request an account, please complete the [online form](#).

**NOTE:** Refer to the [Multifamily Customer Portal User Guide](#) for more information.

### Property and Project Numbers

On many Minnesota Housing forms, applicants are asked to provide a property number (D#) and a project number (M#). A D# is a four digit number assigned by Minnesota Housing to represent the property. Applicants will receive an email notification once a D# is assigned. For the 2018 RFP/2019 Consolidated Multifamily RFP and HTC Round 1, the Portal will automatically assign an M# and a secondary M# number in case applicants are submitting a dual application. Applicants need to list the primary M# in their workbook and the Housing Tax Credit Self-scoring Worksheet and Deferred Loan Priority Checklist. Enter the secondary M# in the dual application workbook and dual Housing Tax Credit Self-scoring Worksheet and Deferred Loan Priority Checklist.

The D#, M# and secondary M# can be found in the project detail section of an applicant’s project.

The screenshot shows a web interface with a navigation bar at the top containing 'Funding Round' and 'Projects'. Below the navigation bar, there is a header section for 'Project Sample Project' with a 'Printable View' link on the right and a '< Back to List' link on the left. Underneath, there is a link for 'Project Phases [1]'. The main content is a 'Project Detail' table with the following information:

Project Name	Sample Project	Funding Round	2018 RFP/2019 HTC Round 1
Primary Address	400 Wabasha Street	Project #	M17836
City	Saint Paul	Secondary Project #	M17837
ZIP Code	55101	D #	D0484
County	Ramsey		
Project Status	In Process		





## Gather Your Materials and Apply by Deadlines

### Applicant Responsibilities

Applicants are responsible to know all requirements that are needed to submit a complete application based on the specific housing proposal and activity type.

Required Submission Items	How to Submit	Application Due Date
<b>Consolidated RFP (including HTC Round 1)</b>		
Preservation Pre-application	<a href="#">Multifamily Customer Portal</a>	May 15, 2018
Intent to Apply	<a href="#">Multifamily Customer Portal</a>	June 5, 2018
Qualification Forms and Financial Information Development Team Sponsor	<a href="#">Multifamily Secure Upload Tool</a>	June 5, 2018
<a href="#">Fee Remittance Form</a> , including supporting documentation Appraisal Fee <sup>2</sup> o Land Only o Existing Buildings and Adaptive Reuse LMIR Application Fee Tax Credit Application Fee <b>NOTE:</b> All fees are non-refundable	Minnesota Housing Attention: Tamara Wilson 400 Wabasha Street North, Suite 400 St. Paul, MN 55102	June 5, 2018
Application Package	<a href="#">Multifamily Customer Portal</a>	June 14, 2018
<b>HTC Round 2 – Projected Due Dates</b>		
Preservation Pre-application	<a href="#">Multifamily Customer Portal</a>	January 2, 2019
Intent to Apply	<a href="#">Multifamily Customer Portal</a>	January 15, 2019
Qualification Forms and Financial Information Development Team Sponsor	<a href="#">Multifamily Secure Upload Tool</a>	January 15, 2019
<a href="#">Fee Remittance Form</a> , including supporting documentation Appraisal Fee <sup>3</sup> o Land Only (with identity of interest) o Existing Buildings and Adaptive Reuse LMIR Application Fee Tax Credit Application Fee <b>NOTE:</b> All fees are non-refundable	Minnesota Housing Attention: Tamara Wilson 400 Wabasha Street North, Suite 400 St. Paul, MN 55102	January 15, 2019
Application Package	<a href="#">Multifamily Customer Portal</a>	January 31, 2019

The Consolidated Multifamily RFP, HTC Round 1 and HTC Round 2 are highly competitive in nature. A typical funding round will result in requests equal to four to five times the amount of funding that is available; therefore, incomplete applications will not be processed and resubmission will not be allowed during these funding rounds.

<sup>2</sup> Scattered site developments may be subject to additional fees if the geographic area is large. Preservation pre-applications that meet Risk of Loss Due to Market Conversion have an earlier appraisal fee deadline as outlined in Minnesota Housing's online Portal.

<sup>3</sup> Scattered site developments may be subject to additional fees if the geographic area is large.

NOTE: Applicants must use the most current version of application forms, which can be found in the Portal or on Minnesota Housing’s website for each funding round.

### Application Reference Materials

Consult the following resources for scoring guidance when applying for funds from Minnesota Housing:

Application Type	Scoring Guide	HTC Self-Scoring Worksheet (9% or 4% or both)	Deferred Loan Priority Checklist
Consolidated RFP	x	If applying for tax credits, refer to HTC guidance	x
HTC Round 1	x	x	
HTC Round 2	x	x	

In addition,

Refer to the [Application Resources page](#), which contains links to various materials that may be utilized in completing the application package.

The [Multifamily Financing Product Summary](#) provides basic information on multifamily housing resources available through the Consolidated Multifamily RFP and the year-round funding process.

Many of Minnesota Housing’s funding sources and programs have [information sheets](#) that provide additional information about eligible activities and program funding sources.

[Training tutorials](#) are also available on Minnesota Housing’s website.

### Consolidated RFP: Dual Application Guidance

A dual application is an application for projects that are financed and structured with 9% tax credits and that have a simultaneous application structured with 4% tax credits, or, in certain circumstances, deferred loan funding only. Minnesota Housing will not issue tax-exempt bonds for developments located in Minneapolis, St. Paul or Dakota County.

#### Why submit a Dual Application?

Minnesota Housing will review the application and score it as a 4% and 9% proposal per the respective criteria and priorities as outlined in Minnesota Housing’s Qualified Allocation Plan. The two proposals should have the same structure and selection priorities (same unit mix, tenant population, design/scope of work, M & Os, rents, etc.) If Minnesota Housing determines that a 4% structure would be appropriate, Minnesota Housing will work with the developer to adjust the proposal accordingly. Some funding sources do not work with 9% credits, so being able to structure proposals under either scenario allows more resources to be deployed and more developments to be funded in the funding round.

#### Dual Application Proposals

Proposals that meet the Preservation strategic priority and/or selection criterion and contain 40 units or more, as defined in the Housing Tax Credit Self-Scoring Worksheet, are required to submit a dual 9% and 4% tax credit application. All other proposals that meet one or more of Minnesota Housing’s strategic priorities (with the exception of preservation) have the option to submit a dual 9% and 4% tax credit application. Dual application proposals must meet one of the following size criteria:

The project has more than 40 units and has \$2.5 million or more in equity proceeds

The project has fewer than 40 units or has less than \$2.5 million in equity proceeds, and the application includes a detailed Letter of Interest from an investor or a syndicator that documents that initial underwriting has taken place and that preliminary terms are included. The Letter of Interest must be signed by both the investor and applicant.

Minnesota Housing may make adjustments to selection conditions on applications chosen and scored with a 4% structure, including changes to the rent structure and tenant population. Any modifications to the scoring as a 4% structure will be communicated at the time of selection.

**Deferred Only/9% Dual Applications** are optional for projects that meet the Supportive Housing Strategic Priorities as outlined in the HTC Self-Scoring Worksheet. For deferred only applications, refer to the [Deferred Loan Priority Checklist](#). These proposals may submit a second application requesting deferred funding only, without tax credits.

**Additional Guidance for both 4% and 9% or Combined 4% and 9% Proposals**

Applicants should submit two Housing Tax Credit Self-scoring Worksheets reflecting both the 9% and 4% proposals. The dual application should be structured as the same project (unit mix, tenant focus, design/scope of work, management and operating expenses, rent structure) and with only minor variations due to the 4% structure.

Minnesota Housing may make adjustments to selection conditions on applications chosen and scored with a 4% structure, including changes to rent structure and tenant population. Any modifications to the scoring as a 4% structure will be communicated at the time of selection.

Minnesota Housing will not issue tax-exempt bonds where the amount necessary to meet the 50 percent test is less than \$2,000,000.



## After Selection

If a project is selected for further processing, Minnesota Housing will send a letter to applicants detailing the terms and conditions of funding along with next steps.

All selected proposals will be subject to funding priorities and conditions of selection through for the term of the loan or applicable period set out in the loan or HTC documents.





## DEFERRED LOANS

### National Housing Trust Fund (NHTF)

#### Program Overview

Minnesota Housing's NHTF Program provides opportunities to increase or preserve the supply of multifamily rental housing for extremely low-income families. This program provides funding to add a supply of affordable housing to markets where there is strong evidence of an inadequate supply.

Up to one third of NHTF funding may also be used for Operating Assistance for eligible costs.

#### Application Process

Applications accepted through the annual RFP process and throughout the year, should resources be available.

#### Lending Terms

- Eligible Properties:** Multifamily rental housing that can conform to the federal requirements of the NHTF Program, including rent and income limits for the term of the affordability period. Projects that apply for NHTF Operating Assistance are limited to new construction or unoccupied adaptive reuse projects only.
- Loan Purpose:** **Capital Funding:** New construction, rehabilitation or acquisition of multifamily rental housing.  
**Operating Assistance:** If applying for Operating Assistance, funds may be used for eligible costs and will be coupled with capital funding. The Operating Assistance funding award amount will be determined based on the cumulative negative Net Operating Income (NOI) of the units assisted by the Operating Assistance for a period of up to 15 years of the affordability period.
- Loan Parameters:** **Capital Funding:** Funds will be made available as a zero percent loan, with payment deferred for 30 years. Loan terms may be adjusted based on requirements and conditions of the federal assistance or other funding sources. Rent and income restrictions will apply for the term of affordability, which is 30 years. Per-unit subsidy limits are required and are set by Minnesota Housing. Whenever a new Qualified Allocation Plan (QAP) is adopted or modified, adjustments are then made based on cost trends.  
**Operating Assistance:** Funding provided for up to five years under a grant agreement that could be renewed upon expiration, to the extent NHTF funds continue to be available, or structured as operating reserves funded for up to the full 30-year affordability period. Reserves funded for less than the affordability period could be renewed upon expiration to the extent that NHTF funds continue to be available.
- Term and Amortization:** Deferred 30 years.



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[www.mnhousing.gov](http://www.mnhousing.gov)





# DEFERRED LOANS HOME Investment Partnerships (HOME) Program

### Program Overview

Minnesota Housing’s goal under the HOME Program is to preserve the supply of decent, safe and sanitary affordable housing for low-income individuals and families. The HOME Program provides financing for the rehabilitation or acquisition and rehabilitation of federally assisted multifamily rental housing. Minnesota Housing gives priority in its Consolidated Request for Proposals (RFP) to developments faced with the risk of opt-out from federally subsidized programs (e.g., Section 8). Funding can also be provided for stabilization of existing non-federally assisted developments and new construction.

### Application Process

Applications accepted through the annual RFP process and throughout the year, should resources be available.

### Lending Terms

- Eligible Properties:** Multifamily rental housing that can conform to the federal requirements of the HOME Program, including rent and income limits, for the term of the affordability period. Priority is given to federally assisted developments at risk of opt-out; funding can also be provided for stabilization of existing non-federally assisted projects and new construction.
- Loan Purpose:** New construction, rehabilitation or acquisition and rehabilitation of multifamily rental housing.
- Loan Parameters:** Funds will be made available as a zero percent loan, with payment deferred for 30 years. Loan terms may be adjusted based on requirements and conditions of the federal assistance or other funding sources. Rent and income restrictions apply for the term of affordability, which is determined by the amount of HOME funds and the number of HOME assisted units.
- Term and Amortization:** Deferred 30 years.
- Borrower:** A for-profit entity; 501(c)(3) nonprofit entity (including Community Housing Development Organizations [CHDO]); government unit (excluding the federal government); or religious organization. The owner must provide evidence of a qualifying interest in the property with such interest recorded and appearing in the records of the county. Properties owned by a trust are not eligible to apply for HOME funds. The minimum qualifying interest is a 100 percent fee simple interest, which may be subject to a mortgage.
- Recourse:** Full recourse.
- Interest Rate:** Zero percent unless other funds, such as tax credits, require an interest rate.
- Prepayment and Assumption:** Negotiable; the rent and income restrictions will remain in effect for the term of affordability regardless if the loan is paid in full or an assumption is allowed.



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<b>Davis Bacon and Related Acts:</b>	Applies if the property has 12 or more HOME assisted units.
<b>Income and Rent Limits:</b>	Very low income limits (at or below 50% of AMI) with rents at the low HOME rent limit. In some cases, a number of HOME units may use the low income limits (at or below 80% of AMI) with rents at the high HOME rent limit.
<b>Repairs Qualifications:</b>	<p>Properties funded through the HOME Program must follow Minnesota Housing’s Rental Housing Design/Construction Standards, which include specific requirements related to federally funded projects. Properties served with HOME funds must be brought into conformance with all applicable state and local codes, standards and ordinances by project completion. In a case where standards differ, the most restrictive standards will generally apply.</p> <p>Properties must meet local housing habitability or quality standards throughout the effective period unless no such standards exist. If no such standards exist, HUD’s Uniform Physical Conditions Standards (UPCS) as set forth in 24 CFR 5.703 will apply. If any of the major systems are not repaired or replaced during construction, a reserve account must be funded if the system(s) will need to be replaced during the affordability period.</p>
<b>Monitoring:</b>	Owners must submit an owner’s certification and report occupancy data annually using Minnesota Housing’s online reporting tool. Minnesota Housing will conduct asset management oversight. Properties will be inspected periodically, including a review of tenant files and other administrative records.
<b>Third Party Reports:</b>	May include reports such as an appraisal, Phase 1 environmental clearance, radon, asbestos, lead, and a physical needs assessment.

**Questions**

Jennifer Wille, Program Manager: 651.296.9821 or [jennifer.wille@state.mn.us](mailto:jennifer.wille@state.mn.us)



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**Discussion:**

The above attached "Strategic Selection Priorities - Instructions - Term Sheets" pertains to details in selection criteria for both the HOME and NHTF programs as well as includes public documents with instructions on how to apply and the terms of HOME and NHTF loans.

## **UNIQUE APPENDICES**

**STATE OF MINNESOTA**

**Department of Employment and Economic Development**

**Minnesota Housing Finance Agency**

**Minnesota Department of Human Services**

**NOTICE OF PUBLIC HEARINGS**

**STATE OF MINNESOTA 2020 HOUSING AND COMMUNITY DEVELOPMENT  
ANNUAL ACTION PLAN (ACTION PLAN)**

The State of Minnesota is developing its annual Action Plan for 2020 and encourages citizen and community participation in its development.

The state annually submits an Action Plan to the U.S. Department of Housing and Urban Development (HUD) in order to receive federal housing and community development funding through the Community Development Block Grant, HOME Investment Partnerships, Emergency Solutions Grants, Housing Opportunities for Persons with AIDS, and the national Housing Trust Fund (HTF) programs. This plan reflects year four of the state's 2017-2021 Consolidated Plan which examines the housing and community development needs of the state, and sets priorities for allocating HUD funds.

The state will hold its first public hearing about the Action Plan on **Thursday February 20, 2020**, to gather citizen input on housing and community development needs and how federal funding should be allocated in the state. This hearing will be held at 4:00 PM at the Minnesota Department of Human Services, Room 1236, 444 Lafayette Road, St. Paul. Free parking is available in parking lot C adjacent to the building.

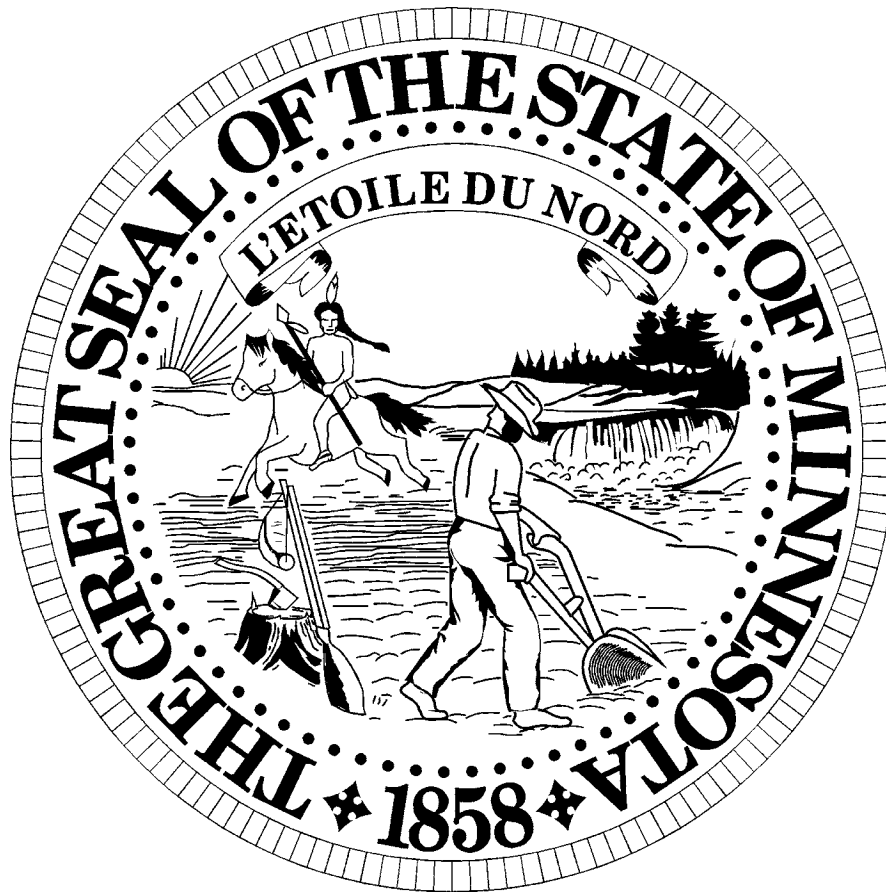
A second public hearing on the Action Plan will be held on **Tuesday, May 5, 2020**, for review and comment on the draft Action Plan, which will be available for public review and comment beginning April 8, 2020. The draft Action Plan will be available at <http://www.mnhousing.gov> and <http://mn.gov/deed/government/financial-assistance/community-funding/>. This hearing will be held at 4:00 PM at the Minnesota Housing Finance Agency, 400 Wabasha Street, Suite 400, St. Paul. Limited free guest parking is available in the adjacent Treasure Island Center garage, enter from 6<sup>th</sup> Street (park in marked locations on level 6 near marked agency entrance).

Comments on the draft Action Plan will be accepted until close of business **May 8, 2020**. Written public comments should be submitted to: Action Plan, Attn: Michelle Vang; Minnesota Department of Employment and Economic Development; First National Bank Building; 332 Minnesota Street, Suite E200; St. Paul, MN 55101-1351; or by email to [michelle.vang@state.mn.us](mailto:michelle.vang@state.mn.us). Hard copies of the Action Plan can be obtained by calling Michelle Vang, (651) 259-7504 or 1-800-657-3858, or by TTY 1-800-282-5909.

The State will consider any comments from individuals or groups received in writing or at public hearings. A summary of the written and public hearing comments on the Action Plan and the State's responses will be included in the final Action Plan. The Action Plan and, if necessary, substantial amendment, will be submitted to HUD after HUD notifies the State of its fiscal year 2020 allocations.

# Minnesota State Register

Published every Monday (Tuesday when Monday is a holiday)



**Proposed, Adopted, Emergency, Expedited, Withdrawn, Vetoed Rules;  
Executive Orders; Appointments; Commissioners' Orders; Revenue Notices;  
Official Notices; State Grants & Loans; State Contracts; Non-State Public Bids,  
Contracts and Grants**

**Monday 10 February 2020  
Volume 44, Number 33  
Pages 875 - 894**

# Minnesota State Register

## Judicial Notice Shall Be Taken of Material Published in the Minnesota State Register

The Minnesota State Register is the official publication of the State of Minnesota's Executive Branch of government, published weekly to fulfill the legislative mandate set forth in Minnesota Statutes, Chapter 14, and Minnesota Rules, Chapter 1400. It contains:

- Proposed Rules
- Adopted Rules
- Exempt Rules
- Expedited Rules
- Withdrawn Rules
- Executive Orders of the Governor
- Appointments
- Proclamations
- Vetoed Rules
- Commissioners' Orders
- Revenue Notices
- Official Notices
- State Grants and Loans
- Contracts for Professional, Technical and Consulting Services
- Non-State Public Bids, Contracts and Grants

## Printing Schedule and Submission Deadlines

Vol. 44 Issue Number	Publish Date	Deadline for: all Short Rules, Executive and Commissioner's Orders, Revenue and Official Notices, State Grants, Professional-Technical- Consulting Contracts, Non-State Bids and Public Contracts	Deadline for LONG, Complicated Rules (contact the editor to negotiate a deadline)
#34	Tuesday 18 February	Noon Tuesday 11 February	Noon Thursday 6 February
#35	Monday 24 February	Noon Tuesday 18 February	Noon Thursday 13 February
#36	Monday 2 March	Noon Tuesday 25 February	Noon Thursday 20 February
#37	Monday 9 March	Noon Tuesday 3 March	Noon Thursday 27 February

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State Capitol, Room 231, St. Paul, MN 55155  
<https://www.senate.mn/>

### Minnesota State Court System

Court Information Office (651) 296-6043  
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<http://www.mncourts.gov>

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### Federal Register

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# Minnesota Rules: Amendments and Additions

## NOTICE: How to Follow State Agency Rulemaking in the State Register

The State Register is the official source, and only complete listing, for all state agency rulemaking in its various stages. State agencies are required to publish notice of their rulemaking action in the State Register. Published every Monday, the State Register makes it easy to follow and participate in the important rulemaking process. Approximately 80 state agencies have the authority to issue rules. Each agency is assigned specific Minnesota Rule chapter numbers. Every odd-numbered year the Minnesota Rules are published. Supplements are published to update this set of rules. Generally speaking, proposed and adopted exempt rules do not appear in this set because of their short-term nature, but are published in the State Register.

An agency must first solicit Comments on Planned Rules or Comments on Planned Rule Amendments from the public on the subject matter of a possible rulemaking proposal under active consideration within the agency (Minnesota Statutes §§ 14.101). It does this by publishing a notice in the State Register at least 60 days before publication of a notice to adopt or a notice of hearing, or within 60 days of the effective date of any new statutory grant of required rulemaking.

When rules are first drafted, state agencies publish them as Proposed Rules, along with a notice of hearing, or a notice of intent to adopt rules without a hearing in the case of noncontroversial rules. This notice asks for comment on the rules as proposed. Proposed emergency rules, and withdrawn proposed rules, are also published in the State Register. After proposed rules have gone through the comment period, and have been rewritten into their final form, they again appear in the State Register as Adopted Rules. These final adopted rules are not printed in their entirety, but only the changes made since their publication as Proposed Rules. To see the full rule, as adopted and in effect, a person simply needs two issues of the State Register, the issue the rule appeared in as proposed, and later as adopted.

The State Register features partial and cumulative listings of rules in this section on the following schedule: issues #1-26 inclusive (issue #26 cumulative for issues #1-26); issues #27-52 inclusive (issue #52, cumulative for issues #27-52 or #53 in some years). A subject matter index is updated weekly and is available upon request from the editor. For copies or subscriptions to the State Register, contact Minnesota's Bookstore, 660 Olive Street (one block east of I-35E and one block north of University Ave), St. Paul, MN 55155, phone: (612) 297-3000, or toll-free 1-800-657-3757. TTY relay service phone number: (800) 627-3529.

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# Official Notices

Pursuant to *Minnesota Statutes* §§ 14.101, an agency must first solicit comments from the public on the subject matter of a possible rulemaking proposal under active consideration within the agency by publishing a notice in the *State Register* at least 60 days before publication of a notice to adopt or a notice of hearing, and within 60 days of the effective date of any new statutory grant of required rulemaking.

The *State Register* also publishes other official notices of state agencies and non-state agencies, including notices of meetings and matters of public interest.

## Department of Agriculture

### Pesticide and Fertilizer Management Division

#### Notice of Preliminary Decision to Designate Clothianidin, Imidacloprid, and Thiamethoxam Neonicotinoid Insecticides as “Surface Water Pesticides of Concern” in Minnesota

The Pesticide Management Plan (PMP) requires the Commissioner of the Minnesota Department of Agriculture (MDA) to provide a public notice and a minimum comment period of 60 days prior to any changes in “Surface Water Pesticide of Concern” status for a pesticide. A PUBLIC NOTICE IS HEREBY GIVEN that the Commissioner has made a preliminary decision to designate the neonicotinoid insecticides clothianidin, imidacloprid, and thiamethoxam, as “Surface Water Pesticides of Concern” in accordance with the PMP. The PMP is available at <https://www.mda.state.mn.us/protecting/waterprotection/pmp>.

The Commissioner has statutory responsibility and authority to: “determine the impact of pesticides on the environment, including the impacts on surface water and groundwater” (Minn.Stat. § 18B.04 subd. 1); to “develop best management practices involving pesticide...use” (Minn. Stat. § 18B.04 subd. 2); and to ensure that pesticide use “will not cause unreasonable adverse effects on the environment” (Minn. Stat. § 18B.07 subds. 1 & 2). The PMP is designed, in response to a directive from the legislature in 1989, to coordinate necessary activities to protect Minnesota’s groundwater and surface water resources from pesticide contamination in accordance with the statutory requirements and guidance in the Pesticide Control Law (Minn. Stat. Chapter 18B) and the Groundwater Protection Act (Minn. Stat. Chapter 103H).

“Surface Water Pesticide of Concern,” as it is used in the PMP, means the detection of a pesticide in surface water at concentrations of concern relative to a water quality “Reference Value” not due to misuse or unusual or unique circumstances, but likely to be the result of normal use of product or practice. The proposed determinations of clothianidin, imidacloprid, and thiamethoxam, as “Surface Water Pesticides of Concern” are based on the following guidelines as recommended in the PMP:

- In 2018, the Environmental Protection Agency (EPA) lowered the Aquatic Life Benchmarks (ALB) for clothianidin from 1100 ng/L to 50 ng/L, imidacloprid from 1050 ng/L to 10 ng/L, and thiamethoxam from 17,500 ng/L to 740 ng/L.
- The MDA monitoring results from 2010 through 2018 show clothianidin, imidacloprid, and thiamethoxam detections in several state rivers and streams approached or exceeded the EPA’s updated ALBs for these pesticides. When using the updated ALBs:
  - o Clothianidin detections exceeded the updated ALB 83 times in Minnesota rivers and streams since 2011.
  - o Every imidacloprid detection across Minnesota rivers and streams has been above the updated ALB since 2010.
  - o Thiamethoxam detections exceeded the updated ALB twice in Minnesota rivers and streams since 2010. While exceedances for thiamethoxam remain low, thiamethoxam is being included, in part, due to clothianidin detections. Clothianidin is a breakdown product of thiamethoxam.
- Pesticide Management Planning Committee members provided comments to the Commissioner to consider clothianidin, imidacloprid, and thiamethoxam, as “Surface Water Pesticide of Concern”.

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In fulfillment of the responsibilities set forth in the state statute, the proposed determination as “Surface Water Pesticides of Concern” includes a proposal to develop and promote water quality best management practices (BMPs) for these three neonicotinoid insecticides. The MDA previously developed BMPs for these neonicotinoid compounds to protect pollinators as a result of the *Special Registration Review on Neonicotinoids*. These BMPs are also expected to protect surface water. The MDA may reformat previously developed voluntary pollinator BMPs for neonicotinoids to promote them as water quality BMPs.

The MDA has requested the Minnesota Pollution Control Agency (MPCA) to develop Minnesota-specific water standards for imidacloprid, thiamethoxam, and clothianidin. Until development of Minnesota-specific standards has taken place, the MDA will use the EPA’s ALB values as guidance values.

Clothianidin, imidacloprid, and thiamethoxam are used to control a number of insect pests in agricultural production systems and turf and ornamental settings throughout Minnesota. Notable application methods include seed treatments, granular, spray, and drench applications.

Additional information related to clothianidin, imidacloprid, and thiamethoxam in this notice and on MDA voluntary pesticide BMPs is available at <https://www.mda.state.mn.us/special-registration-review-neonicotinoid-insecticides>.

The MDA will accept public comment on this proposed action for 60 days, until April 9, 2020. Interested parties or groups may direct inquiries or comments about the proposed action by fax, e-mail or letter to the MDA at the following address:

Trisha Leaf  
Pesticide and Fertilizer Management Division  
Minnesota Department of Agriculture  
625 Robert Street North  
St. Paul, MN 55155-2538  
Phone: (651) 201-6588  
Fax: (651) 201-6117  
Email: [trisha.leaf@state.mn.us](mailto:trisha.leaf@state.mn.us)

## **Department of Employment and Economic Development (DEED), Minnesota Housing and Department of Human Services Notice of Public Hearings for State of Minnesota 2020 Housing and Community Development Annual Action Plan (Action Plan)**

The State of Minnesota is developing its annual Action Plan for 2020 and encourages citizen and community participation in its development.

The state annually submits an Action Plan to the U.S. Department of Housing and Urban Development (HUD) in order to receive federal housing and community development funding through the Community Development Block Grant, HOME Investment Partnerships, Emergency Solutions Grants, Housing Opportunities for Persons with AIDS, and the national Housing Trust Fund (HTF) programs. This plan reflects year four of the state’s 2017-2021 Consolidated Plan which examines the housing and community development needs of the state, and sets priorities for allocating HUD funds.

The state will hold its first public hearing about the Action Plan on **Thursday February 20, 2020**, to gather citizen input on housing and community development needs and how federal funding should be allocated in the state. This hearing will be held at 4:00 PM at the Minnesota Department of Human Services, Room 1236, 444 Lafayette Road, St. Paul. Free parking is available in parking lot C adjacent to the building.

A second public hearing on the Action Plan will be held on **Tuesday, May 5, 2020**, for review and comment on the draft Action Plan, which will be available for public review and comment beginning April 8, 2020. The draft Action Plan will be available at <http://www.mnhousing.gov> and *DEED's Community Development Funding Page*. This hearing will be held at 4:00 PM at the Minnesota Housing Finance Agency, 400 Wabasha Street, Suite 400, St. Paul. Limited free guest parking is available in the adjacent Treasure Island Center garage, enter from 6th Street (park in marked locations on level 6 near marked agency entrance).

Comments on the draft Action Plan will be accepted until close of business **May 8, 2020**. Written public comments should be submitted to: Action Plan, Attn: Michelle Vang; Minnesota Department of Employment and Economic Development; First National Bank Building; 332 Minnesota Street, Suite E200; St. Paul, MN 55101-1351; or by email to [michelle.vang@state.mn.us](mailto:michelle.vang@state.mn.us). Hard copies of the Action Plan can be obtained by calling Michelle Vang, (651) 259-7504 or 1-800-657-3858, or by TTY 1-800-282-5909.

The State will consider any comments from individuals or groups received in writing or at public hearings. A summary of the written and public hearing comments on the Action Plan and the State's responses will be included in the final Action Plan. The Action Plan and, if necessary, substantial amendment, will be submitted to HUD after HUD notifies the State of its fiscal year 2020 allocations.

## Department of Education (MDE)

### Division of Compliance and Assistance

#### **Request for Comments for Possible Amendment to Rules Governing an Individualized Education Program (IEP) Team Including District and Statewide Assessment Results in an IEP, Minnesota Rules, Ch. 3525.2810, Subp. 2; Revisor's ID Number RD4630**

**Subject of Rules.** The Minnesota Department of Education (MDE) requests comments on its possible amendment to rules governing an individualized education program (IEP) team including district and statewide assessment results in an IEP. The department is considering rule amendments that change Minnesota Rules, part 3525.2810, subp. 2, to include language that permits an IEP team to include district and statewide assessment results in a student's IEP. During the 2019 legislative session, the Legislature heard testimony from a school district that the current language is confusing and has been interpreted to require more reporting than MDE and the Legislature intended. The rule language reflects the federal 1999 Individuals with Disabilities Education Act (IDEA) language which has since been revised. The proposed amendment includes the *language authorized by the Legislature*, with additional language related to the consideration of academic, developmental and functional needs. The additional language is also in alignment with 2004 changes to the federal IDEA and is needed because a review of that assessment data may be necessary to determine academic needs. That language is contained in *chapter 34 of the Code of Federal Regulations, section 300.324(a)* (<https://sites.ed.gov/idea/regs/b/d/300.324/>) as reflected in the 2004 IDEA reauthorization.

**Persons Affected.** The amendment to the rules would likely affect special education teachers, special education directors, school district staff, parents, school boards, advocacy organizations, and students.

**Statutory Authority.** **Laws of Minnesota 2019, 1st Spec. Sess. chapter 11, article 14, section 10** (<https://www.revisor.mn.gov/laws/2019/1/Session+Law/Chapter/11/>), authorizes the department to amend Minnesota Rules, part 3525.2810, subpart 2, item A, to allow but not require an IEP to report a student's performance on general state or districtwide assessments.

**Public Comment.** Interested persons or groups may submit comments or information on these possible rules in writing until 4:30 p.m. on Friday, April 10, 2020. The department will not publish a notice of intent to adopt the rules until more than 60 days have elapsed from the date of this request for comments. The Department does not plan to appoint an advisory committee to comment on the possible rules.

**Rules Drafts.** The department has drafted the possible rule amendments. The proposed rule amendments are

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available on the agency rulemaking webpage for this rule (<https://education.mn.gov/MDE/about/rule/rule/>) or included with this mailing.

**Agency Contact Person.** Written comments, questions, requests for rule drafts and requests for more information on these possible rules should be directed to: Kerstin Forsythe Hahn at the Minnesota Department of Education, 1500 Highway 36, Roseville, MN 55113; (651) 582-8583; [Kerstin.forsythe@state.mn.us](mailto:Kerstin.forsythe@state.mn.us) or submit written comments via the *Office of Administrative Hearings Rulemaking eComments website* (<https://minnesotaoah.granicusideas.com/discussions>).

**Alternative Format.** Upon request, this information can be made available in an alternative format, such as large print, braille, or audio. To make such a request, please contact the agency contact person at the address or telephone number listed above.

**Public Data.** Comments submitted during formal rulemaking proceedings are public government data. This means that any member of the public can request to see the information. It is a violation of the Minnesota Government Data Practices Act to share private data about a third party without their permission. Please only submit comments that include personal information about yourself or your minor child(ren) that you are comfortable being classified as public data.

**Formal Rulemaking Record.** Comments received in response to this notice will not necessarily be included in the formal rulemaking record submitted to the administrative law judge if and when a proceeding to adopt rules is started. The agency is required to submit to the judge only those written comments received in response to the rules after they are proposed. If you submitted comments during the development of the rules and you want to ensure that the Administrative Law Judge reviews the comments, you should resubmit the comments after the rules are formally proposed.

Date: 1/21/20

Original signed by Commissioner  
Mary Cathryn Ricker, Commissioner  
Minnesota Department of Education

## Investment Advisory Council Official Meeting Notice

The Investment Advisory Council of the Minnesota State Board of Investment will meet on **Tuesday, February 18, 2020 at 12:00 p.m.** at the Retirement Systems Building, Room 106 (Main Floor), 60 Empire Drive, St. Paul, Minnesota.

# State Grants & Loans

In addition to requests by state agencies for technical/professional services (published in the State Contracts Section), the *State Register* also publishes notices about grants and loans available through any agency or branch of state government. Although some grant and loan programs specifically require printing in a statewide publication such as the State Register, there is no requirement for publication in the *State Register* itself. Agencies are encouraged to publish grant and loan notices, and to provide financial estimates as well as sufficient time for interested parties to respond.

SEE ALSO: Office of Grants Management (OGM) at: <http://www.grants.state.mn.us/public/>

## Department of Employment and Economic Development (DEED) Request for Proposals for Minnesota Tech Training Competitive Grant

The Department of Employment and Economic Development seeks proposals from qualified responders to develop and implement a pilot program for women and individuals from communities of color—the Minnesota Tech Training Grant—designed to bridge the experience gap from the classroom to employment and assist in meeting the needs of Minnesota businesses. Proposals are due **Friday, February 21, 2020 by 4:00 p.m.** and be submitted in PDF format to [adultcompetitivegrants.deed@state.mn.us](mailto:adultcompetitivegrants.deed@state.mn.us). Late proposals will not be accepted. Full Request for Proposal may be found at <https://mn.gov/deed/about/contracts/open-rfp.jsp>

## Minnesota Department of Health (MDH) Request for Proposal (RFP) for Safe Harbor / No Wrong Door Regional Navigator and Supportive Services

The Minnesota Department of Health’s Safe Harbor Program is seeking proposals for the award of grant funding for projects that address the sexual exploitation of youth by providing funds to regional navigator and supportive service programs.

The department will award up to 9 regional navigator grants and up to 25 supportive services grants as a result of this Request for Proposal (RFP).

A full RFP can be found at: <https://www.health.state.mn.us/communities/safeharbor/servicesnavigatorrfp.html>

To obtain this information in a different format, call: 651-201-5439.

### Letter of Intent Deadline:

Applicants are strongly encouraged to submit a non-binding Letter of Intent (LOI) to MDH no later than 11:59 p.m. Central Time, on February 21, 2020. LOIs should be sent via email to: [tasha.scott@state.mn.us](mailto:tasha.scott@state.mn.us). Please include “**RFP LOI Safe Harbor**” in your subject heading.

### Proposal Deadline:

All applications must be received by **MDH no later than 4:30 p.m. Central Time, on March 26, 2020**, at the MDH Golden Rule Building reception office (Suite 220), whether mailed or sent via courier. Applications submitted electronically must be submitted by 11:59 p.m. on March 26, 2020.

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Attn: Tasha Scott  
Safe Harbor  
Minnesota Department of Health  
PO Box 64882  
Saint Paul, MN 55164-0882  
*tasha.scott@state.mn.us*

MDH is not obligated to complete the proposed project and reserves the right to cancel the solicitation if it is considered to be in its best interest. All expenses incurred in responding to this notice are solely the responsibility of the responder.

## **Minnesota Department of Health (MDH) Office of Rural Health and Primary Care Request for Proposals for Clinical Dental Education Innovations Grants**

The Office of Rural Health and Primary Care, the Minnesota Department of Health, is soliciting proposals for grants to sponsoring institutions and clinical dental training sites for projects that increase dental access for underserved populations and promote innovative clinical training of oral health/dental professionals. Approximately \$1.1 million may be available for Fiscal Year 2021. In recent years the average awards have been between \$125,000 and \$150,000. Eligible applicants include institutions that sponsor accredited clinical dental education programs, institutions that sponsor or are developing interdisciplinary clinical training programs that include accredited dental education, clinical training sites that host dental professional students and are currently enrolled as active Medicaid providers, or consortia consisting of members of one or both groups. Potential uses of grant funds include expansion of existing programs with demonstrated success in providing dental services to underserved populations or the development or implementation of new programs designed to improve access for underserved populations and train oral health professionals.

To be considered for funding, proposals must be received by 12:00 p.m., Friday, April 3, 2020 at the Minnesota Department of Health, 85 East Seventh Place, Suite 220, St. Paul, MN 55101, and Attention: Randi Callahan. Late proposals will not be considered. A copy of the full Request for Proposal may be obtained at <http://www.health.state.mn.us/facilities/ruralhealth/funding/index.html>.

For more information contact Randi Callahan at (651) 201-3860, Email: *Randi.Callahan@state.mn.us*

## **Department of Human Services Child Safety and Permanency Division Notice of Request for Proposals for a Qualified Grantee to Provide Permanency Services to Families**

The Minnesota Department of Human Services (DHS) is requesting proposals from qualified responders to provide support groups and family activities to families in greater Minnesota (outside of the seven-county metro area) as part of the Permanency Support Services Program (PSS).

DHS is seeking proposals for the grant period July 1, 2020 through June 30, 2022.

For more information, or to obtain a copy of the Request for Proposals, contact:

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Crystal Graves  
Department of Human Services  
Child Safety and Permanency Division  
P.O. Box 64944  
444 Lafayette Road North, St. Paul, MN 55155 0944  
Phone: (651) 431-5723 Fax: (651) 431-7627  
*crystal.graves@state.mn.us*

This is the only person designated to answer questions by potential responders regarding this request.

To obtain this information in a different format, please call 651-431-3612.

Proposals submitted in response to this Request for Proposals must be received at the address above no later than **4:00 p.m., Central Time, Wednesday March 25, 2020. Late proposals will not be considered.** Faxed or e-mailed proposals will not be considered.

The RFP can be viewed by visiting the Minnesota Department of Human Services Grants, Requests for Proposals (RFP) and Requests for Information (RFI) web site: <https://mn.gov/dhs/partners-and-providers/grants-rfps/open-rfps/>.

This request does not obligate the State to complete the work contemplated in this notice. The State reserves the right to cancel this solicitation. All expenses incurred in responding to this notice are solely the responsibility of the responder.

## Department of Human Services

### Deaf and Hard of Hearing Services Division

#### Notice of Request for Proposals to Provide Culturally Affirmative Mental Health Services to Deaf, Deafblind, and Hard Of Hearing Children and Adolescents Living in Minnesota

The Minnesota Department of Human Services (DHS) is requesting proposals to provide direct and culturally affirmative mental health services in Minnesota (Service Area #1, #2, or both) to children and adolescents who are deaf, deafblind, or hard of hearing experiencing a behavioral/emotional disorder or are coping with a mental illness. Tasks and deliverables required include:

- 1) Identify and maintain one or more qualified or licensed mental health clinicians who are fluent or at near fluency in American Sign Language (ASL) to provide direct mental health services to deaf, deafblind, and hard of hearing children and adolescents living in Minnesota;
- 2) Deliver culturally affirmative mental health services including individual therapy, family therapy, or group therapy as the State directs;
- 3) Offer telemental health services via secure videoconferencing to deaf, deafblind, and hard of hearing children and adolescents, when needed;
- 4) Serve a minimum of 40 children and adolescents in each Service Area who are deaf, deafblind and hard of hearing with mental health needs, and conduct face-to-face or telemental health therapy sessions throughout the State in each Fiscal Year;
- 5) Utilize third-party reimbursement (health insurance, private pay, etc.) and service fees (sliding fees, cost-sharing, etc.) for mental health services whenever possible;

# State Grants & Loans

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6) Promote the program and its services in its Service Areas. Promoting the program can include listservs, e-mails, print, social media or live presentations;

7) Develop and report on measurable outcomes that demonstrate how individuals who are deaf, deafblind and hard of hearing are better off as a result of the services provided using the Result Based Accountability (RBA) model.

DHS is seeking proposals for the grant period July 1, 2020 through June 30, 2022. It is anticipated that up to \$822,194 will be available for State Fiscal Year 2021 and State Fiscal Year 2022. Responder(s) may apply for Service Area #1 only, Service Area #2 only, or apply both Service Areas (see Appendix B in the RFP for map).

- Available funding for individual projects is:
  - o \$411,375 for Service Area #1 only\*
  - o \$410,819 for Service Area #2 only\*\*
  - o \$822,194 for both Service Areas.

Work is proposed to start on July 1, 2020. For more information, or to obtain a copy of the Request for Proposals, contact:

**Attention: John Gournaris**  
Deaf and Hard of Hearing Services Division  
Minnesota Department of Human Services  
444 Lafayette Rd. North  
St. Paul, MN 55155-3814  
Phone: 651-964-1512  
*John.Gournaris@state.mn.us*

This is the only person designated to answer questions by potential responders regarding this request. To obtain this information in a different format, please call 651-431-3612.

Proposals submitted in response to this Request for Proposals must be received at the address above no later than **4:00 p.m., Central Time, Friday, March 31, 2020. Late proposals will not be considered.** Faxed or e-mailed proposals will not be considered.

The RFP can be viewed by visiting the Minnesota Department of Human Services Grants, Requests for Proposals (RFP) and Requests for Information (RFI) web site: <https://mn.gov/dhs/partners-and-providers/grants-rfps/open-rfps/>.

This request does not obligate the State to complete the work contemplated in this notice. The State reserves the right to cancel this solicitation. All expenses incurred in responding to this notice are solely the responsibility of the responder.



# State Contracts

**Informal Solicitations:** Informal solicitations for professional/technical (consultant) contracts valued at over \$5,000 through \$50,000, may either be published in the *State Register* or posted on the Department of Administration, Materials Management Division's (MMD) Web site. Interested vendors are encouraged to monitor the P/T Contract Section of the MMD Website at [www.mmd.admin.state.mn.us](http://www.mmd.admin.state.mn.us) for informal solicitation announcements.

**Formal Solicitations:** Department of Administration procedures require that formal solicitations (announcements for contracts with an estimated value over \$50,000) for professional/technical contracts must be published in the *State Register*. Certain quasi-state agency and Minnesota State College and University institutions are exempt from these requirements.

**Requirements:** There are no statutes or rules requiring contracts to be advertised for any specific length of time, but the Materials Management Division strongly recommends meeting the following requirements: \$0 - \$5000 does not need to be advertised. Contact the Materials Management Division: (651) 296-2600 \$5,000 - \$25,000 should be advertised in the *State Register* for a period of at least seven calendar days; \$25,000 - \$50,000 should be advertised in the *State Register* for a period of at least 14 calendar days; and anything above \$50,000 should be advertised in the *State Register* for a minimum of at least 21 calendar days.

## Department of Administration

### Notice of Availability of Subcontractor Request for Qualifications (RFQ) for The Upgrade Physical Security for Capitol Complex

J.E. Dunn Construction Company, acting on the behalf of the State of Minnesota, is soliciting subcontractor qualification proposals from interested, qualified subcontractors for the Upgrade Physical Security for Capitol Complex project.

This RFQ is being issued for the following trades: Carpentry, Architectural Woodwork, Doors & Hardware, Glass and Glazing, Drywall, Tile, Paint, Security Equipment, Fire Sprinkler, HVCA, and Electrical.

The full Request for Qualifications is available at the following link:  
<https://securecc.smartinsight.co/#/PublicBidProject/496868> or at the office of J.E. Dunn Construction Company.

Project questions shall be referred to the appropriate person listed in the Request for Qualifications. Qualifications from interested firms must be delivered to Paul Miller, Senior Precon and Estimating Manager, J.E. Dunn Construction Company, 800 Washington Avenue North, Suite 600, Minneapolis, MN 55401, no later than **1:00pm, February 19, 2020**.

J.E. Dunn Construction Company and State of Minnesota are not obligated to complete the proposed project and reserve the right to cancel the solicitation if it is considered to be in its best interest.

## Department of Administration

### MMCAP Infuse

### Notice of Request for Proposals for Pharmaceuticals and Over the Counter Products

MMCAP Infuse, is requesting proposals from new vendors for Pharmaceuticals and Over the Counter Products. MMCAP Infuse is a government-run healthcare product and service group purchasing organization serving governmental entities.

For more information on MMCAP Infuse visit <https://infuse-mn.gov/>

# State Contracts

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To obtain a copy of the RFP go to <https://infuse-mn.gov/partners/suppliersandrfps/openrfp.jsp> or send an email to [MMCAP\\_Infuse.RFP@state.mn.us](mailto:MMCAP_Infuse.RFP@state.mn.us)

Or write to:

Pharmaceuticals and Over the Counter Products RFP Request  
MMCAP Infuse  
50 Sherburne Avenue, Suite 112  
St. Paul, MN 55155

Proposals submitted in response to the Request for Proposals in this notice must be received according to the specifications in the Request for Proposal. RFP Due Date is March 24, 2020, 2:00 p.m. Central Time.

The State reserves the right to cancel this solicitation. All expenses incurred in responding to this notice are solely the responsibility of the responder.

## **Minnesota State Colleges and Universities (Minnesota State) Non-Construction Related Bid and Contracting Opportunities**

Minnesota State is now placing additional public notices for P/T contract opportunities, goods/commodities, and non-construction related services on its Vendor and Supplier Opportunities website (<http://minnstate.edu/vendors/index.html>). New public notices may be added to the website on a daily basis and be available for the time period as indicated within the public notice.

If you have any questions regarding this notice, or are having problems viewing the information on the Vendor and Supplier Opportunities website, please call the Minnesota State Procurement Unit at 651-201-1444, Monday-Friday, 9:00 am – 4:00 pm.

## **Minnesota State Colleges and Universities (Minnesota State) Notice of Request for Proposal (RFP) for Roofing Consultant for: System Wide Roof Management Program**

The State of Minnesota, acting through its Board of Trustees of the Minnesota State Colleges and Universities (“Minnesota State”), on behalf of the System Office, is soliciting proposals from interested, qualified consultants to provide annual roof surveys for the Minnesota State Roof Management System for 2020 - 2021, with option for renewal of contract for three additional years. Reports and survey data will be uploaded to a web based Roofing Project Management web site and will cover both academic and revenue buildings at 54 campus locations throughout the state.

The Request for Proposal documents (RFP and attachments) are available at:  
<http://www.minnstate.edu/vendors/index.html>

Responses must be delivered to:

ATTN: James P. Morgan, - Facilities Design and Construction  
30 7th Street East, Suite 350,  
St. Paul, MN 55101-7804

Responses must be received NO later than **2:00 PM, Monday, February 25, 2020**. Late responses will not be considered.

Minnesota State Colleges and Universities is not obligated to complete the proposed project and reserves the right to cancel the solicitation if it is considered to be in its’ best interest. All expenses incurred in responding to this notice are solely the responsibility of the responder.

## Minnesota State Colleges and Universities (Minnesota State)

### Northland Community and Technical College

#### Notice of Request for Marketing Creative Services and Consulting

NOTICE IS HEREBY GIVEN that Northland Community & Technical College Requests for Proposal (RFP) for a consultant(s) to assist with marketing creative services and consulting for the launching and marketing of our Z-Degree/OER program. The vendor selected will work with college employees and other external parties through multiple meetings utilizing technology formats including face-to-face meetings. To receive a copy of the full RFP, please contact Shannon Jesme either by telephone (218) 683-8577 or email at [shannon.jesme@northlandcollege.edu](mailto:shannon.jesme@northlandcollege.edu).

Proposals are due by **5:00 p.m. central time, Monday, February 17, 2020** and are to be addressed to Shannon Jesme, Northland Community and Technical College, 1011 Highway 1 East, Thief River Falls, MN 56701. Any questions should be in the form of an RFI and directed to Chad Sperling at email [chad.sperling@northlandcollege.edu](mailto:chad.sperling@northlandcollege.edu). Late responses will not be considered.

Minnesota State Colleges and Universities is not obligated to complete the proposed project and reserves the right to cancel the solicitation.

## Minnesota State Colleges and Universities (Minnesota State)

### Winona State University

#### Request for Proposals for an Exclusive Beverage Partnership

Notice is hereby given that Winona State University is seeking proposals for an **Exclusive Beverage Partnership**. Proposal specifications are available by contacting Laura Mann, Purchasing Director, PO Box 5838, 106 Somsen Hall, Winona, MN 55987 or via email to [lmann@winona.edu](mailto:lmann@winona.edu) According to the RFP directions, proposals must be received by **March 6, 2020, 3:00 p.m. CT**. Winona State University reserves the right to reject any or all proposals and to waive any irregularities or informalities in proposals received.

## Department of Commerce

### Division of Energy Resources

#### Notice of Contract Availability for Telecommunications Consulting Services

The Minnesota Department of Commerce requests proposals from qualified organizations or individuals to provide telecommunications consulting services to ensure the compliance by Frontier Communications of Minnesota, Inc. and Citizens Telecommunications Company of Minnesota, LLC (collectively "Frontier") with certain terms of a settlement approved by an Order of the Minnesota Public Utilities Commission ("Commission") on January 22, 2020.

A Request for Proposals (RFP) and required forms will be available on the Department's RFP website <https://mn.gov/commerce/industries/rfp/> through the deadline of Friday, March 6, 2020 at 5:00pm Central Time.

Applications must be submitted through the GRANT INTERFACE WEBSITE, Minnesota Department of Commerce's online grant portal, link provided at the RFP website <https://mn.gov/commerce/industries/rfp/> by no later than **Friday, March 6, 2020 at 5:00pm Central Time**. **Proposals Late proposals will not be considered**. Instructions for submitting proposals are detailed in the RFP.

This request does not obligate the State to complete the work contemplated in this notice. The State reserves the right to cancel this solicitation. All expenses incurred in responding to this notice are solely the responsibility of the responder.

# State Contracts

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## Minnesota Historical Society (MNHS)

### Request for Proposals for Washburn Crosby A Mill Complex - Ruins Preservation 2020

The Minnesota Historical Society is soliciting proposals from qualified contractors to provide all labor, materials, equipment, and supplies for the Ruins Preservation 2020 Project at the Mill City Museum, which is part of the Washburn Crosby A Mill Complex, located at 704 South Second Street, Minneapolis, Minnesota 55401. The work consists of, but is not limited to, the removal of a portion of the North and East Walls of the Ruins Courtyard; replacement of the steel reinforcing at the East Wall; reinforcement of the 1929 Stair Tower; installation of an armature for the Conveyor Bridges; masonry preservation work at the East and part of the North Ruin Walls; and related work at the courtyard, Wheel House, and East Engine House. All work must be done in accordance with the Drawings, Technical Specifications, Front End Specifications, the Contract, as well as this Request for Bids. **This project is prevailing wage and requires jobs reporting.**

The Request for Bids front-end documents are available by contacting Mary Green Toussaint, Contract Manager, Minnesota Historical Society, by e-mail only: [mary.green-toussaint@mnhs.org](mailto:mary.green-toussaint@mnhs.org)

There will be a MANDATORY pre-bid meeting for all interested parties on **Tuesday, February 18, 2020, at 10:00 a.m. Local Time** at the Site, Mill City Museum, 704 South Second Street, Minneapolis, Minnesota 55401.

All bids must be received by Mary Green Toussaint, Contracting Officer, Minnesota Historical Society, 345 Kellogg Boulevard West, St. Paul, Minnesota 55102, or her authorized agent no later than **2:00 p.m. Local Time Tuesday, March 3, 2020**. "Authorized agent" means the receptionist at the 1st Floor Information Desk. A public bid opening will be conducted at that time.

## Department of Human Services

### Economic Assistance and Employment Supports Division and Health Care Eligibility and Access Division

#### Notice of Availability of Pro Bono Contract Opportunity

The Minnesota Department of Human Services ('State') is issuing public notice of its intent to accept an offer of free professional services for a web-based software project related to eligibility determinations. The State seeks a private partner with experience in developing web-based application software and integrating it with State systems. The State will provide access to stakeholder expertise and seeks to utilize private expertise in creating a more efficient process to apply to State programs.

Work is proposed to start after March 2, 2020 and anticipated to continue for 18 months.

This notice provides the opportunity for other interested parties to express an offer to perform the services described above at no charge to the State. In the event additional pro bono offers are received and verified as qualified, a Request for Proposals will be issued to accommodate consideration of all offers.

This may result in limitations to participation in future contracting opportunities specifically related to the free professional services, to the extent any prior work results in an unfair competitive advantage.

Written offers to perform the stated services at no charge to the State may be submitted via email and must be received by **February 28, 2020**. Please direct communications to:

Jeffrey Jorgenson, Director  
Department of Human Services  
Business Solutions Office  
P.O. Box 64998  
540 Cedar St., St. Paul, MN 55164-0998  
Phone: (651) 431-2118,  
*jeffrey.j.jorgenson@state.mn.us*

This request does not obligate the State to complete the work contemplated in this notice. The State reserves the right to cancel this solicitation. All expenses incurred in responding to this notice are solely the responsibility of the responder.

## Department of Military Affairs

### Facilities Management Office, Camp Ripley, Little Falls, MN Request for Proposals for Consultant Services for Joint Emergency Response Training Center (JERTC) at Camp Ripley, Little Falls, MN (Project No. 19127)

The State of Minnesota, Department of Military Affairs, is soliciting proposals from interested, qualified consultants for consultant services for the above referenced project.

**COPY REQUEST:** To request a copy of the Request for Proposals (RFP), please send a written request, by email, to:

Ms. Jill Schultz  
Contract Specialist  
Facilities Management Office  
Camp Ripley  
15000 Highway 115  
Little Falls, MN 56345-4173  
*jill.l.schultz5.nfg@mail.mil*

RFP responses must be received by the Department of Military Affairs, Attn: Ms. Jill Schultz, Facilities Management Office, Camp Ripley, 15000 Highway 115, Little Falls, Minnesota 56345-4173 no later than **3:00 p.m. Central Time on March 3, 2020. Late responses will not be considered. Fax and email responses to this RFP will not be accepted or considered.**

A project site tour may be scheduled by contacting Mr. Paul Kempton at 320.616.6163 or *paul.e.kempton.nfg@mail.mil*.

The Department of Military Affairs is not obligated to complete the work contemplated in this notice and reserves the right to cancel the solicitation if it is considered to be in its best interest. All expenses incurred in responding to this notice are solely the responsibility of the responder.

## Minnesota Department of Transportation (MnDOT)

### Engineering Services Division Notices Regarding Professional/Technical (P/T) Contracting

**P/T Contracting Opportunities:** MnDOT is now placing additional public notices for P/T contract opportunities on the MnDOT's Consultant Services website. New public notices may be added to the website on a daily basis and be available for the time period as indicated within the public notice.

**Taxpayers' Transportation Accountability Act (TTAA) Notices:** MnDOT is posting notices as required by the TTAA on the MnDOT Consultant Services website.

# State Contracts

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**MnDOT's Prequalification Program:** MnDOT maintains a Pre-Qualification Program in order to streamline the process of contracting for highway related P/T services. Program information, application requirements, application forms and contact information can be found on MnDOT's Consultant Services website. Applications may be submitted at any time for this Program.

**MnDOT Consultant Services website:** [www.dot.state.mn.us/consult](http://www.dot.state.mn.us/consult)

If you have any questions regarding this notice, or are having problems viewing the information on the Consultant Services website, please call the Consultant Services Help Line at 651-366-4611, Monday – Friday, 9:00am – 4:00pm.

## Minnesota Zoo

### Notice of Contract Opportunity for Summer Concert Series

**PROJECT NAME:** Summer Concert Series

**DETAILS:** The Minnesota Zoo is seeking proposals from qualified firms to book, promote, and produce outdoor concerts at the Minnesota Zoo. The concert series serves to expose new audiences to the Zoo and provide a financial return to support the Zoo's mission. Concerts are held during the months of June through August annually in the Weesner Family Amphitheater, an outdoor venue with seating capacity of 1,460.

**A mandatory pre-proposal meeting at the Minnesota Zoo on Thursday, February 20th at 3:00pm Central Time.**

**COPY REQUEST:** To get a copy of the Request for Proposals, please send a written request, by email, to:

Dave Frazier, Deputy Director  
13000 Zoo Blvd  
Apple Valley, MN 55124  
[dave.frazier@state.mn.us](mailto:dave.frazier@state.mn.us)

**PROPOSAL DEADLINE:** Proposals submitted in response to the Request for Proposals in this advertisement must be received by mail or delivery no later than **3:00PM Friday March 27, 2020**. **Late proposals will not be considered.** Email or fax proposals will not be considered.

This request does not obligate the State to complete the work contemplated in this notice. The State reserves the right to cancel this solicitation. All expenses incurred in responding to this notice are solely the responsibility of the responder.

# Non-State Public Bids, Contracts & Grants

The State Register also serves as a central marketplace for contracts let out on bid by the public sector. The *State Register* meets state and federal guidelines for statewide circulation of public notices. Any tax-supported institution or government jurisdiction may advertise contracts and requests for proposals from the private sector. It is recommended that contracts and RFPs include the following: 1) name of contact person; 2) institution name, address, and telephone number; 3) brief description of commodity, project or tasks; 4) cost estimate; and 5) final submission date of completed contract proposal. Allow at least three weeks from publication date (four weeks from the date article is submitted for publication). Surveys show that subscribers are interested in hearing about contracts for estimates as low as \$1,000. Contact editor for further details.

Besides the following listing, readers are advised to check: <http://www.mmd.admin.state.mn.us/solicitations.htm> as well as the Office of Grants Management (OGM) at: <http://www.grants.state.mn.us/public/>.

## MacDonald & Mack Architects Request for Proposals for Virginia Street Church Accessibility Project

MacDonald & Mack Architects is seeking proposals from qualified firms to provide all labor, materials, equipment, and supplies to complete accessibility improvements at the Virginia Street Church, 170 Virginia Street, St. Paul, MN 55102. The work consists of, but is not limited to, installation of an exterior walk, creation of an accessible entry, and conversion of an office into an accessible rest room. All work must be done in accordance with the Drawings, Project Manual, and the Contract, as well as this Request for Bids.

**Availability of Bidding Documents:** Bidders desiring bidding documents may secure a complete set from the Franz Reprographics Public Plan Room, available via <http://www.franzrepro.com/>. Sets will be available there for electronic download free of charge. Franz Reprographics is located at 2781 Freeway Boulevard, Suite 100; Brooklyn Center, MN 55430; phone: (763) 503-3401; fax: (763) 503-3409.

Documents will be available after February 10, 2020.

There will be a mandatory pre-proposal meeting for all interested parties on **Tuesday, February 18, 2020 at 10:00 am**, at the site. The meeting shall take place at Virginia Street Church, 170 Virginia Street, St. Paul, MN. Please enter via the north entry facing Selby Avenue.

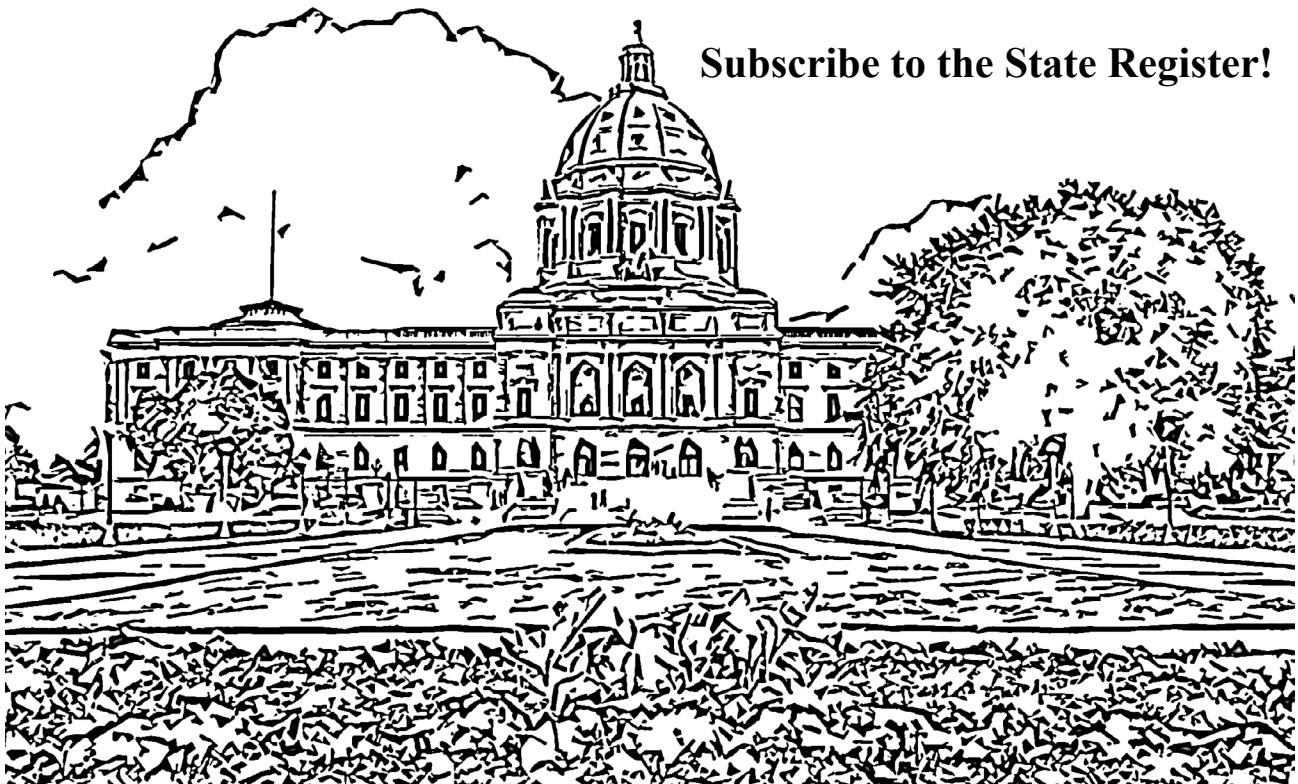
Questions may be directed to Robert Mack at MacDonald & Mack Architects; phone: (612) 341- 4051; email: [BobM@mmarchltd.com](mailto:BobM@mmarchltd.com).

All proposals must be received by MacDonald & Mack Architects, Suite 712, 400 South Fourth Street, Minneapolis, MN 55415 no later than **2:00 pm Tuesday, March 3, 2020**. Proposals will be opened privately and evaluated based on all aspects of the proposal.



## Several convenient ways to order:

- Retail store Open 8 a.m. - 3 p.m. Monday - Friday, 660 Olive Street, St. Paul
  - Phone (credit cards): 8 a.m. - 4 p.m. Monday - Friday, 651.297.3000 (Twin Cities) or 1.800.657.3757 (nationwide toll-free)
  - On-line orders: [www.mnbookstore.com](http://www.mnbookstore.com)
  - Minnesota Relay Service: 711
  - Fax (credit cards): 651.215.5733 (fax line available 24 hours)
  - Mail orders: Orders can be sent to Minnesota's Bookstore, 660 Olive Street, St. Paul, MN 55155
- Minnesota's Bookstore accepts VISA, MasterCard, American Express & Discover for all purchases.



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**From:** Minnesota Housing <[mn.housing@state.mn.us](mailto:mn.housing@state.mn.us)>  
**Sent:** Wednesday, April 8, 2020 9:00 AM  
**To:** Deegan, Jessica (MHFA) <[jessica.deegan@state.mn.us](mailto:jessica.deegan@state.mn.us)>  
**Subject:** Draft Availability and Public Hearing: 2020 Action Plan

**This message may be from an external email source.**

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## Minnesota Housing eNews

April 8, 2020

### **Draft Availability and Public Hearing: 2020 Action Plan**

The State of Minnesota (through the Department of Employment and Economic Development, Minnesota Housing, and Department of Human Services) issued a draft of its 2020 Action Plan. This plan directs how the state will meet needs and priorities in 2020, and will be submitted to HUD to receive federal housing and community assistance funding. The draft will also preliminarily address the additional funding from the CARES Act for certain programs:

- Community Development Block Grant
- HOME Investment Partnerships
- National Housing Trust Fund
- Housing Opportunities for Persons with AIDS
- Emergency Solutions Grant

### **Review the State's Draft Materials**

- [Action Plan for Housing and Community Development, FFY 2020](#)
- [Appendices](#)
- [Resources in 2020 Action Plan](#)

Hard copies of the Action Plan can be obtained by emailing or calling Michelle Vang at [michelle.vang@state.mn.us](mailto:michelle.vang@state.mn.us) or 651.259.7504.

### How to Comment

**Attend the Online Public Hearing:** Due to continuing social distancing guidelines, we are hosting an interactive webinar online and by phone on Tuesday, May 5 at 4:00 p.m. (CST):

- [Join online](#)
- Join by phone at 1.619.377.3319 (US/Canada) or 1.888.742.5095 (toll-free).  
Conference code: 989 914 9484.

### Written Comments

- Submit comments on the draft Action Plan until close of business May 8, 2020 to [michelle.vang@state.mn.us](mailto:michelle.vang@state.mn.us) or:  
Action Plan, Attn: Michelle Vang  
Minnesota Department of Employment and Economic Development  
First National Bank Building, 332 Minnesota Street, Suite E200  
St. Paul, MN 55101-1351

Questions? Contact [Jessica Deegan](#).



[www.mnhousing.gov](http://www.mnhousing.gov)

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***State of Minnesota***  
***Notice of Public Hearing Comments***

***DATE: THURSDAY, FEBRUARY 20, 2020 – TIME: 4:00PM***  
***LOCATION: MN DEPARTMENT OF HUMAN SERVICES***

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There were no comments made.

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# State of Minnesota 2020 Annual Action Plan

Second Public Hearing | May 5, 2020 | 4:00 – 5:00pm | Virtual Go-To Meeting

Please Sign In:

Name	Organization	Email (if you'd like project updates)
Amy Stetzel		
D'Andre Gordan		
Mike Goodlander		



## ***State of Minnesota*** ***Notice of Public Hearing Comments***

***DATE: TUESDAY, MAY 5, 2020 – TIME: 4:00PM***  
***LOCATION: INTERACTIVE VIRTUAL GO-TO MEETING***

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*The State of Minnesota Conducted this public hearing via Go-To meeting to align with state and federal guidelines to practice social distancing due to COVID-19. Notice of updated hearing format was provided via eNews and publication in the State Register.*

Agency staff present: Isaac Wengerd, Katelyn Warburton (DHS); Natasha Kukowski, Michelle Vang, Meredith Udoibok (DEED), Jessica Deegan (Minnesota Housing)

Participants from the public: Amy Stetzel, D’Andre Gordon, Mike Goodlander

Summary of Comments/Discussion:

- Request for the State to produce summary documents of plans going forward. The 160 plus page plan hard to follow for people not familiar with the structure.
- Request for funds to help people reintegrate into the community who are exiting institutions.
  - Staff discussed supportive housing programs supported by funding in the plan including the National Housing Trust Fund and Emergency Solutions grants.
- Question about how the state addresses local zoning barriers to develop affordable housing.
  - Staff discussed work with communities through community development programming and through priorities and incentives in Minnesota Housing’s Request for Proposals.
- Question about how this plan integrates with Continuum of Care organizations and regions
  - Staff discussed and referenced information on Minnesota Housing site: <http://www.mnhousing.gov/sites/multifamily/coc> and the Minnesota HMIS website: <https://www.hmismn.org/coc-regions>.
- Questions about Tribal government eligibility for HUD funds in this plan and for future CARES Act funding
  - Staff describe tribal government eligibility for the programs, which differ by activity. Tribal government entities are eligible for receiving HOME and NHTF funding while CDBG must be allocated to cities. Staff discussed HUD’s Indian Housing Block Grant Funds (not distributed through this plan) given to Tribal government entities.



**Minnesota 2020 Action Plan Comments and State Agency**

**Responses Written Public Comments was received by:**

- Sue Watlov Phillips, Metropolitan Interfaith Council on Affordable Housing (MICAH)

1. **We believe this plan and the comment period should be suspended to provide an opportunity to review the current pandemic impact on housing and homeless needs and how we can coordinate the use the Federal CARES funding with these Federal resources and State resources.**

**State Agency Response:**

*At the time the Draft Plan was published for comment, very little was known about the recently CARES ACT funding, its eligible uses, or requirements for distributing those funds.*

*Under HUD’s Citizen Participation regulations, if the State **revises its DRAFT FY20 Action Plan** (prior to HUD’s approval) to reflect the new CARES Act funding, the State must **restart** the 30 day comment period, adding to the already-significant delays in funding for regular (non-CARES ACT) HUD entitlement programs included under this Action Plan.*

*Once HUD has approved the FY20 Action Plan in its current form, (which we anticipate will happen in early June), the State will immediately submit an FY20 Substantial Amendment to reflect the CARES Act funding/changes, and initiate the 5 day comment period allowed under the CARES Act legislation.*

2. We continue to be very concerned about any/all processes that do not include people who have experienced a housing crisis and/or homelessness at the decision making table. **On page 71: “DHS held a half day listening session with a handful of current residents in an ESG funded emergency shelter “. While this provided a limited number of people impacted the opportunity for input from one shelter, this is not representative of the entire state. This process would never be acceptable or tolerated by Cities, Counties, CAPs, providers, and/or developers.** We continue to request the State require that MICH and all homeless and housing providers to have people impacted by housing crisis and/or homelessness at their decision tables. For plans to work, people impacted must help decide what they need and be involved in the implementation process!

**DHS Response:**

*Regarding the MICH or other state agencies, the Department of Human Services (nor the ESG Program funding included under this plan), does not control the decision-making or policy development process in these external settings. Nevertheless, the Department remains deeply committed to increasing the voice of persons with lived experience in the policy making process whenever substantive changes and discussions are taking place. This includes an increased focus (during annual monitoring visits to providers) on inclusion of program participants voices in program policy development.*

*Additionally, due to space limitations in HUD's Consolidated Planning tool, the current FY20 Action Plan does not fully reflect all of the additional activities which the Department undertook in Program Year 2019 to increase the voice of people experiencing homelessness in decision-making.*

*Examples include but are not limited to meeting with member of Street Voices, participating in Homes4All Shelter Meetings which included persons with lived experience, obtaining funding for and facilitating three listening sessions with American Indian youth, adults, and families experiencing homelessness, and interviewing families experiencing homelessness in the suburban Metro area for a shelter and homeless response system redesign effort.*

3. We are concerned that some of the language in the plan and focus of some funding, appears to imply and that if you have a lower income you need supportive housing instead of affordable housing. We disagree with that position. Housing needs to be created for people below 30% median income without support services attached to the units.

**MN Housing Response:**

*"Minnesota Housing targets the National Housing Trust Fund resources, as required, to meet the needs of Extremely Low Households (generally those with incomes less than 30% of Area Median Income). While past projects using this funds have connected with supportive housing resources, it's not limited to this use and we remain open to projects meeting these deep affordability requirements without supportive housing resources."*

4. It is unclear how you are using the **analysis of impediments** to fair housing choice to direct this plan? Please identify each impediment and how it is addressed in this plan. A previous plan indicated your analysis would "evaluate factors across Minnesota that restrict housing choice based on race, color, religion, gender, disability, familial status, or national origin and include an action plan to address them." We believe the goals and evaluation should be included in each action plan.

**MN Housing Response:**

*The State of Minnesota developed a three year action plan in the current Analysis of Impediments to Fair Housing Choice, adopted in 2018. This plan is published in the AI and the plan with executive summary is [here](#) (MNHousing.gov > Policy & Research > Plans). Each year, Minnesota Housing publishes a report on these actions in the CAPER. While the AI plan reflects*



*programming beyond the funds addresses in this Annual Action Plan, the following impediments and planned actions are examples of those addressed by these funds:*

- *Impediment: Rental Housing in Poor Condition. HOME and NHTF funding streams are available to help address substantial rehabilitation of rental properties.*
- *Impediment: Affordable Housing and Landlords Accepting Housing Choice Vouchers Only Located in Higher Poverty Areas: Minnesota Housing prohibits all properties with funding through the agency from refusing to lease to a tenant based on the status of a tenant as a voucher-holder.*
- *Impediment: Challenges accessing economic and other opportunities. Through HOME and NHTF, the state is required to adhere to Section 3 goals, and Minnesota Housing is currently planning for more robust implementation of Minority and Women business enterprise goals. In addition, Minnesota Housing is developing a new Language Access Plan during this year.*
- *Impediment: Limited Knowledge of Fair Housing Laws and Resources. Each State CDBG grantee is required to complete at least one fair housing activity each year. Minnesota Housing continues work to streamlining Affirmative Fair Housing Marketing Plan requirements.*

5. The Strategic and Selections Priorities should include Innovative strategies to create a variety of Housing options including:
  - a. Additional resources for seniors to continue to live in their homes. We request you specifically identify Accessory Dwelling Units (ADUs) and encourage cities not to require conditional use permits and to use homeownership rehab funds for their development. ESG and/or CDBG could use to re-start the Home sharing program, it was defunded in the early 2000s, and it connects people in need of housing including people experiencing homelessness with seniors and people with disabilities to share housing.

**DEED Response:**

*DEED has never had a Home sharing program.*

**DHS Response:**

*DHS currently funds a number of Host Home Programs intended to serve unaccompanied homeless youth in a similar setting. While this is an eligible activity under the state's Homeless Youth Act and several other DHS funding sources (as one potential model within an array of options), DHS has received very few applications for shared housing or host home programs. Feedback from providers has generally shown these programs, while valuable, to be challenging to implement and staff.*

*While we are not familiar with the specifics of the Home Share program from the early 2000s, the Department will review whether additional program guidelines or policy clarifications are necessary to enable providers to implement a similar model under current program funding.*

- b. Coordinate homeownership resources with the Enhanced Homeownership Capacity Initiative, to add our homeownership disparity.

**MN Housing Response:**

*This plan does not include resources for homeownership activities – Minnesota Housing has a strategic priority to reduce the persistent homeownership disparity has a suite of non-federal tools for homeowners including the Enhance Homeownership Capacity Initiative to help achieve this goal.*

- c. Utilize CDBG funds to fund housing certification in diverse communities.

**DEED Response:**

*At this time, DEED does not fund housing certification, DEED has funding priorities in place on the most needs under eligible activities within HUD guidelines, which is focused on rehabilitation. DEED can have further discussions on how this relates to and can positively impact diverse communities.*

- d. Utilize CDBG funds to preserve and improve manufactured home parks and expand the rehabilitation loan program to all manufactured homes whether in a park or not. Improving the infrastructure, creating more cooperatively community owned manufacture home parks, and providing rehab loans for all manufactured homes being utilized as the primary residence is critical to preserving this valuable housing stock. We also support funding tiny homes.

**DEED Response:**

*DEED does provide funding for manufactured homes; however, only double-wide manufactured homes are eligible for funding under CDBG guidelines. DEED's housing rehabilitation projects are focused on preserving housing stock by meeting housing quality standards and building codes regardless of the size of the home.*

- 6. ESG and HOME TBRA may be used to assist to provide rent subsidies for transitional programs not funded in the CoC funding cycle. We need a strong Continuum to Housing which includes Prevention, Outreach, Shelters, Rapid Re- Housing, Transitional Housing, Supportive Housing with transition plans to Permanent affordable Housing( Subsidized and unsubsidized). MICAH would like to see state allow the HOME funds to be utilized for Tenant Based Rent Subsidies (HOME- TBRA) we believe 10% of State allocation of HOME funds utilized for rent subsidies would assist people to afford rents now.

**MN Housing Response:**

*Thank you for the comment on rent assistance. We appreciate the need for tenant based rental assistance but are not utilizing TBRA for HOME at this time for the FY 2020 resources. We will continue to evaluate TBRA needs against the capital funding utilized now for HOME, in particular as we respond to the COVID-19 Public Health Crisis.*

**DHS Response:**

*As per the Action Plan, the state's current ESG program does utilize a portion of funds to support Tenant-based Rental Assistance.*

7. Homelessness continues to increase. The undercount, utilizing the archaic HUD restrictive homeless definition and the one night PIT count, of the number of people experiencing homelessness indicates it has decreased. The US Department of Education identified over 17,000 children and youth homeless in Minnesota in 2018. The HUD number is a misleading undercount and misrepresents all the people experiencing homeless by utilizing the Point in Time Count (PIT) and HMIS. The number of shelter beds and transitional housing beds funded by HUD have decreased, so previous beds are not available and not counted. Rapid Re-Housing and Supportive Housing, which serve people experiencing homelessness, are not counted in PIT or HMIS. HUD's point system incentivizes communities to demonstrate a decrease in homelessness, this discourages many communities from doing a complete unsheltered count during Point in Time (PIT) count. The U.S. Department of Education has a more inclusive definition of homelessness and identifies thousands of youth as homeless who are not in the PIT count or HMIS.

**DHS Response:**

*There are many different measures of homelessness within in Minnesota and nationally. Each measure has its own definition, methodology and purpose established by the designers of those measures. DHS and many other policy makers have stated that the Point in Time count, while required by HUD, does an inadequate job of capturing the extent of homelessness in Minnesota (and have therefore contributed funding to support other more expansive methods such as the triennial Wilder Homeless Study).*

*Because of the limitations inherent in all attempts to capture the prevalence of homelessness, DHS remains committed to the principle of ending homelessness and increasing housing stability for all populations as long as the need remains.*

8. We encourage you to support the full implementation of the HEARTH Act amendment to the McKinney Vento Act which would provide new Section 8 certificates to renew supportive housing subsidies. "MICAH is very concerned about the State's continual investment into Supportive Housing when there are no expectations with State funding for people to make progress/set goals, etc. We are pleased HUD has some expectations. Neither the State nor HUD have a clear plan how to transition people from supportive housing into other permanent housing. Thus we have the same people living in permanent supportive housing who have been using HUD's Homeless Supportive Housing funding for 10-15 years instead of people currently experiencing homelessness having access to these units. We are also very concerned about the additional funds the State puts into Supportive Housing Units- including Long Term Housing Trust Funds, LIHTC, DHS Supportive Housing Service funding. We request the State itemize the costs of each person/family unit in housing and current length of stay and percentage of successful transition to permanent housing from these programs. **None of the people in these homeless programs are counted as homeless.**"

**DHS Response:**

*For the Department of Human Services, this plan covers the Emergency Solutions Grant (ESG) funding, under which Permanent Supportive Housing is not an eligible activity. Therefore, the*

*request to include an itemization of costs, length-of-stay or housing outcomes for DHS Supportive Housing service funding and units is out of scope for this plan.*

**MN Housing Response:**

*Capital investments for permanent supportive housing are eligible uses for both HOME and NHTF funds, and operating support is eligible for NHTF. Minnesota Housing does not have access to data on the supportive services utilized by residents living in HOME or NHTF federally assisted units and does not allow requiring of services.*

9. We continue to be concerned the number of children and adults at risk of lead paint poisoning in rental and homeownership. How will you address this beyond the current federal and state requirements in your plan?

**DEED Response:**

*A lead risk assessment is conducted on owner occupied and rental homes build on or before 1978. Contractors performing interim controls are trained in accordance with the hazard communication standard for the construction industry issued by Occupational Safety and Health Administration of the US Department of Labor at 29 CFR 1926.59, and either be supervised by an individual certified as a Lead-based Paint Abatement Supervisor or have completed successfully a renovator course. Clearance examinations are conducted by an appropriately trained and licensed professional. SCDP had supported and is partnering with the MN Department of Health in their lead based paint hazard reduction program and healthy homes program to help protect children and families in Southeastern Minnesota.*

*Lead based paint reduction is critical to the CDBG program. Lead hazard reduction is a program requirement for all housing rehabilitation activities. CDBG provides funding for lead risk assessments and clearances for homes build on or before 1978. This has led to significantly impact homes throughout the State. In addition, DEED is partnering with Minnesota Department of Health who recently received a HUD Lead Hazard Control Grant and Healthy Homes Program to help protect children and families in Southeastern Minnesota.*

## **State and Local Tax Policies**

Minnesota's previous Consolidated Plan conceded that the state's rental property tax rate is often mentioned as a barrier to affordable rental housing, both for developers and for landlords who provide affordable rental units. The tax reportedly has adverse impacts on the maintenance of existing rental housing, the development of new housing, and the efficient use of the existing housing stock. Property tax rebates for lower-income households help to mitigate some of the taxes that are passed on to renters. While the State wishes to support policies that make affordable housing development more achievable, the difficulties of implementing these strategies may limit their viability for Minnesota in the near future.

However, the State has been able to begin to address this issue with its 4d affordable rental housing property tax, a special class tax rate for affordable housing developments that represents a class rate reduction of 75 percent for rent-restricted properties. Eligible properties are subject to rent and income restrictions of the section 8 program; the Low Income Housing Tax Credit (LIHTC) program; rural housing service rent assistance programs; or a financing program of the federal, state, or local government.

## **Structure and Delivery of Services**

Over the program year, the State will continue its collaborative funding process of a consolidated request for proposals (RFP). Included in the RFP are the federal HOME Investment Partnerships and Housing Trust Fund programs alongside state resources, and project-based section 8 vouchers through the Metropolitan Council/Metro HRA.

## **Challenges**

### *Lack of Sufficient Resources*

Funding shortages create a challenge for Minnesota; however there are steps its agencies can take to maximize available resources in the most efficient way. Over the program year, Minnesota Housing will continue to focus its efforts and major resources on preservation and new construction of affordable rental housing. Minnesota Housing attempts to reduce barriers that add costs to projects, including prioritizing developments that use land efficiently and minimizing loss of agricultural and green space, or reducing barriers of local application and permit processes by prioritizing development for which costs are reduced or avoided by regulatory changes, incentives, or waivers by the governing body. In addition, Minnesota Housing employs a cost containment strategy to incentivize lower development costs while balancing quality.

DEED will continue to focus efforts on rehabilitation of all housing, creation of jobs related to economic development, and improvement of public facility access to low- to moderate-income areas. The State supports all efforts to use resources most efficiently.

### *First-Time Homebuyers*

While Minnesota Housing's HOME program does not currently include homebuyer activities, the agency remains strong in providing mortgage and down payment assistance to first time homebuyers through state resources. Minnesota Housing has a strategic priority to reduce Minnesota's racial and ethnicity homeownership disparity. Minnesota ranks among the top three states consistently of having the highest disparities in homeownership rate between white/non-Hispanic households and households of color. We emphasize homebuyer and financial counseling and coaching and continue to design and offer mortgage programs that support homeownership for households of color and Hispanic Ethnicity.

Over the program year, the State will continue to alleviate the challenges of first-time homebuyers by providing funding for homebuyer training and education, down payment assistance, and post purchase counseling for first time homebuyers.

### **Other Obstacles**

#### *NIMBYism*

Community attitudes, often referred to as "Not in My Backyard," or NIMBYism, are frequently identified as an obstacle to increasing the availability of affordable housing. However, local government policies can also be described as creating a NIMBY atmosphere for affordable housing.

The State fully supports efforts to reduce NIMBYism, prejudice, and negative attitudes toward affordable and multifamily housing, and will encourage planning decisions by CDBG and HOME sub-recipient communities that work to decrease segregation and increase integration of populations. The State will also fully support civic leaders and developers who undertake education in communities statewide. Such education could be targeted, timely, and, in the context of a possible development, relevant to potentially affected citizens.

#### *Sustainable housing*

The Multifamily Division of Minnesota Housing encourages practices that promote sustainable housing in the development and rehabilitation of affordable rental housing. The agency policy states "Minnesota Housing encourages sustainable, healthy housing that optimizes the use of cost effective durable building materials and systems that minimizes the consumption of natural resources both during construction or rehabilitation and in the long term maintenance and operation. We encourage optimizing the use of renewable resources and energy, minimizing damages and impact to the environment, and maximizing the use of natural amenities such as solar, wind, climate, and orientation of the development.

All federal funds, and the majority of other capital improvement funding from Minnesota Housing must meet all requirements of the 2015 Enterprise Green Communities Criteria (EGCC) as amended by the agency's Overlay and Guide.

In its 2018 Multifamily common application, Minnesota Housing is asking for funding applicants to apply for energy efficiency incentives from utilities and other sources. The purpose of this requirement is to leverage

utility funds in order to increase energy efficiency in Minnesota's affordable housing.

For example, applicants to the Housing Tax Credit (HTC) program are awarded additional points for implementing green design criteria. Further, the Publicly Owned Housing Program (POHP) references sustainable building design standards in its manual, stating that "Minnesota Statutes Section 168.325 requires promulgation of & Sustainable Building Design Goals for new buildings. These goals are design standards that:

- Exceed the existing energy code standards,
- Achieve the lowest possible lifetime costs for new buildings,
- Ensure good indoor air quality,
- Create and maintain a healthy environment,
- Facilitate productivity improvements,
- Specify ways to reduce material costs, and
- Consider the long-term operating costs. of the building including the use of renewable and distributed electric energy generation that uses a renewable source of natural gas or a fuel that is as clean as or cleaner than natural gas."

For any SCDP rehabilitation project, DEED conducts an inspection that includes energy improvements to homes and commercial businesses with items such as windows, doors, insulation, and energy-efficient heating units.

***State of Minnesota Citizen Participation Plan***  
**Consolidated Plan for Housing and Community Development**  
**2017-2021**

**Introduction**

Under guidelines established by the U.S. Department of Housing and Urban Development (HUD), the Minnesota Department of Employment and Economic Development, Minnesota Housing Finance Agency and Minnesota Department of Human Services, hereinafter referred to as the "State", must prepare a Consolidated Plan that addresses the housing, community development, and economic development activities that the State will undertake to assist its citizens through HUD's formula grant programs.

DEED is the lead agency responsible for the Consolidated Planning process and the administration of the: Community Development Block Grant funds (CDBG). Minnesota Housing is the lead agency responsible for the Home Investment Partnerships (HOME), Housing Opportunities for Persons with AIDS (HOPWA), and the National Housing Trust Fund (NHTF). DHS is the lead agency responsible for the Emergency Shelter Grants (ESG).

The Consolidated Planning process is intended to more comprehensively fulfill three basic goals: to provide decent housing, to provide a suitable living environment and to expand economic opportunities.

Provision of decent housing may involve assisting homeless persons in obtaining appropriate housing, retaining the affordable housing stock, increasing the availability of permanent affordable housing for low-income households without discrimination or increasing supportive housing to assist persons with special needs. Providing a suitable living environment might entail improving the safety and livability of neighborhoods, including the provision of adequate public facilities; deconcentrating housing opportunities and revitalizing neighborhoods; restoring and preserving natural and physical features with historic, architectural, and aesthetic value; and conserving energy resources. Expanding economic opportunities can involve creation of accessible jobs, providing access resources for community development, and assisting low-income persons in achieving self-sufficiency.

The Consolidated Plan is a three-part planning process required by HUD. It comprises developing a five-year strategic plan, preparing annual action plans and submitting annual performance reports. These three parts are intended to furnish the framework whereby



Minnesota can identify its housing, homeless, community, and economic development needs, identify resources that will be tapped and actions to be taken that will address the needs, as well as look back and evaluate the State's progress toward achieving its strategic goals. Completing these documents on time and in a manner that is acceptable to HUD ensures program funding.

The precursor to the Consolidated Plan is the Citizen Participation Plan (CPP). The objectives of the CPP are to ensure that the citizens of Minnesota, particularly persons of low and moderate income, persons living in slum and blight areas, units of local government, housing agencies and other interested parties, are provided with the opportunity to participate in the planning and preparation of the Consolidated Plan, including amendments to the Consolidated Plan and the Annual Performance Report. In doing so, the CPP sets forth general policies and procedures for implementing and carrying out the Consolidated Planning Process, such as how the Consolidated Plan will be developed, dates and milestones along which the process will proceed, and methods for citizens to offer the State assistance and guidance in the formulation of the Plan. Furthermore, the provisions of the CPP fulfill statutory and regulatory requirements for citizen participation specified in the U.S. Department of Housing and Urban Development's rules for the Consolidated Plan, the HOME, CDBG, ESG, NHTF and HOPWA programs and the Analysis of Impediments to Fair Housing<sup>1</sup>. In Minnesota, the participation process will be developed and monitored by a Consolidated Plan Coordinating Committee consisting of representatives from the Department of Employment and Economic Development (DEED), the Minnesota Housing Finance Agency (Minnesota Housing), and the Minnesota Department of Human Services (DHS).

### Purpose of the Citizen Participation Plan

In order to ensure maximum participation in the Consolidated Plan process among all populations and needs groups, and in order to ensure that their issues and concerns are adequately addressed, the State of Minnesota will follow the standards set forth in this Citizen Participation Plan during development of its Consolidated Plan.

The Citizen Participation Plan also provides citizens an opportunity to evaluate and comment on the State's performance, as reported in the Consolidated Annual Performance and Evaluation Report (CAPER).

### Relevant Areas

The term "entitlement areas" refers to cities and counties that qualify to receive one or more formula grants. These areas must complete a Consolidated Plan separately from the State's to receive funding. For purposes of this Citizen Participation Plan, "non-entitlement" refers to cities

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<sup>1</sup> See 24 CFR § 91.115

and towns that do not file Consolidated Plans individually or as part of a consortium and are not eligible to receive formula funding from HUD directly.

Entitlement areas for the CDBG program include: the cities of Bloomington, Coon Rapids, Duluth, Eden Prairie, Mankato, Minneapolis, Minnetonka, Fargo/Moorhead, North Mankato, Plymouth, Rochester, St. Cloud, St. Paul, Woodbury, and the counties of Hennepin, Anoka, Dakota, Ramsey, Washington, and St. Louis.

Entitlement areas for the HOME program include: the cities of Duluth, Minneapolis, and St. Paul, and the counties of Hennepin, Dakota, and St. Louis.

Entitlement areas for the ESG program include: the cities of Duluth, Minneapolis, St. Paul, and the counties of Hennepin, Dakota, Ramsey, and St. Louis.

Individuals wishing to contribute to the Consolidated Planning process in these areas should contact housing and community development specialists in these cities/counties.

## Encouraging Citizen Involvement

### Public Notice and Outreach

An informed citizenry is critical to effective and responsive housing and community development programs. Efforts to educate residents and empower participation are an ongoing element of the Consolidated Planning process.

As the fundamental means of notifying interested citizens about the Consolidated Plan and related activities, such as the Annual Action Plan or the Consolidated Annual Performance and Evaluation Report, the State will utilize multiple display advertisement notices, which include but are not limited to one or more newspapers of general circulation, press releases, social media, mass emailings, and/or website postings. Written notices will be published at least 14 calendar days prior to public hearings. All notices will be written in plain, simple language and direct efforts will be undertaken to publish and/or post information at locations that will elicit maximum low- and moderate-income and minority participation.

Public education and outreach will be facilitated through the use of public advertisements that describe the Consolidated Planning process, opportunities for citizen participation and available funding through the CDBG, ESG, HOME and HOPWA programs. The State's Consolidated Plan contact list will likely include social service organizations, local jurisdictions, low-income housing consumers, neighborhood groups, previous participants and commentators, and others expected to desire input on the Plan.

The Consolidated Plan will offer many other opportunities for citizen participation. The State will particularly encourage participation of persons with special needs and/or persons who are often underrepresented in public process (low-income, persons of color, non-English speaking persons, persons with disabilities, persons who are homeless). The State will also encourage the participation of statewide and regional institutions and organizations that are involved or affected by the formula grants in the process of developing and implementing the Consolidated Plan. Participation will be solicited and encouraged through the activities discussed below.

Communications sent and posted by the state will encourage input from these parties so they can provide input about priorities and strategies they wish to see as a result of the plan.

### **Public Hearings and Input Meetings**

At least two public input meetings will be held before the publication of the final Consolidated Plan. The primary purpose of the first public hearing is to gather citizen input on housing and community development needs and the proposed Consolidated Plan before it is published for comment. The second public hearing will be held during the Consolidated Plan 30-day public comment period and will be for review and comment on the Consolidated Plan draft. The public hearings will be announced at least two weeks prior to being held. Announcements may be made through the DEED and Minnesota Housing websites and at least one additional method which may include newspaper, social media, mass emails, or written postings.

The public hearings will take place in locations identified in the announcement of the public hearings that are accessible to persons with disabilities. The dates, times and locations for public hearings will be convenient to potential and actual beneficiaries. Non-English speaking persons and those with disabilities will be encouraged to attend. Where a significant number of non-English speaking residents are expected to participate, the State will provide translators when notified of this need prior to the public meetings. Contact information will be provided in all public announcements.

## **Regional and Interest Area Forums and Focus Groups**

In addition to the public hearings, DEED, Minnesota Housing, and DHS may solicit input on housing and community development issues and needs of the homeless population at regional or interest area forums, focus groups, or web-based meetings.

If these types of meetings are conducted, agencies, advocates, statewide and regional institution and organizations and community residents will be informed of the meetings through state agency websites, personal contact, mass emails, media releases, and other methods that the state believes may be productive. All sites selected for the forums or focus groups will be accessible to the physically disabled. The State will work with advocacy groups to determine the need for special accommodations (beyond physical accessibility) of special needs groups and non-English speaking attendees.

The forums will be conducted with the intention of providing Minnesota residents the opportunity to voice their opinions and provide insight into the issues prevalent in their communities. The forums will also provide an opportunity for citizens and interested parties to obtain information about state housing and community development programs, the administering agencies, and funding requirements.

## **Publication of Consolidated Plan Documents**

The State will publish its draft Consolidated Plan documents for public review in a manner that affords citizens, public agencies and other interested parties a reasonable opportunity to examine its contents and submit comments.

The draft Consolidated Plan documents will be available for viewing on Minnesota Housing's website <http://www.mnhousing.gov> and DEED's website <http://www.mn.gov/deed>, DHS' website <http://www.mn.gov/dhs>, or a centralized website or webpage dedicated to the State of Minnesota's Five Year Consolidated Plan. A reasonable number of hard copies of the proposed Consolidated Plan will also be available from DEED and Minnesota Housing during the public comment period.

Citizens or groups that have attended any of the forums or public hearings will be notified by mail or e-mail of the Consolidated Plan's availability for comment.

The draft Consolidated Plan will describe the amount of assistance the State expects to receive and the range of activities that may be undertaken, including the estimated amount that will benefit persons of low- and moderate-income and the plans to minimize displacement of persons and to assist any persons displaced.

The State will openly consider any comments of individuals or groups received verbally or in writing, including e-mail, during the Consolidated Planning process or at public hearings. A summary of the written and public hearing comments will be included in the final Consolidated Plan, along with the state's response to the comments.

### **Public Comment on the Consolidated Plan Documents**

Prior to the adoption of the Consolidated Plan, the State will make available to interested parties the draft Consolidated Plan and Executive Summary for a comment period of no less than 30 days. Notification of the availability of the proposed Consolidated Plan will be provided in at least one media source which may include websites, newspaper, social media, or postings.

Before the State submits a Consolidated Annual Performance and Evaluation Report (CAPER) to HUD, the State will make available to interested parties the proposed CAPER for a comment period of no less than 15 days. Citizens will be notified of the CAPER's availability through newspaper notification, website postings, and/or social media.

The CAPER will be available on Minnesota Housing's and DEED's websites for the full public comment period. Hard copies of the CAPER will be available upon request from DEED and Minnesota Housing during the public comment period. The State will consider any comments of individuals or groups received verbally at public hearings or in writing, including e-mails. A summary of the written and public hearing comments and the State's responses will be included in the final CAPER.

### **Public Access to Records**

The State will provide all interested parties with access to information and records related to the State's Consolidated Plan and the State's use of assistance under all programs covered by the Consolidated Plan during the preceding five years. The public will be provided with reasonable access to housing assistance records, subject to laws regarding privacy and obligations of confidentiality.

## Consultation with Organizations and State Agencies

When preparing the Consolidated Plan, the State will actively consult with public and private agencies that provide housing, health and social services in order to ensure that the interests and needs of all groups are being adequately addressed. This consultation may occur through regional and interest area forums, interviews conducted with such organizations (especially those that provide services to special needs populations), surveys, and incorporation of data and reports produced by such organizations into the Consolidated Plan.

## Amendments to the Consolidated Plan

Pursuant to HUD regulations, an amendment to the Consolidated Plan is required whenever the jurisdiction determines to:

- Substantially change the allocation priorities or its method of distributing HUD formula grant funds;
- Utilize formula grant funds (including program income) to carry out an activity not previously described in the action plan; or
- Change the purpose, scope, location or beneficiaries of an activity.

Such changes, prior to their implementation, are reviewed under various federal or State requirements. Substantial amendments to the Consolidated Plan are, in addition, subject to a formal citizen participation process. Notice and the opportunity to comment will be given to citizens through public notices in local newspapers or other appropriate means, such as public meetings, social media, or website postings. A public comment period of not less than 30 days will be provided prior to implementing any substantial amendment to the Consolidated Plan. State staff will prepare a summary of all comments received in writing and, in cases where any citizens' views are not accepted, provide reasons for the decision. This documentation will be attached to the substantial amendment, which will be available to the public and submitted to HUD.

### **Substantial Amendments**

Occasionally, public comments or events warrant an amendment to the Consolidated Plan. The criteria for whether to amend are referred to by HUD as Substantial Amendment Criteria. The following is the State's Substantial Amendment Criterion.

A change in the described method of distributing funds to local governments or nonprofit organization subrecipients to carry out activities. Elements of a "method of distribution" are:

- A. Application process for subrecipients;
- B. Criteria for selecting subrecipients.

### **Citizen Participation in the Event of a Substantial Amendment**

In the event of a substantial amendment to the Consolidated Plan, the State will comply with the following citizen participation process:

1. The State will notify citizens of the availability of the draft substantial amendments, a minimum 30-day comment period, and, if in the State's judgment a public hearing is desirable, the time and location of the public hearing through website, social media, or newspaper.
2. Depending on which of the formula grant programs is affected, the substantially amended sections of the Consolidated Plan will be made available on either Minnesota Housing's website <http://www.mnhousing.gov>, DEED's website, <http://www.mn.gov/deed> or DHS's website, <http://www.mn.gov/dhs> and hard copies will also be available from the affected state department for the full duration of the public comment period.

### **Consideration of Public Comments on the Substantially Amended Plan.**

In the event of substantial amendments to the Consolidated Plan, the State will openly consider any comments on the substantially amended Consolidated Plan from individuals or groups. Comments must be received in writing, including e-mail, or at public hearings if hearings are conducted. A summary of the comments received on the substantial amendments will be included in the final substantially amended Consolidated Plan. Also included in the final substantially amended Consolidated Plan will be a summary of all comments not accepted and their reasons for dismissal.

### **Changes in Federal Funding Level**

Any changes in federal funding level after the Consolidated Plan's draft comment period has expired and the resulting effect on the distribution of funds will not be considered an amendment or a substantial amendment.

### **Standard Amendments**

"Standard amendments" are those that are not considered substantial in nature and pertain

chiefly to minor administrative modifications of the programs. Thus they do not require in-depth citizen participation.

### **Complaints and Grievances**

Citizens, administering agencies and other interested parties may submit complaints regarding violations of this Citizen Participation Plan or federal regulations regarding the preparation of the consolidated plan, amendments to the consolidated plan, or performance reports.

Citizens may also present complaints and grievances orally or in writing at the community meetings and/or public hearing. All public comments, including complaints and grievances, made either orally or in writing within the 30-day public comment period, will be included in the final Consolidated Plan, subject to such limitations of the Minnesota Government Data Practices Act that may apply. Such complaints or grievances shall be directed to the Consolidated Plan representative, Ms. Hillary Friend of DEED at 332 Minnesota St, Ste. E200, St. Paul, MN 55101, or her successor.

### **Timely Response to Complaints or Grievances**

Within 15 calendar days of receiving the complaint, the program manager shall discuss the matter with the department manager, respond to the complainant in writing, and maintain a copy of all related correspondence, which will be subject to State review. A copy of the State's response from the Consolidated Plan representative will be transmitted, concurrently, to the complainant and to the DEED Director. If, due to unusual circumstances, the Consolidated Plan representative finds that it is unable to meet the prescribed time limit, the limit may be extended by written notice to the complainant. The Consolidated Plan representative's notice must include the reason for the extension and the date on which a response is expected to be generated, which may be based on the nature and complexity of the complaint.

Public review materials and performance reports will include data, as appropriate under confidentiality regulations, on any written complaints received and how each was resolved.

### **Citizen Participation Requirements for Local Governments Receiving CDBG (Small Cities Development Program) Funds from the State**

Units of general local government must provide for and encourage citizen participation as prescribed at 24 CFR 570.486. All Small Cities Program applicants for CDBG funds are required to provide citizen notification and involvement in planning and implementation of the proposed projects through one or more public hearings and other informational efforts. Public hearings must be held at times and in places that are convenient to all community residents, particularly



those who will be affected by implementation of the project(s). The needs of persons with disabilities and non-English speaking persons should be considered for the dissemination of information and the location of public hearings and meetings must be accessible to persons with disabilities. In addition, applicants are required to conduct a community development survey to allow for citizen input on the housing and community needs of the jurisdiction.

### Availability of the Citizen Participation Plan

Copies of the CPP may be obtained at the Minnesota Housing website (<http://www.mnhousing.gov>), the DEED website at <http://www.mn.gov/deed>., or DHS' website, <http://www.mn.gov/dhs> Upon request, the State will make the Plan available in an alternative format accessible to persons with disabilities.

## Outreach Contacts

Copies of the Consolidated Plan will be sent electronically to the following:

### Libraries

ALBERT LEA PUBLIC LIBRARY	phavener@selco.info
ANOKA COUNTY LIBRARY	Maggie.Snow@co.anoka.mn.us
ARROWHEAD LIBRARY SYSTEM	Jim.Weikum@alslib.info
AURORA PUBLIC LIBRARY	Paula.Chapman@alslib.info
AUSTIN PUBLIC LIBRARY	ahokanson@selco.info
BABBITT PUBLIC LIBRARY	Lisa.Pennala@alslib.info
BAUDETTE PUBLIC LIBRARY	Kelli.Pelland@alslib.info
BAYPORT PUBLIC LIBRARY	jsmith@ci.bayport.mn.us
BLUE EARTH COMMUNITY LIBRARY	egaydo@tds.lib.mn.us
BLUE EARTH COUNTY LIBRARY	tim.hayes@blueearthcountymn.gov
BOVEY PUBLIC LIBRARY	Tara.Deguisseppi@alslib.info
BROWNS VALLEY PUBLIC LIBRARY	bpiechowski@brownsvalley.lib.mn.us
BROWNSDALE PUBLIC LIBRARY	dsmith@selco.info

BUHL PUBLIC LIBRARY	Dan.Wilde@alslib.info
CALEDONIA PUBLIC LIBRARY	adress@selco.info
CALUMET PUBLIC LIBRARY	Melanie.Lefebvre@alslib.info
CANNON FALLS LIBRARY	jpadgett@selco.info
CARLTON AREA PUBLIC LIBRARY	Jodie.Johnson@alslib.info
CARVER COUNTY LIBRARY SYSTEM	hhoks@co.carver.mn.us
CHATFIELD PUBLIC LIBRARY	monica@selco.info
CHISHOLM PUBLIC LIBRARY	Katie.Christenson@alslib.info
CLARKFIELD PUBLIC LIBRARY	clibrary@mns.com
CLOQUET PUBLIC LIBRARY	Mary.Lukkarila@alslib.info
COLERAINE PUBLIC LIBRARY	Joanne.Mikulich@alslib.info
COLUMBIA HEIGHTS PUBLIC LIBRARY	renee.dougherty@ci.columbia-heights.mn.us
COMFREY AREA LIBRARY	libtbc1@tds.lib.mn.us
COOK PUBLIC LIBRARY	Crystal.Phillips@alslib.info
CROSBY: JESSIE F. HALLETT MEMORIAL LIBRARY	peggi@hallettlibrary.org
DAKOTA COUNTY LIBRARY	Margaret.Stone@co.dakota.mn.us
DODGE CENTER PUBLIC LIBRARY	ihersfindahl@selco.info
DOUGLAS COUNTY LIBRARY	jodland@douglascounty.lib.mn.us
DULUTH PUBLIC LIBRARY	cpowers@duluthmn.gov
EAST CENTRAL REGIONAL LIBRARY	bmisselt@ecrib.org
EAST GRAND FORKS CAMPBELL LIBRARY	chelgeson@egflibrary.org
EDGERTON PUBLIC LIBRARY	edejager@plumcreeklibrary.net
ELBOW LAKE: THORSON MEM LIBRARY	ghedstrom@elbowlake.lib.mn.us
ELMORE PUBLIC LIBRARY	libtfe@tds.lib.mn.us
ELY PUBLIC LIBRARY	Rachel.Heinrich@alslib.info
EVELETH PUBLIC LIBRARY	MaryBeth.Kafut@alslib.info
FARIBAULT: BUCKHAM MEMORIAL LIBRARY	djames@ci.faribault.mn.us
FERGUS FALLS PUBLIC LIBRARY	esmith@fergusfalls.lib.mn.us
FULDA MEMORIAL LIBRARY	bcuperus@plumcreeklibrary.net
GILBERT PUBLIC LIBRARY	Nicole.Miller@alslib.info
GLENWOOD PUBLIC LIBRARY	lrandall@glenwood.lib.mn.us

GRAND MARAIS PUBLIC LIBRARY	Steve.Harsin@alslib.info
GRAND MEADOW PUBLIC LIBRARY	abaugh@selco.info
GRAND RAPIDS AREA LIBRARY	manderson@ci.grand-rapids.mn.us
GREAT RIVER REGIONAL LIBRARY	karenp@grrl.lib.mn.us
HANCOCK COMMUNITY LIBRARY	pjoos@hancock.lib.mn.us
HANSKA PUBLIC LIBRARY	dnelson@tds.lib.mn.us
HARMONY PUBLIC LIBRARY	ssilvers@selco.info
HENDRICKS: SIVERSON PUBLIC LIBRARY	librarianhendricks@yahoo.com
HENNEPIN COUNTY LIBRARY	lthompson@hclib.org
HIBBING PUBLIC LIBRARY	Coral.Ellshoff@alslib.info
HOKAH PUBLIC LIBRARY	barbb@selco.info
HOUSTON PUBLIC LIBRARY	hpublib@gmail.com
HOYT LAKES PUBLIC LIBRARY	Coral.Ellshoff@alslib.info
INTERNATIONAL FALLS PUBLIC LIBRARY	Diane.Adams@alslib.info
IVANHOE PUBLIC LIBRARY	svizecky@plumcreeklibrary.net
JACKSON COUNTY LIBRARY	terickson@plumcreeklibrary.net
KASSON PUBLIC LIBRARY	atiff@selco.info
KEEWATIN PUBLIC LIBRARY	Paula.Fowler@alslib.info
KENYON PUBLIC LIBRARY	motte@selco.info
KINNEY PUBLIC LIBRARY	k.bragge@mchsi.com
KITCHIGAMI REGIONAL LIBRARY	ridgem@krls.org
LA CRESCENT PUBLIC LIBRARY	lbeach@selco.info
LAKE AGASSIZ REGIONAL LIBRARY	lynchl@larl.org
LAKE BENTON PUBLIC LIBRARY	sfinzen@plumcreeklibrary.net
LAKE CITY PUBLIC LIBRARY	pbross@selco.info
LAKE ELMO PUBLIC LIBRARY	ndeprey@lakeelmo.org
LAMBERTON PUBLIC LIBRARY	cvanmeveren@plumcreeklibrary.net
LANESBORO PUBLIC LIBRARY	tjohnson@selco.info
LE ROY PUBLIC LIBRARY	rbarnes@selco.info
LONSDALE PUBLIC LIBRARY	mmoran@selco.info
MABEL PUBLIC LIBRARY	donnaj@selco.info

MARBLE PUBLIC LIBRARY	Tanja.Smith@alslib.info
MARSHALL-LYON COUNTY LIBRARY	michele.leininger@marshalllyonlibrary.org
MARTIN COUNTY LIBRARY	jjepse@tds.lib.mn.us
METROPOLITAN LIBRARY SERVICE AGENCY (MELSA)	ken@melsa.org
MINNEOTA PUBLIC LIBRARY	mbuysse@plumcreeklibrary.net
MOOSE LAKE PUBLIC LIBRARY	Steven.Devine-Jelinski@alslib.info
MORGAN PUBLIC LIBRARY	morganlibrary@redred.com
MORRIS PUBLIC LIBRARY	myauk@morris.lib.mn.us
MOUNTAIN IRON PUBLIC LIBRARY	Sally.Yuccas@alslib.info
MOUNTAIN LAKE PUBLIC LIBRARY	clehman@plumcreeklibrary.net
NEW ULM PUBLIC LIBRARY	kwiley@tds.lib.mn.us
NEW YORK MILLS PUBLIC LIBRARY	jadams@newyorkmills.lib.mn.us
NOBLES COUNTY LIBRARY	cwolthuizen@plumcreeklibrary.net
NORTH MANKATO TAYLOR LIBRARY	lflowry@nmlibrary.org
NORTHFIELD PUBLIC LIBRARY	teresa.jensen@ci.northfield.mn.us
NORTHWEST REGIONAL LIBRARY	hansonk@nwrlib.org
OWATONNA-STEELE COUNTY LIBRARY	marykay@owatonna.info
PELICAN RAPIDS PUBLIC LIBRARY: A MULTICULTURAL LEARNING CENTER	awrigg@pelicanrapids.lib.mn.us
PERHAM AREA PUBLIC LIBRARY	sheusser-ladwig@perham.lib.mn.us
PINE ISLAND: VAN HORN PUBLIC LIBRARY	mkhansen@selco.info
PIONEERLAND LIBRARY SYSTEM	laurie.ortega@pioneerland.lib.mn.us
PIPESTONE: MEINDERS COMMUNITY LIBRARY	jody.wacker@pas.k12.mn.us
PLAINVIEW PUBLIC LIBRARY	ahenderson@selco.info
PLUM CREEK LIBRARY SYSTEM	jtrojanowski@plumcreeklibrary.net
PRESTON PUBLIC LIBRARY	bethand@selco.info
RAMSEY COUNTY LIBRARY	snemitz@ramsey.lib.mn.us
RED WING PUBLIC LIBRARY	jessica.mcgee@ci.red-wing.mn.us
REDWOOD FALLS PUBLIC LIBRARY	tsmith@ci.redwood-falls.mn.us
ROCHESTER PUBLIC LIBRARY	audrey@rochester.lib.mn.us
ROCK COUNTY COMMUNITY LIBRARY	sgutnik@plumcreeklibrary.net
RUSHFORD PUBLIC LIBRARY	shart@selco.info

SAINT PAUL PUBLIC LIBRARY	jane.eastwood@ci.stpaul.mn.us
SCOTT COUNTY LIBRARY	jgrussing@co.scott.mn.us
SIBLEY COUNTY LIBRARY	libtsh@tds.lib.mn.us
SILVER BAY PUBLIC LIBRARY	Julie.Billings@alslib.info
SLAYTON PUBLIC LIBRARY	slarson@plumcreeklibrary.net
SLEEPY EYE: DYCKMAN FREE LIBRARY	akelton@tds.lib.mn.us
SOUTH SAINT PAUL PUBLIC LIBRARY	kathy.halgren@southstpaul.org
SOUTHEASTERN LIBRARIES COOPERATING	ahutton@selco.info
SPRING GROVE PUBLIC LIBRARY	dljohnson@selco.info
SPRING VALLEY PUBLIC LIBRARY	jsimon@selco.info
SPRINGFIELD PUBLIC LIBRARY	lroige@tds.lib.mn.us
ST. CHARLES PUBLIC LIBRARY	sherryg@selco.info
ST. PETER PUBLIC LIBRARY	dougw@saintpetermn.gov
STEWARTVILLE PUBLIC LIBRARY	patj@selco.info
STILLWATER PUBLIC LIBRARY	lynneseb@ci.stillwater.mn.us
TAYLORS FALLS PUBLIC LIBRARY	dianed46@frontier.com
TRACY PUBLIC LIBRARY	vquist@plumcreeklibrary.net
TRAVERSE DES SIOUX LIBRARY COOPERATIVE	rboese@tds.lib.mn.us
TWO HARBORS PUBLIC LIBRARY	Katie.Sundstrom@alslib.info
TYLER PUBLIC LIBRARY	cskjong@plumcreeklibrary.net
VIKING LIBRARY SYSTEM	pwerner@viking.lib.mn.us
VIRGINIA PUBLIC LIBRARY	Nancy.Maxwell@alslib.info
WABASHA PUBLIC LIBRARY	bhall@selco.info
WABASSO PUBLIC LIBRARY	mdaub@plumcreeklibrary.net
WASECA-LE SUEUR REGIONAL LIBRARY	lienemann@tds.lib.mn.us
WASHINGTON COUNTY LIBRARY	keith.ryskoski@co.washington.mn.us
WATONWAN COUNTY LIBRARY	cbjoin@tds.lib.mn.us
WELLS PUBLIC LIBRARY	libtfl@tds.lib.mn.us
WEST CONCORD PUBLIC LIBRARY	sdahms@selco.info
WESTBROOK PUBLIC LIBRARY	kourada@centurytel.net
WHEATON COMMUNITY LIBRARY	tanderson@wheaton.lib.mn.us

WINDOM PUBLIC LIBRARY	daamot@plumcreeklibrary.net
WINNEBAGO: MUIR LIBRARY	hkittl@tds.lib.mn.us
WINONA PUBLIC LIBRARY	cubl@ci.winona.mn.us
ZUMBROTA PUBLIC LIBRARY	jhill@selco.info

### Regional Development Commissions

Arrowhead RDC, 221 West 1st, Duluth, info@ardc.org

East Central RDC, 100 South Park Street, Mora, ecrdc@ecrdc.org

Headwaters RDC, P.O. Box 906, Bemidji, hrdc@hrdc.org

Metro Council, 390 North Robert Street St. Paul, public.info@metc.state.mn.us

Mid-Minnesota Development Commission, 333 West Sixth Street, Suite 2, Willmar, mmrdc@mmrdc.org

Northwest RDC, 115 S. Main Ave., Ste. 1, Warren, bsafanski@nwrdc.org

Region Five Development Commission, 611 Iowa Avenue, Staples, despe@regionfive.org

Region Nine Development Commission, P.O. Box 3367, Mankato, nicole@rndc.org

South West RDC, 2401 Broadway Ave., Ste. 1, Slayton, srdc@swrdc.org

Upper Minnesota Valley RDC, 323 West Schlieman, Appleton, info@umvrdc.org

### Minnesota Initiative Offices

Initiative Fund, 405 First Street SE, Little Falls, info@ifound.org

Northland Foundation, 202 West Superior, Ste. 610, Duluth, info@northlandfdn.org

Northwest MN Initiative Fund, 722 Paul Bunyan Dr. NW, Bemidji, info@nwmf.org

Southern Minnesota Initiative Foundation, 525 Florence Avenue, Box 695, Owatonna, inquiry@smifoundation.org

Southwest MN Foundation, 15 3rd Avenue NW, Hutchinson, info@swifoundation.org

West Central MN Initiative Fund, 1000 Western Avenue, Fergus Falls, info@wcif.org

### Councils, Associations, and Other Locations

Council on Asian Pacific Minnesotans, 658 Cedar Street, 1st Floor, St. Paul, capm@state.mn.us

Centro Cultural Chicano, 1915 Chicago Ave. S., Minneapolis, infocenter@centromn.org

CLUES, 220 S. Robert St., Ste. 103, St. Paul, info@clues.org

Council for Minnesotans of African Heritage, 332 Minnesota Street, Suite E1240, St. Paul, COBM@state.mn.us

Minnesota Coalition for the Homeless, 2233 University Ave W Ste 434, Saint Paul, info@mhomelesscoalition.org

Minnesota Council on Latino Affairs, One West Water Street, Suite 240 Saint Paul, mcla.desk@state.mn.us

Upper Midwest American Indian Center, 1035 W Broadway Ave, Minneapolis, sn.user@umaicmn.org

Arrowhead Economic Opportunity Agency, 702 3rd Avenue S., Virginia, scott.zahorik@aeoe.org

MICAH, 463 Maria Ave., St. Paul, info@micah.org

COC Regions	COC Coordinator Contact Info	Meeting Schedule
SMAC (Anoka, Carver , Dakota, Scott, and Washington Counties)	Abby Guilford SMAC coordinator 763.458.9790 <a href="mailto:abby@mesh-mn.org">abby@mesh-mn.org</a>	<ul style="list-style-type: none"> <li>• Third Friday of the month from 1:00 – 3:00 pm. Please contact Abby for the meeting details.</li> </ul>
Hennepin County	Laura A DeRosier Hennepin County 218.391.6734 <a href="mailto:Laura.DeRosier@hennepin.us">Laura.DeRosier@hennepin.us</a>	<ul style="list-style-type: none"> <li>• Please contact Laura for the meeting date/time and location info</li> </ul>
Ramsey County	Loni Aadalen Ramsey County Human Services 651.266.4116 <a href="mailto:Loni.Aadalen@CO.RAMSEY.MN.US">Loni.Aadalen@CO.RAMSEY.MN.US</a>	<ul style="list-style-type: none"> <li>• Third Friday of the month from 9:00 – 11:00 a.m.</li> </ul>
Central	Tammy Smith Central MN Housing Partnership 320.258.0674 <a href="mailto:tsmith@cmhp.net">tsmith@cmhp.net</a>	<ul style="list-style-type: none"> <li>• First Tuesday of the month from 1:00-3:00 p.m. @ Morrison County Government Center, Little Falls</li> </ul>
Northeast	Patty Beech Northeast MN CoC Coordinator 218.525.4957 <a href="mailto:pattybeechconsulting@gmail.com">pattybeechconsulting@gmail.com</a>	<ul style="list-style-type: none"> <li>• June, July, August, September</li> <li>• Contact Patty Beech for locations, dates and times</li> </ul>
Northwest	Cory Boushee Northwest MN CoC Coordinator 218.759.2057 <a href="mailto:coryb@nwmf.org">coryb@nwmf.org</a>	<ul style="list-style-type: none"> <li>• Third Thursday of the month from 1:00-3:00 p.m.</li> <li>• Contact Carla for meeting locations</li> </ul>
Southeast	Jennifer Prins Three Rivers Community Action	<ul style="list-style-type: none"> <li>• Third Thursday of the month from 9:30-noon</li> </ul>



	<p>507.732.8577  <a href="mailto:jprins@threeriverscap.org">jprins@threeriverscap.org</a></p>	<ul style="list-style-type: none"> <li>• Rotates between Rochester, Owatonna and Mankato</li> <li>• Find the meeting schedule and locations at <a href="http://threeriverscap.org/continuum-of-care/minutes">http://threeriverscap.org/continuum-of-care/minutes</a></li> </ul>
Southwest	<p>Justin Vorbach  SW Minnesota Housing Partnership  507.530.2942  <a href="mailto:justinv@swmhp.org">justinv@swmhp.org</a></p>	<ul style="list-style-type: none"> <li>• Second Thursday of the month from 10:00-noon</li> <li>• Odd number months at the Kandiyohi Health and Human Services Building</li> <li>• Even number months at Western Community Action in Marshall</li> </ul>
St. Louis County	<p>Will Wilson  St. Louis County  218.725.5158  <a href="mailto:wilsonw@stlouiscountymn.gov">wilsonw@stlouiscountymn.gov</a></p>	<ul style="list-style-type: none"> <li>• Fourth Wednesday of the month from 11:00-2:00 p.m.</li> <li>• Cotton Town Hall; locations may vary - contact coordinator to confirm</li> </ul>
West Central	<p>Carla Solem  West Central MN CoC Coordinator  701.306.1944  <a href="mailto:h2hcoordinator@gmail.com">h2hcoordinator@gmail.com</a></p>	<ul style="list-style-type: none"> <li>• Second Wednesday of the month from 1:00-3:00 p.m.</li> <li>• Contact Carla for meeting locations</li> </ul>

DEPARTMENT OF EMPLOYMENT AND ECONOMIC  
DEVELOPMENT (DEED)

**AP-15: Expected Resources**

The State of Minnesota DEED receives Community Development Block Grant (CDBG) funds annually from HUD with 85% of its annual allocation and award grants to local units of government for general community development projects such as housing and commercial rehabilitation and public facility activities. The remaining 15%, administered by the Office of Business Finance, is designated specifically for economic development projects known as the **Minnesota Investment Fund (MIF) Revolving Loan Fund (RLF)**.

Upon submittal of an application by an eligible applicant, DEED awards the MIF grant to a local unit of government in an amount up to \$1,000,000 to assist with the start up or expansion of a qualified business. When repayment of the loan occurs, DEED allows the local government to retain the funds. All loan repayments are considered “Program Income” (PI) and since the local government is permitted to retain the PI, the loan payments must be placed in a separate Revolving Loan Fund (RLF) to fund the same activities that generated the PI. Therefore, the RLF must be used specifically for future economic development activities.

Whereas, the **Small Cities Development Program (SCDP), Program Income (PI)** is defined as income of \$35,000 or more generated in a federal fiscal year (October 1 - September 30) by SCDP funds from past and open grants. These should be accounted for and reported separately. Reporting is due October 15<sup>th</sup> each year.

If a grantee receives less than \$35,000 in a fiscal year, it is not considered Program Income but referred to as Local Income.

Program Income and Local Income funds generated could include:

- Loan repayments (with interest, if applicable).
- Proceeds from the sale of property in which SCDP funds were used.
- Interest earned on the Program Income itself.

Program Income from previous grants must be used before newly awarded grant funds can be disbursed. Program Income must be listed as leverage on applications and is expected to be drawn prior to drawing awarded funds.

Program Income and Local Income must be reused in a manner consistent with what was stated in the funding application, grant agreement, SCDP program requirements (federal objective, environmental, labor standards and etc.) and their respective Program Income Reuse Plan. After closeout, if grantees wish to use Program Income or Local income generated for something other than the activities that generated the income, SCDP staff should be consulted.

As of September 30, 2019, in the recent report, the Minnesota Investment Fund Revolving Loan Fund has a balance of **\$9,057,395.70**.

*Please refer to the table below.*

<b>Local Government</b>	<b>Balance 09/30/19</b>	<b>Contact Information</b>
Backus	\$126,978.37	(218) 947-3221
Bagley	\$28,576.56	(218) 694-2865
Bemidji	\$238,402.25	(218) 759-3560
BLAEDC	\$79,218.00	(218) 828-0096
Cass County EDC	\$124,172.93	(218) 547-7262
Cold Spring	\$363,673.50	(320) 685-3653
Deerwood	\$10,165.27	(218) 534-3152
Faribault	\$607,480.26	(507) 334-2222
Fosston	\$277,078.00	(218) 435-1959
Granite Falls	\$721,221.49	(320) 564-3011
Hector	\$393,632.57	(320) 848-2122
Heron Lake	\$192,678.46	(507) 793-2826
Hutchinson	\$3,663.78	(320) 587-5151
Lake Crystal	\$215,881.85	(507) 726-2538
Maple Lake	\$220,155.75	(320) 963-3611
Marshall	\$45,514.69	(507) 537-6760
Meeker County	\$865,940.50	(320) 693-5272
Mountain Lake	\$323,872.43	(507) 427-2999
Murray County	\$144,641.00	(507) 836-6023
New Ulm	\$438,481.90	(507) 359-8233
North Branch	\$288,243.74	(507) 359-8233
North Mankato	\$1,092,134.87	(507) 359-8233
Owatonna	\$350,256.00	(507) 444-4300
Pipestone	\$19,020.77	(507) 825-3324
Plato	\$36,172.93	(320) 238-2432
Preston	\$1,500.00	(507) 765-2153
Prior Lake	\$128,353.68	(952) 447-9800
Rockford	\$279,732.00	(763) 477-6565
Sauk Rapids	\$3,535.00	(320) 258-5300
Stevens County EIC	\$188,352.36	(320) 858-2609
Wabasso	\$218,248.71	(507) 342-5519
Wadena	\$113,264.82	(218) 631-7707
Worthington EDC	\$581,133.98	(507) 372-8000
Worthington	\$336,017.28	(507) 372-8000
<b>Total:</b>	<b>\$9,057,395.70</b>	

As of September 30, 2019, in the recent report, the Small Cities Development Program, Program Income has a balance of **\$3,526,526.00**.

*Please refer to the table below.*

<b>Local Government</b>	<b>Balance 09/30/19</b>	<b>Contact Information</b>
Brainerd	\$43,663.00	(218) 828-2307
Cass Lake	\$16,811.00	(218) 335-2238
Clay County	\$49,000.00	(218) 299-5011
Coleraine, Bovey & Taconite, Marble	\$59,876.00	(218) 245-2112
Cottonwood, Echo, Wood Lake	\$25,599.00	(507) 423-6488
Faribault, Morristown	\$463,983.00	(507) 334-2222
Foley	\$88,420.00	(320) 968-7260
Frazee	\$12,606.00	(218) 334-4991
Hendricks	\$30,207.00	(507) 275-1300
Hutchinson	\$105,249.00	(320) 587-5151
Ivanhoe, Ghent, Minneota	\$42,951.00	(320) 694-1738
Kasson	\$146,782.00	(507) 634-7071
Lafayette	\$60,989.00	(507) 228-8241
Mapleton	\$61,779.00	(507) 524-3492
Marshall	\$492,951.00	(507) 537-6760
Murray County	\$210,496.00	(507) 836-6023
New Prague	\$581,519.00	(952) 758-4401
Pierz	\$66,953.00	(320) 468-6471
Preston	\$34,406.00	(507) 765-2153
Red Wing	\$95,412.00	(651) 385-3600
Renville County - Olivia	\$340,641.00	(320) 523-2361
Sartell	\$11,750.00	(320) 253-2171
Sauk Centre	\$38,068.00	(320)352-0121
Shakopee	\$18,368.00	(920) 233-9300
Sherburn	\$18,128.00	(507) 764-4491
Thief River Falls	\$16,247.00	(218) 681-2943
Willmar	\$228,154.00	(320) 235-4913
Winona	\$58,401.00	(507) 457-8234
Winona County	\$16,240.00	(507) 457-8830
Winthrop, Gibbon, New Auburn	\$24,647.00	(507) 647-5500
Waseca	\$66,230.00	(507) 835-9700
<b>Total:</b>	<b>\$3,526,526.00</b>	

## AP-30 Method of Distribution – 91.320(d)&(k)

### DEED Funding

DEED funding covered by this Action Plan is distributed in a competitive funding opportunity. The results of this funding process is reflected in the priorities and specific objectives outlined in the State’s 2020 Annual Action Plan Table of Objectives and Outcomes.

**Following are the criteria used for distributing DEED funding:**

<p><b>1. Funding Allocation by Percentages</b></p>	<p>DEED funding will be allocated on the following percentages and criteria:</p> <ul style="list-style-type: none"> <li>• 30% for Single Purpose</li> <li>• 55% for Comprehensive Applications</li> <li>• The remaining 15% allocation is designated for DEED's federal economic development set-aside.</li> <li>• If there is not a need from the unit administering federal economic set-aside funds, these funds will go towards SCDP projects, which would be approved by the Commissioner of DEED.</li> <li>• Allocation percentages may be modified by the Commissioner of DEED if it is determined that there is a shortage of fundable applications in any category, as allowed in State Rules.</li> <li>• DEED does not distribute funds based on specific geographic area.</li> </ul>
<p><b>2. Required Statements Review &amp; MOD Calculation</b></p>	<p>The Request for Proposal (RFP) include the electronic and hard copy versions of the application, fully completed and submitted by the deadline. The required documents will be evaluated on a competitive basis and criteria:</p> <ul style="list-style-type: none"> <li>• Grants are typically 39 month projects but may longer depending on various factors including, but not limited to timing of HUD release of funds and disasters affecting the project area.</li> <li>• 20% of fund are allocated towards administration with a maximum of 15% of projects cost to grantees and 5% for state staff.</li> </ul> <hr/> <p><b>MOD Calculation are based on the following criteria:</b></p> <ul style="list-style-type: none"> <li>• The State subtracts from the CDBG Award the amount it sets aside for State Administration:  <math display="block">\\$100,000 + 3\% = \\$ \text{ of CDBG Award}</math> <math display="block">2\% = \text{match (Administration)}</math> <math display="block">1\% = \text{no match (Administration for Technical Assistance)}</math> </li> </ul>
<p><b>3. Availability and Determination of Funds</b></p> <ul style="list-style-type: none"> <li>• Reverted funds</li> <li>• Program Income</li> </ul>	<ul style="list-style-type: none"> <li>• Added to the current SCDP allocation are funds reverted from grantees who did not spend their total grants awarded to them in previous fiscal years.</li> <li>• In addition, grantees must bring forward any Program Income (PI) they have and spend it first before any new CDBG award funds will be released from DEED. Awarded applicants who have Program Income must expend before any new CDBG funds will be disbursed as per grantees approved Program Income Plan.</li> <li>• In the event of a disaster, the State of Minnesota reverses the right to use funds for any eligible CDBG activity to an eligible grantee. Once the State has determined a total SCDP allocation available for award, it allocates this total to the Comprehensive and Single Purpose grant budget based on the Comprehensive funds which is at 33% and Single Purpose funds which is 52%.</li> <li>• The 2020 unencumbered funds balance of \$1,438,954.98 will be used in the 2021 round.</li> </ul>

## State of MN-DEED MOD-2020

ALLOCATION OF FEDERAL CDBG FUNDS	
\$19,092,191.00	<b>CDBG Allocation FY 2020</b>
\$481,843.82	State Admin (\$100,000 + 2% of \$19,092,191)
\$190,921.91	Technical Assistance (1% of \$19,092,191)
<b>\$18,419,425.27</b>	<b>Available for Grants</b>
<b>\$18,419,425.27</b>	<b>Available for Grants</b>
\$2,762,913.79	Economic Development (15%)
\$10,130,683.90	SCDP Comprehensive (55%)
\$5,525,827.58	SCDP Single Purpose (30%)
<b>\$0.00</b>	<b>Balance</b>
\$10,130,683.90	SCDP Comprehensive
\$5,525,827.58	SCDP Single Purpose
<b>\$15,656,511.48</b>	<b>2020 SCDP Funds Available for Competitive Grants</b>
\$0.00	Estimated Program Income in Apps.
\$2,483,790.07	Reverted SCDP- 2017 and prior
\$1,805,522.43	2019 not used SCDP award
\$2,676,916.00	2019 Reverted Economic Development
<b>\$6,966,228.50</b>	<b>NON 2020 Funds Available for Competitive Grants</b>
<b>\$15,656,511.48</b>	2020 Funds Available for SCDP Competitive Grants
<b>\$6,966,228.50</b>	NON 2020 Funds Available for Competitive Grants
<b>\$22,622,739.98</b>	<b>FUNDS AVAILABLE TO FUND 2020 COMPETITIVE GRANTS</b>
<b>\$21,183,785.00</b>	<b>FUNDS ENCUMBERED FOR 2020 ROUND</b>
<b>\$1,438,954.98</b>	<b>REMAINING BALANCE OF 2020 SCDP ALLOCATION UNENCUMBERED</b>

## **Contingency Provision Language**

The expected amount available this year is an estimate due to delayed FFY 2019 budgets. We expect the final amount to not be substantially different than what is estimated. Should the expected annual allocation be different (more or less) than anticipated during Minnesota's citizen participation process of this plan, the agency's will continue to run their programs as described throughout this plan, and will adjust based on increases or decreases to maximize expected outcomes accordingly.



## ***Program Specific-CDBG***

### ***SCDP Special Needs Activities***

SCDP funds may be used for affordable housing development that assists special needs populations. The SCDP is flexible and can assist special needs populations in a variety of ways, including rehabilitation of homes, shelters, or community centers that serve these populations. These applicants will follow the regular SCDP process that is currently in place.

### ***SCDP Disaster Response Activities***

DEED may allocate reverted dollars from previous or current SCDP funds for use in a federal- and/or state-declared disaster response. The type of response will be determined based on the needs in the disaster area and the other resources that may be available. All other available resources must be accessed prior to the use of SCDP funds. All recipients of assistance will need to meet SCDP requirements. These applicants will follow the regular SCDP process that is currently in place.

### ***Program Income***

Program income is income received in excess of \$35,000 in a federal fiscal year by a grantee or a sub-recipient as a result of the activities supported by Minnesota CDBG funds. Grantees or sub-recipients will follow the requirements set by DEED (SCDP) in addition to all HUD program income regulatory requirements. HUD Requirements can be found at 570.489(e).

Program Income (PI) is defined as income generated by the SCDP-funded activities, which include but is not limited to:

- Loan repayments (with interest, if applicable);
- Proceeds from the sale of property purchased with SCDP funds; or
- Interest earned on the PI itself, once back under the control of the Grantee.

All communities that currently have PI on hand and intend on applying for a new SCDP grant must bring the current PI as leveraged funds unless repayment agreements are already in place for use of these funds. All awarded grants with PI on hand will reduce draws based on distribution plans of those funds to the awarded projects.

## Internal SCDP Monitoring Procedures

All grants will be monitored to determine whether or not the grant activities meet the following: federal objective, eligible activities, grant and financial management, activity specific and grant progress.

There are two types of monitoring conducted:

- Onsite Monitoring
- Desk Monitoring-ongoing

Onsite monitoring will be completed at least one time within the grant period. The goal is to monitor each grantee early enough to prevent problems but late enough to review grantee performance and progress. A monitoring checklist will be used at the visit with a description of a concern or a finding if applicable. Upon monitoring completion staff will input data into the monitoring spreadsheet.

The following is the onsite monitoring process:

- Notification of visit: The grantee and administrator will be emailed or called to set up the monitoring appointment and provided the monitoring checklist for preparation.
- Entrance meeting onsite(describing the process) will occur between the state, grantee, and administrator;
- State monitoring conducted using monitoring checklist: see areas reviewed in next section;
- Exit Meeting: Provide positive feedback and discuss findings/concerns;
- Cover letter and monitoring report written and approved by director prior to mail out;
- Notification of results to mayor and administrator: Cover letter and report;
- Follow up to clear Findings within 60 days from report date (when possible).

Areas reviewed will consist of:

- Activity Eligibility and National Objective;
- Grant and Financial Management;
- General areas of review: environmental, fair housing, labor standards- if applicable, grant progress, policies/procedures, and individual case files

Desk monitoring consists of DEED reviewing the items below at any time during the grant period:

- Annual Reports/Performance Measurements
- Disbursement Requests
- Labor Standards-Notice of Contract Awards and Final Reports
- Policies and procedures
- Environmental
- Requested information

## SCDP Allowable Pre-Agreement Costs

**200.458 Pre-award costs.** Pre-award costs are those incurred prior to the effective date of the Federal award directly pursuant to the negotiation and in anticipation of the Federal award where such costs are necessary for efficient and timely performance of the scope of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the Federal award and only with the written approval of the Federal awarding agency.

To minimize additional workload on grantees and the state, as established in 2 CFR 200.485 requirements, this plan includes implementation and incurring of pre-award costs if and when the grantees complete the following documentation in its local files.

The purpose of this communication is to advise grantees about eligible SCDP expenditures and allowable pre-agreement costs. The following expenses may be incurred prior to the executed grant agreement:

- Costs incurred to attend the Small Cities Development Program (SCDP) Implementation Workshop.
- Costs incurred to complete an environmental review.
- Grant start-up activities (i.e. Policies and Procedures).
- Costs incurred to accept applications and determine scope of work.

Grantee must document in file:

- The grantee documents that the costs incurred prior to grant award are necessary for efficient and timely performance of the activity in question.
- The grantee documents that the costs are for eligible activities under the regulations for the applicable funding program.
- The grantee documents that the grantee has complied with all other requirements for pre-award costs under the regulations for the applicable funding program.

We cannot reimburse you for allowable pre-agreement costs until you have all of the following:

- An executed grant agreement with us.
- Cleared the SCDP environmental review process.
- Cleared any special conditions necessary.
- Citizen participation process is complete.

MINNESOTA DEPARTMENT OF HUMAN SERVICES  
(DHS)

## AP-30 Method of Distribution - 91.320(d)&(k)

### ESG Funding

ESG Funding for Emergency Shelter activities covered by this Action Plan is distributed in a competitive funding opportunity. The results of this funding process is reflected in the priorities and specific objectives outlined in State’s 2019 Annual Action Plan Table of Objectives and Outcomes.

ESG funds distributed for prevention and rapid re-housing under this Action Plan were distributed through an amendment process to existing ESG prevention and rapid re-housing sub-recipients (who were selected through a previous competitive process in 2017). The decision to provide funding through the amendment process was made due to the low probability of the State receiving additional ESG funds, and the satisfactory performance of existing sub-recipients. Taken together, the ESG Shelter, Prevention and Rapid Re-Housing funding address three of the State’ priority objectives for ESG funding:

**SL-1.1** Provide safe, adequate emergency shelter for those not yet re-housed or diverted from shelter.

**SL-1.1** Stably rehouse homeless persons and those at-risk of homelessness

**SL-1.1** Ensure homeless families and individuals transition to stable, long-term housing situations.

**Following are the criteria used for distributing FFY2019 ESG funding for emergency shelter:**

Activity Type	Emergency Shelter
<b>Scored Criteria (Total of 50 points possible)</b>	<p><b>Equity and Accessibility (10 points)</b></p> <ul style="list-style-type: none"> <li>• Efforts to hire and retain staff that reflect the population being served.</li> <li>• Actions taken to respond to the needs of culultural and ethnic groups.</li> <li>• Policies and procedures accommodate persons from LGTBQ populations,</li> </ul>
	<p><b>Emergency Shelter: Shelter Operations &amp; Written Standards (30 points)</b></p> <ul style="list-style-type: none"> <li>• Clearly described policies for each of the Written Standards components.</li> <li>• Consistency with Best Practices for Low-Barrier Shelter.</li> <li>• Effort to provide or coordinate services needed by shelter residents.</li> <li>• Clear description of policies around length of stay and involuntary discharge process (including appeals).</li> <li>• Agency experience in providing proposed program.</li> <li>• Qualified staff who are experienced in providing emergency services.</li> </ul>
	<p><b>Program Budget and Budget Narrative (10 points)</b></p> <ul style="list-style-type: none"> <li>• Cost effectiveness of program (including cost per day).</li> <li>• Descriptive/complete budget narrative.</li> <li>• Reasonableness of budget.</li> </ul>
<b>Other Criteria</b>	<ul style="list-style-type: none"> <li>• Financial and Administrative Capacity</li> </ul>
	<ul style="list-style-type: none"> <li>• Previous performance including monitoring and reporting</li> </ul>
	<ul style="list-style-type: none"> <li>• Geographic location</li> </ul>
	<ul style="list-style-type: none"> <li>• Target Population</li> </ul>

As noted above, during the 2017 competitive funding process, the following criteria were used in selecting the ESG Prevention and Rapid Re-Housing sub-recipients (who are now receiving ESG funding amendments under the current Action Plan):

<p><b>1. Phase I: Required Statements Review</b></p>	<p>The Required documents will be evaluated on a pass or fail basis. Responders must "pass" each of the requirements identified in these sections to move to Phase II. Required documents for this RFP include the electronic and hard copy versions of the application, fully completed and submitted by the deadline.</p>
<p><b>2. Phase II: Evaluation of Technical Requirements of Proposals</b></p> <p>Points have been assigned to these component areas. The total possible points for these component areas are outline in Table 2 below:</p>	<p><b>Program Accessibility, Approach and Equity (13 points)</b></p> <ul style="list-style-type: none"> <li>• Accessibility of program</li> <li>• Level of implementation of best practice approaches</li> <li>• Program’s efforts to reach and provide services to overrepresented groups</li> </ul> <p><b>Program Design (25 points)</b></p> <ul style="list-style-type: none"> <li>• Agency experience providing proposed services</li> <li>• Staff experience and capacity to provide proposed services</li> <li>• Appropriate services for target population and program model</li> <li>• Appropriate outcomes for target population (housing programs only)</li> </ul> <p><b>Program Revenue and Budget (12 points)</b></p> <ul style="list-style-type: none"> <li>• Cost effectiveness of program</li> <li>• Detailed information on revenue sources</li> <li>• Diverse and sustainable funding</li> <li>• Descriptive/complete budget narrative</li> <li>• Reasonableness of budget</li> </ul>
<p>Other Criteria</p>	<ul style="list-style-type: none"> <li>• Financial and Administrative</li> <li>• Previous performance including monitoring and reporting</li> <li>• Capacity Geographic location</li> </ul>

## **AP-90 PROGRAM SPECIFIC REQUIREMENTS: ESG MONITORING**

Bi-annually, the DHS Office of Economic Opportunity (OEO) staff reviews all ESG grantees using a Grantee Assessment Tool (GAT) based on the HUD risk analysis tool. The tool has three broad areas of analysis:

1. General agency information, including such factors as Executive/Fiscal Director turnover, unresolved monitoring findings, agency systems and board function;
2. Program Operations, including compliance and reporting issues, partnerships and linkages and the quality of programming based on monitoring; and
3. Fiscal operations, including audit findings, unresolved fiscal problems, fiscal systems and procedures, program deficits, and accurate reporting.

The Grantee Assessment Tool (GAT) allows DHS to determine if a grantee needs immediate attention or can receive on-site monitoring as a part of the regular bi-annual rotation. In either case, the focus of the monitoring will include any risk areas highlighted by the risk analysis tool. The regular monitoring rotation ensures that grantees are monitored at least once during every grant cycle.

Grantee concerns, whether identified through the GAT process, risk analysis, or via a monitoring visit, are addressed in a timely manner. Some issues must be addressed immediately, while others are dealt with over time.

The on-site monitoring tool looks at the overall agency capacity and systems in place to deliver services determined through a guided discussion with program managers and direct service staff. This includes an overview of the strengths and challenges facing the community and participants, coordination and collaboration efforts, major staff or board changes, information systems, outcomes, fiscal systems, supportive service referral, and board function. A random selection of participant files is reviewed for specific documentation on homelessness, data privacy, disability status, case management, follow-up and supportive services. There is a verification of timeliness of grant expenditures and of homeless participation in policies and project development, ensuring that the expected number of participants is being served.

Desk monitoring, including monthly fiscal reporting, is provided throughout the grant period and consists of open communication and joint problem solving with grantees, analysis of monthly fiscal reports, annual audits, and required program reports.

Grantees receive a written monitoring report after the visit. Issues such as late reporting must be corrected immediately. Capacity building occurs as the field representative provides assistance to the grantee during the year. Program staff work collaboratively with monitoring staff to develop the new monitoring instrument, which is reviewed and updated regularly.

DHS conducts a customer satisfaction survey to secure input for program improvement and development. Training and grantee meetings are held periodically as needed. The work plan, customer satisfaction survey, ongoing open communication, and training events provide grantees with a variety of opportunities throughout the grant period to ask questions and provide feedback.

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DEVELOPMENT  
2020**

AP-10 Consultation



# MINNESOTA ANNUAL ACTION PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT 2020

## **AP-10 Consultation:**

### **Lead-Based Paint:**

DEED provide CDBG funding to conduct lead risk assessments and reduction, which has made significant impacts in homes. Lead issues continue to be an importance for DEED to address and is a requirement to assess in all rental and housing rehabilitation activities. DEED partners and consults with MDH on lead-based paint issues and ensure that Lead Risk Assessors and Managers are in compliance with MDH lead licensing and education requirements. MDH received a HUD Lead Hazard Control Grant that provides support in lead work assessments and reduction in communities within the Small Cities CDBG program.

Minnesota Housing strategic planning engagement includes engagement with Minnesota Department of Health when revising and reviewing building and rehabilitation standards, including lead based paint policies and procedures, and we regularly revisit the agency LBP policy, which reflects much of the HUD Lead Safe Housing Rule, the Agency LBP policy (<http://www.mnhousing.gov/sites/Satellite?c=Page&cid=1362997133536&d=Touch&pagename=External%2FPage%2FEXTStandardLayout>).

### **Slum and blight areas with CDBG funds:**

One of DEED's requirement to meet the federal objective is Slum and Blight used to determine eligibility on an area bases for commercial and public facility streetscape projects. Grantees must have a city resolution certifying that target area meets the HRA definition of slum, blighted, deteriorated or deteriorating area under state or local law; evidence that all buildings rehabilitated are in the selected target area; and evidence that SCDP funds were used for eligible program activities. In addition, required supporting documents must have a map indicating the target building(s) with evidence that the entire building, or certain conditions of the building(s), were determined to be hazardous to public health and safety. Lastly, there must be an evident disaster declaration and that other sources of funding were not available to cover all activity costs from individual owners or local units of government.

**Public Housing Agencies administering public housing or the Section 8 program on a statewide basis as well as all PHAs that certify consistency with the state's consolidated plan, including participation of residents of public and assisted housing developments (which includes residents of advisory boards, resident councils, and resident management corporations):**

Preservation of federally assisted housing is a strategic priority of Minnesota Housing. Coordination of these preservation activities primarily occurs through the Inter-agency stabilization group focusing on housing preservation with partners across the federal, state and local jurisdictions. The ISG has two groups in Minnesota that meet monthly throughout the year, one for Greater MN and one for the Twin Cities metro, and we facilitate and work closely on both of these.

- Section 8: Minnesota Housing is the performance based contract administrator for the majority the State of Minnesota's project based Section 8 portfolio.
- For public housing: As described in this plan, Minnesota Housing will not utilize HOME and National Housing Trust Fund resources for rehabilitation of public housing. Minnesota Housing regularly engages with the Minnesota chapter of the National Association of Housing and Redevelopment Authorities, and utilizes a state bonding resource, the Publicly Owned Housing Program for rehabilitation of the state's public housing stock.

DEED reviews and approves non-entitlement PHA Certificate of Consistency 5-year plans; HUD 50075 and HUD-50077-CR (Civil Rights Certification). Non-entitlement PHA are required to provide DEED their Plan that is consistent with the State Consolidated Plan and AI. The agency needs to address how they are meeting the Fair Housing issues addressed in the state's Analysis of Impediments to Fair Housing (AI). The three main public sector impediments for Minnesota are: insufficient outreach & education efforts, lack of sufficient fair housing testing and enforcement and NIMBYism tendencies. Each agency's action has their own priorities from the state and needs to be related to a fair housing action, including, but not limited to outreach or education.

#### **Broadband internet service providers:**

DEED established the Border to Border Broadband Development Grant Program created in 2014 through the [Minn. Stat. 116J.395](#) after statewide community outreach efforts among communities and local units of governments across the state, especially in rural communities that lack access to broadband. The legislative focus of this grant program is to provide state resources that help make the financial case for new and existing providers to invest in building broadband infrastructure into unserved and underserved areas of the state. In the 2019 legislative session, \$20 million was appropriated for each of the next two years. The grants have provided up to 50 percent of a project's infrastructure costs (project planning, permits, construction plant and labor, installation and testing, engineering, etc.). The maximum grant amount is \$5 million. The smallest project awarded to-date funded the deployment of broadband infrastructure to 12 locations and the largest projects have funded deployment to thousands of locations. More information can be found here: <https://mn.gov/deed/programs-services/broadband/grant-program/>

### **Organizations engaged in narrowing the digital divide:**

To further break the digital divide, on March 29, 2019, the Governor issued [Executive Order 19-10](#) continuing the Governor's Task Force on Broadband. A multi-stakeholder body will advise the executive and legislative branches on broadband policy, including strategies for successfully achieving the state broadband goals, comprehensive assessment of digital inclusion issues and gaps, and strategies for unlocking the benefits of universal access to broadband for all communities in Minnesota.

It is a state goal that no later than 2022, all Minnesota businesses and homes have access to high-speed broadband that provides minimum download speeds of at least 25 megabits per second and minimum upload speeds of at least three megabits per second. By 2026, all Minnesota businesses and homes have access to at least one provider of broadband with download speeds of at least 100 megabits per second and upload speeds of at least 20 megabits per second.

### **Agencies whose primary responsibilities include the management of flood prone areas, public land or water resources:**

Before committing loan proceeds to a particular use, Minnesota Housing requires an independent environmental assessment company conduct a Phase I Environmental Assessment of the entire property. All applicable federal, state and local regulations shall be adhered to. Agency staff revisit environmental policies annually and consult with appropriate state and federal agencies at that time.

DEED also requires an environmental review to be completed prior to the release of funds and proceed to work, where the administering agency will conduct a part 58.5 broad-tiered level review that are subject to categorically excluded, or if subject to an environmental assessment, then additional evaluation and documentation will required. Agencies consults with SHPO and FEMA to ensure projects are not impacting public land and water resources. Agency staff continues to monitor environmental policies and procedures to ensure that grantees adhered to federal, state and local regulations.

### **Emergency Management Services:**

The State of Minnesota engages with emergency management agencies in response to declared emergencies. For example, Minnesota Housing consults with the state Homeland Security Emergency management division within the Minnesota Department of Public Safety throughout the year, but not officially unless there is a declared disaster. This is typically and most frequently related to spring flooding, but includes all declared emergencies.

In addition, and more currently, the agencies included in the State of Minnesota's Interagency Council on Homeless (which include all three of our agencies represented in this plan) are consulting with FEMA as a result of a federally

declared emergency as a result of COVID-19. For example, with regards to Homeless response during COVID-19, Minnesota's Homeless Action Team through the SEOC is working with FEMA and consulted with FEMA to develop a plan for homeless response for non-congregate settings.