



# Housing Trust Fund – Operating Subsidy Due Diligence Training

Wednesday, May 11, 2022

# Our Mission

## The Core Purpose

Housing is the foundation for success, so we collaborate with individuals, communities and partners to create, preserve and finance housing that is affordable.

# Agenda

## Topic

Welcome and Congratulations

Housing Trust Fund – Operating Subsidy Program Information

Due Diligence

Submission and Deadlines

Questions



# Operating Subsidy Program Information

# Draw Request Form

- There is a new Draw Request form this grant term that must be used when requesting payment (this form was sent to you with your selection letter)
- The form includes required reporting information as well as the request for funding

# Draw Request Form Changes to Note

- Identify specific budget line items that will be paid with the grant funds:
  - Should be clearly and specifically documented
- Report data to track equity:
  - Occupancy and demographics data
  - Housing denial data
  - Eviction and non-renewal of lease data

# Tenant Selection Plan Guidelines

- All grantees are required to follow the [Tenant Selection Plan Guidelines](#)
- New screening criteria
  - Review supplemental evidence from applicant prior to acceptance or denial
  - Specific screening criteria for:
    - Housing history
    - Income and credit history
    - Criminal background



# Due Diligence

# Due Diligence Items

- Grant Contract Agreement (signing will be initiated by Minnesota Housing via DocuSign once all due diligence items have been submitted and approved)
- Board Resolution
- Proof of Insurance: Certificate of Liability
- Authorized Representative Information
- SWIFT vendor number and W-9
- Electronic Funds Transfer (EFT) Authorization Form
  - Only for new grantees or if banking information has changed

# Grant Contract Agreement

- Review the entire Grant Contract Agreement and all exhibits to ensure accuracy and understand compliance
- Electronic signing of contracts via DocuSign will be initiated by Minnesota Housing once all due diligence items have been approved
  - You will have received the Grant Contract Agreement as an attachment to your award letter, but this draft is for informational purposes only and should not be signed
- Submit the name(s), email address(es), and routing order (if applicable) of the authorized signer(s)

# Grant Contract Agreement

Note the following important dates on your Grant Contract Agreement: Effective Date; Grant Period; Expiration Date

## **Effective Date:**

- Either July 1, 2022, October 1, 2022, January 1, 2023 (depending on the fiscal year of the development), or the date when the Grant Contract Agreement is fully executed (whichever is later):
  - The date when all parties have executed the Grant Contract Agreement (this includes the signer(s) for the grantee and the signer for Minnesota Housing; Minnesota Housing will initiate signing)
  - The date when you can start incurring costs under the terms of the Grant Contract Agreement; expenses incurred prior to the execution of the Grant Contract Agreement by both parties are not allowed

# Grant Contract Agreement

## Grant Period:

- The grant period of the contract is from the date the Grant Contract Agreement is executed through June 30, 2024, September 30, 2024, or December 31, 2024 (depending on the fiscal year of the development)
- The time period in which grant proceeds must be incurred and expended; no funds can be used prior to or after this time

## Expiration Date:

- The expiration date is three months after the end of the grant period
- The date by which all final reports, documents, and other requirements must be submitted by the grantee to Minnesota Housing, any final payments made by Minnesota Housing to your organization, and any unexpended funds be returned to Minnesota Housing

# Board Resolution

- From the grantee organization's board of directors
- Must be a signed and dated original board resolution
- Should be specific to the Grant Contract Agreement and include the award amount
- Must include the names of individuals who are authorized to sign the Grant Contract Agreement

# Proof of Insurance

## Must be **Employee Dishonesty/Crime Coverage**

- At least 1/8 the amount of the total grant award
- Employee theft coverage will not be accepted

## Submit as a **Certificate of Liability**

- Must list Minnesota Housing as certificate holder
- Policy must be current with expiration after the start of the grant term
- Both the grantee and the development must be noted on the Certificate as covered entities

# Authorized Representative

- When you submit your due diligence items, include in the body of the email the following information for the authorized representative (to be listed in the Grant Contract Agreement, Section 6):
  - Name, title, address, phone number, email address
- This individual is the main point of contact for the Grant Contract Agreement
- If the authorized representative changes at any time during the grant term, notify Minnesota Housing as soon as possible

# SWIFT Vendor Number and W-9

- Submit your SWIFT vendor number
- If you have not registered as a vendor with the State of Minnesota, this will need to be completed prior to receiving payment
- Visit <https://mn.gov/admin/business/vendor-info/> to complete this process
- Submit a completed and signed copy of your [W-9](#)

# Electronic Funds Transfer (EFT) Form

- Allows direct deposit of funds directly to your agency's financial institution
- If you have not registered as a vendor with the State of Minnesota, this will need to be completed prior to completing the EFT form; go to the [Vendor Registration Link](#) to complete this process
- Once the form is completed, provide to Minnesota Housing your vendor number and send us a copy of your [W-9](#) so that payments will not be delayed
- Important to update immediately if banking information changes
- [EFT Authorization Form](#)
- [EFT Bank Change Request Form](#)



# Submission and Deadlines

# Submission

- Submit items to [mhfa.grants@state.mn.us](mailto:mhfa.grants@state.mn.us); include in the subject line the **“Project name-grantee name(s)”**
- Name all documents by **“Grantee name-due diligence item name”**
- Please submit as soon as possible to allow enough time for documents to be reviewed (revised, if needed) and approved

# Deadlines

- All items must be received and approved prior to the execution of the Grant Contract Agreement
- Reimbursement of expenses incurred prior to Minnesota Housing's execution of the Grant Contract Agreement will not be allowed
- All items must be submitted and received **by 4:30 p.m. CT on Friday, June 3, 2022**
- Questions related to due diligence can be directed to [mhfa.grants@state.mn.us](mailto:mhfa.grants@state.mn.us)

# Questions?

# Thank you!

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