**Background:** The Incentive Fund provides additional funding for Impact Fund Administrators who have made substantial progress on an open Impact Fund award. Funding available under the Incentive Fund is as follows:

* Four times the per unit Impact Fund subsidy, up to a maximum of $150,000; and/or
* An amount sufficient to fund one additional unit of interim construction financing, up to a maximum of $300,000 for any single interim construction financing loan.

Administrators who receive additional funding under the Incentive Fund must adhere to all the terms and conditions in the original award. Funding awarded under the Incentive Fund must be used during the original 20 month award period.

**Eligibility Requirements:** Impact Fund Administrators must meet all requirements below to be eligible for additional funding under the Incentive Fund.

* Current Impact Fund Administrator with an open award from 2021 (Impact Fund Award ID numbers starting in “1-2022-“).
* For New Construction and Acquisition-Rehabilitation-Resale awards, all but one of the units built or rehabilitated using Impact Fund award funds must have already been sold to end buyers.
* For Owner-Occupied Rehabilitation and Stand-Alone Affordability Gap awards, the administrator must have closed 90% of the units under the award. The remaining 10% of units must have closing dates scheduled.

**Deadline: April 3, 2023** **at 12:00 Noon**

**Application Submission:** Please email completed applications and supporting documents to [Impact.Fund.MHFA@state.mn.us](mailto:Impact.Fund.MHFA@state.mn.us).

**Questions?** Please contact the Impact Fund team.

**Prevailing Wage:** Awards made through the Incentive Fund may trigger state prevailing wage requirements under Minn. Stat. § 116J.871. In broad terms, the statute applies to awards that meet the following conditions: (1) new housing construction (not rehabilitation); and (2) a single entity receives from $200,000 or more of grant proceeds or $500,000 of loan proceeds from Minnesota Housing under one award. The statute excludes new housing construction in which total financial assistance for a single project site is less than $100,000. Please note the following statutory provisions that apply to this funding:

* A state agency may provide financial assistance to a person only if the person receiving or benefiting from the financial assistance certifies to the commissioner of labor and industry that laborers and mechanics at the project site during construction, installation, remodeling, and repairs for which the financial assistance was provided will be paid the prevailing wage rate as defined in section 177.42, subdivision 6. Minn. Stat. § 116J.871, subd. 2.
* It is a misdemeanor for a person who has certified that prevailing wages will be paid to laborers and mechanics under subdivision 2 [see above] to subsequently fail to pay the prevailing wage. Each day a violation of this subdivision continues is a separate offense. Minn. Stat. § 116J.871, subd. 3.

In addition, a separate prevailing wage statute, Minn. Stat. § 177.41-.43, may apply if the funds are used for a building that is publicly owned or leased.

If you have questions regarding the applicability of these prevailing wage requirements or compliance with these requirements, please consult Karen Bugar at the Minnesota Department of Labor and Industry at 651-478-8221 or by email at [Karen.Bugar@state.mn.us](mailto:Karen.Bugar@state.mn.us).

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| **Administrator Information:** |
| Administrator Name:  Contact Person:       Phone Number:       Email address: |

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| **IMPACT FUND AGREEMENT/CONTRACT INFORMATION:** (Refer to the Fund Availability, Disbursement and Loan/Grant Agreement) |
| 1. Impact Fund Agreement Contract ID #: 2. Total award amount: $ 3. Dollar amount received from Minnesota Housing to date: $ |

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| **PROJECT acTIVITY/DEVELOPMENT STATUS:** |
| 1. Activity type:  New Construction  Acquisition Rehabilitation  Stand-Alone Affordability Gap   Owner-Occupied Rehabilitation  Tribal Indian Housing Program   1. How many total units are intended to be funded through the original award? Exclude additional units requested under the Incentive Fund. 2. How many units are complete with household demographic forms submitted under the original award? |

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| **INCENTIVE FUND REQUEST:** |
| 1. Total additional dollar amount requested: 2. Type of funding requested:  Grant Funds  Deferred Loan Funds  Interim Construction Loan 3. Activity type:  New Construction  Acquisition Rehabilitation   Affordability Gap  Owner-Occupied Rehabilitation  Tribal Indian Housing Program   1. Total additional number of units requested under the Incentive Fund: 2. In the case of acquisition rehabilitation or new construction, how many of the proposed housing units have already been identified? In the case of owner-occupied rehabilitation or affordability gap, how many homeowners or homebuyers have already been identified? 3. What is the timeline for completing the additional units being requested? Include details of the timeline or attach a timeline that includes, but not limited to acquisition of lot/unit, bidding, construction start and completion, marketing, closing loans, program completion, closeout, etc, as applicable to the activity. 4. Have there been changes in staffing or organizational structure since this award was granted?  Yes  No 5. If yes to Question 7, please explain how the changes may affect completion of the remaining and additional units. |

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| **Required Documentation (to be submitted with this application):** |
| 1. Updated Impact Fund Annual Report if it differs from the 2022 Impact Fund Annual Report. 2. Project Information Financial Worksheet for each additional new construction or acquisition rehabilitation unit. The worksheet is available on the [Impact Fund webpage](http://www.mnhousing.gov/sites/np/impactfund) under the “Forms and Income Limits” section. 3. Any additional information or documentation that supports your request. |

**Signature of Administrator Date**

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**Minnesota Housing Use Only**

**Approval: YES**  **NO**

**Dollar Amount Approved:**       **Number of Units Approved:**

**Approved by:**       **Approval Date:**