



Capacity Building RFP Questions and Answers

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Intermediary and Organizational Uses

New, 07/10 The 2024 Capacity Building program allow requests with a two- or three-year grant period. Does Minnesota Housing anticipate the next round of Capacity Building Grants to be offered in 2026 (after two years) or not until 2027 (after three years)?

Pending available funds, the plan is to continue offering the Capacity Building Grant every two years. Because of the one-time increase in funding and individual award limits, we wanted to offer the option of a three-year grant term. We have observed that building capacity requires a combination of time and resources; we wanted to provide that flexibility to those Grantees that may need more time.

Could we schedule a meeting to discuss our approach and any specific recommendations you might have? *(added 06/25)*

State grant fairness rules prevent staff from meeting one-on-one with applicants to provide guidance and make recommendations on how to strengthen their specific application. Questions can be emailed to CommunityDevelopment.MHFA@state.mn.us and an individual response will be sent. All questions and answers will have identifying information removed and be posted on the [program web page](#) so that all potential applicants have access to the information.

Is an applicant able to apply for both organizational and intermediary funding?

The Applicant can only apply for one use but could be funded through the intermediary use as a sub-grantee or contractor as long as it's not for the same project.

Can organizations apply in their own right as well as being a fiscal sponsor for another organization?

Yes, the organization could submit more than one application only in this case. Where they are acting as a fiscal agent or sponsor, they would apply for the Intermediary Capacity Building program.

Can we meet with you to discuss our application idea?

Unfortunately, we are unable to discuss or advise potential application ideas. All questions must be submitted [via email](#) to Alyssa Wetzel-Moore or Abigail Behl. They will be posted online with identifying information removed.

My proposal focuses on community planning which topic area should I choose on the Application Questions?

Choose "Community Development."

Eligible Applicants

Our organization is planning for a project that will receive funding from MN Housing through a legislative direct appropriation. Are we able to request capacity building funds for this project, as long as the expenses of the two grants do not overlap? *(added 06/25)*

Yes, you are eligible to submit an application to the Capacity Building RFP. You will want to explain the efforts you will make to avoid duplicating expenses.

We are primarily a research center for a higher academic institution but also do quite a bit of outreach in communities throughout the state. In the past, we have provided very successful (grant funded) capacity building services for affordable housing developers. Our center has its own budget and our own director and staff; however, we operate within a higher education institution, and any grant contracts would be made with the larger institution. Are we disqualified from pursuing this grant as a lead applicant? *(added 06/25)*

Unfortunately, because educational institutions are not eligible and your organization is part of an educational institution (that is, it does not have its own nonprofit status and is not registered with the Secretary of State), it is not eligible to apply.

Are counties eligible to apply or not?

Non-tribal government entities such as counties, cities and townships are not eligible to apply as lead applicants. However, a governmental entity could be a recipient of technical assistance or pass through grant, or you could be part of a collaboration and receive a subgrant.

If my organization is a current Capacity Building Program grantee, can I apply to the 2024 Capacity Building RFP?

Yes.

Collaborations and Partnerships

We are currently talking with multiple non-profit organizations about supporting them through this grant. I know each non-profit can only apply to one grant. Can consultants be teamed on more than one? *(added 06/25)*

Yes, consultants can be listed as the contractor on more than one grant application.

If you are working with consultants, do they also need to be nonprofit?

Entities that are not eligible to apply as a lead applicants can receive funding as subgrantees or consultants. This would include for-profit business and the other entities that are listed as ineligible applicants.

Eligible Uses

***New, 07/10* Can the grant funds be used for a data dashboard, research and strategic planning related to anti-displacement efforts?**

Yes, the grant funds can cover the costs of these activities.

***New, 07/10* Can the grant funds be used for asset development consulting and marketing enhancements in order to achieve these outcomes: expand capacity, build staff infrastructure, increase the existing volunteer base, and develop a more diverse and larger pool of donors, better serve Black, Indigenous and People of Color and LGBTQI+ communities and to continue the Diversity, Equity and Inclusion efforts internally as well as with the Board of Directors?**

Yes.

***New, 07/10* Can we use the funds to hire a consultant to help us overcome barriers that mental health issues create for our housing tenants? We provide affordable housing to low-income families with supportive services. We are wanting to figure out how to deal with mental health barriers to keeping the families in their homes and being self-sufficient.**

Yes, the activities proposed would be an eligible use of the funds. Grant funds can be used to build an organization's capacity to more comprehensively meet the housing needs of those they serve.

***New, 07/10* Our proposal would create a pilot program with a community nonprofit partner to provide guidance and support to interested seniors (55+) navigating housing transitions (downsizing) to identify the right home for them and potentially increase the number of affordable entry level larger homes available for families. This would be done by hiring a program coordinator and up to 10 senior mentors from the community with experience navigating a housing transition. Would this be an eligible use?**

Yes, the expenses described would be eligible expenses.

***New, 07/10* Our organization has a pilot project ready to be tested that includes net-zero income-producing duplexes, a community solar garden, a farming co-op, and net-zero**

assisted living/childcare/community center. Eco-friendly home ownership and energy-efficient housing are part of our goals. How do you suggest proceeding with a grant application?

A good place to start is by taking a look eligible and ineligible uses of the Grant funds to see what parts of this project might be funded. [Our Capacity Building Program](#) website includes the RFP Instructions, and the Info Session Recording and presentation provide more details and complete information on what the grant is for and how to apply. This grant has a big community focus, so you may want to think about how the community intended to benefit in this project would be part of the process. If that is part of the plan, that could potentially be an eligible expense. There needs to be a connection with housing, but these funds cannot be used for development or pre-development expenses.

We have other funding sources for the development activities you described. Our [Community Homeownership Impact Fund](#) (Impact Fund) provides funding for developers and administrators of single family, owner-occupied affordable housing activity throughout the state. Funding is provided through the competitive Single Family Request for Proposals (RFP) process. Those applications are due **Thursday, July 11, 2024 at noon (Central time)**. This is an annual process so you could explore applying next year.

***New, 07/10* Can hiring a new staff member before the intended hire date (and already funded hire date) to allow for additional runway or onboarding and planning time, be considered an eligible expense?**

The focus needs to be on how staff time (whether a new staff position or an existing staff position) will be used to build capacity and what the plan is to sustain that increased capacity.

Is profit allowed within our pricing/costs? (added 06/25)

This is a grant that compensates grantees for the cost of performing the grant activities but is not a source of profit. With the exception of Tribal business entities, for-profit business entities are not eligible applicants. Nonprofit organizations and Tribal Nations and Tribal Business Entities are eligible to apply.

Could these funds be used by a city could use to pay for a comprehensive plan, housing study, or economic development study to collect community engagement for planning future housing developments? (added 06/25)

Local governments are not eligible applicants. However, they can be recipients of technical assistance and/or pass through funds from an eligible applicant.

The application is clear that "homeownership counseling" is not an eligible activity. I'm wondering if community ownership workshops (cooperatives, land trusts) are eligible? *(added 06/25)*

Community ownership workshops would be eligible. Homeownership Counseling is not eligible because Minnesota Housing has a separate grant that funds that work. Since that other grant doesn't fund community ownership workshops, those activities would be eligible.

We are collaborating with our local school district to offer a construction class that would engage high school students to build one home each year. Students will volunteer their time during the school year and receive high school credit for their participation. This new program will engage a young and diverse student population, offer training, and create a supportive environment, providing them with new skills and an opportunity to explore community volunteering, many for the first time. Our organization will serve as general contractor and the school will provide a class instructor. *(added 06/25)*

The proposed uses for the funds is ineligible because they are development expenses which is not an eligible use of Capacity Building grant funds. Also, the activities described sounds very similar to [DEED's Youth Build Program](#). Also, the construction costs for this project would be potentially eligible under the [Single Family Impact Fund RFP](#). School Districts are eligible applicants and organizations working with them would be as well.

We are noticing that our organization's current name/branding is difficult for people to associate with housing instability, which is a large portion of our overall work. We are wanting to accomplish a process of renaming and rebranding to be more reflective of the work we do. Would this be an appropriate use of funds? *(added 06/25)*

Yes, rebranding/renaming would be eligible. Marketing expenses could be an eligible use for the grant funds. What will be important is to demonstrate how a rebrand would ultimately benefit communities most impacted by housing instability and disparities.

We are considering using funds to support the first 2-3 years of hiring a staff person who would be a qualified retailer of manufactured homes to support revenue generation for cooperatively owned communities and access to affordable homes for the buyers. Is buying and selling property an eligible use if it is an innovative service that advances equity and addresses root causes of housing instability? *(added 06/25)*

If the new position builds an organization's capacity to develop a new program which would ultimately overcome barriers to acquiring manufactured homes, then costs related to the staff position would be eligible. Capacity Building Grant funds cannot be used for the actual purchase or costs of selling property.

What is your definition of "direct services"?

Direct services are direct client services that are part of the ongoing work for an organization. For example, if you are a social worker or case worker providing services, that would be a direct service. If you are looking to build capacity to offer a new service, that could be eligible under this grant.

If we would be proposing providing education to a group that is at risk for homelessness as part of our strategy, would that be considered direct service or would it not?

Providing information, know your rights trainings, etc. is an eligible use. It is not a direct service.

Is homebuyer counseling and education not eligible? We were considering replicating a homebuyer program.

Those activities are ineligible. Minnesota Housing funds that work through its [Homeownership Capacity program and Homeownership, Education, Counseling and Training programs](#).

Is homeownership counseling allowed?

No, homeownership counseling is not an eligible activity.

Our organization does workshops for people looking for downpayment assistance. We'd like funding not for providing education, but marketing to reach people to let them know they are eligible.

If the core activities are surrounding homebuyer education, that would be a better fit for our [Homeownership, Education, Counseling, and Training](#) (HECAT) funding. That program does include promotion and marketing as a use of funds.

Would attending a conference related to the topic be an eligible expense?

Yes, training expenses are eligible, and a conference could be included. If your application was funded and you are traveling out-of-state, that would need to be pre-approved.

Could the funds be used to develop a new staff position?

Yes, development of the position and start-up costs could be eligible, but not ongoing funding. You would want to explain how the new staff position is building capacity and that how can you sustain that increased capacity. The funds cannot be used to fill a budget need for an existing staff position.

Could the funds be used to fund a Registered Nurse position or a Geriatric Specialist position?

No, these funds cannot be used to provide medical services.

Would increasing capacity/training for an existing program count as direct service? If we integrate this program to our ongoing programs that's already been happening for years and we're adding on to this program, would that be eligible?

If you have programs that you always offer and you're looking to add new programming to meet a community need, you could use the funds to develop that new program and build it out.

Can these funds be use for training, such as tenant protection training?

Yes.

Can this program also serve incarcerated community (especially those who have been released)?

Yes.

Can we use funds for an innovative way to help with mental health issues of individuals?

Yes, as long as it is specifically connected to housing – not general mental health services.

Can these funds be used for LTH (Long Term Homelessness) or Housing Support Agreements?

Capacity Building Grant funds cannot be used to fund:

- Rental assistance
- Shelter planning or services
- Transitional housing planning or services

Can grant funds be used to pay for food at an event or training?

Yes.

Can grant funds be used to purchase incentives for participants in trainings (such as a gift card for completion)?

Yes.

Under the Organizational Capacity Building, can grant funds be used to contract services to improve accessibility of trainings and programs? Specifically, could it be used to hire language support, or could it be used to cover costs of recording and editing trainings for digital distribution?

Yes.

Pre-Award Risk Assessment

New, 07/10 One of the required documents is a screenshot of “Evidence of good standing with the Minnesota Secretary of State.” The instructions on the Risk Assessment Form state that “The Renewal Due Date must be *after* the start of the proposed grant term.” What if my organization’s renewal date falls before the start of the grant period (ours is 12/31/24)?

Applicants that are currently in good standing and have an active certificate with the Secretary of State at the time of application will pass that portion of the pre-award risk assessment. If the applicant is selected for funding, we will verify the updated renewal date during the Due Diligence phase, prior to contract execution.

New, 07/10 The Risk assessment requires certification of principals; A principal is defined as a public official, board member, or staff (paid or volunteer) with authority to access funds or determine how funds are used. Should ALL of an applicant's board members be certified as not having a financial felony on their record?

Yes, applicants need to include a list of *all* principals they are attesting to, which would include all board members, since all board members participate in determining how funds are used. By checking the box on the Risk Assessment Form and signing the certification, they are providing the required attestation, so no need to submit a separate form for each principal. The applicant will also need to submit the list of all principals they are attesting to, which should include all board members and any other individual who can access funds or determine how they’re used.

What is meant by the \$50k threshold? *(added 06/25)*

The \$50,000 threshold is referring to the pre-award risk assessment. Applicants requesting \$50,000 or more must participate in a pre-award risk assessment which requires additional review and documents as outlined in the RFP instructions.

Is there a way to submit this (pre-award risk assessment) ahead of time and get a response before submitting the grant?

No, the pre-award risk assessment will begin after the application deadline has passed.

Is the lead applicant the only one that must go through the pre-award risk assessment?

The lead applicant is the one responsible for grant activities, so the Agency will only conduct the pre-award risk assessment on the lead applicant. The lead applicant, if awarded funds, is the one we would contract with. They are responsible to make sure that the grant activities happen and that's why we would only look at the pre award risk assessment for that applicant.

Is the \$50,000 threshold for Pre-Award Risk Assessment per year or total award?

It is for the total request.

We are based out of state and new to Minnesota. Can we use out-of-state financials for our application process?

Yes, you would use the financial documents that apply to you such as your tax filing with the IRS. Just make sure you are registered with the Minnesota Secretary of State.

Administrative Costs

Is all staff time is considered administrative cost? Even, for example, time spent delivering Technical Assistance?

Staff time spent on the grant activities is program expense. Staff time spent on administrative tasks such as HR, accounting, reporting, etc. would be considered administrative costs.

Scoring

***New, 07/10* We are considering a collaboration with another organization for our proposal. Will this hurt or help our scoring?**

We welcome collaboration, especially when it will help to overcome housing barriers. However, the existence of a collaboration doesn't, by itself, help or hurt an applicant's score. Feel free to review the scoring criteria listed on pages 7-9 of the [RFP Instructions](#).

***New, 07/10* We received a previous grant when we were fiscally sponsored by another organization. Will our record of that past grant impact our scoring if we are no longer sponsored by that organization and are a new, independent nonprofit?**

Because a fiscal sponsor serves as the Grantee and is responsible for complying with the contract, we would consider the Grantee's past performance. Additionally, because a fiscal sponsor relationship is primarily about the entity they are sponsoring, we reserve the right to also consider the performance of that entity that was sponsored if there were performance issues during the grant contract.

Will past performance of an organization be considered?

Yes, it will be considered. It will not increase the score, but poor past performance may decrease the score.

You mentioned six additional points can be awarded to applications that align with specific MN Housing strategies. Can you say more about any specific strategies?

There are additional points for proposals that align with the priorities outlined in the Minnesota Housing Strategic Plan:

- Create a More Inclusive, Equitable and Just Housing System
- Focus on the People and Places Most Impacted by Housing Instability
- Strengthen Communities
- Support Tribal Nations and Indigenous Communities
- Develop Green, Energy-Efficient, Climate-Resilient, Sustainable Housing

Are there examples of previous years projects that were awarded that we can have access to in order to get a feel for scope?

We will post additional examples on the [Capacity Building Program web page](#).

Completing the Application

***New, 07/10* Do you require a resolution or minutes with approval from the board of the applicant agency prior to application submittal?**

No. However, the Application Signature page must be signed by someone who is authorized to sign on behalf of the applicant.

***New, 07/10* Do you require proposals of identified/selected consultants prior to application submittal?**

If you have a consultant identified, list their business name and contract amount where requested in the online application. You can reference the “Applications Questions pdf” listed on the website to prepare your response. If you do not know who the consultant will be, you will need to follow the contract rules around competitive bidding. These are listed on the last page of the [questions and answers document](#) on the Capacity Building Webpage.

***New, 07/10* If businesses and communities want to submit letters of support for the project, can those be included in the application?**

No. Please do not submit materials that are not requested (letter of support, photos, brochures, etc.). Unrequested materials will not be reviewed.

Is there a budget worksheet that we should be using? Or are you just looking for one to be submitted in the narrative form? *(added 06/25)*

There is not a budget worksheet for the 2024 Capacity Building grant. Budget information is requested in Question 1 of the “Proposal Budget” section. This question states:

“Please list the main categories of expenses, the estimated cost and how you determined these estimates. Administrative Expenses are limited to 15%. If sub-grantees, contractors and/or consultants are named in the application please address this in the How Determined section:

- Have they agreed to be a part of this proposal?
- Have they agreed to the dollar amount budgeted below?”

Please review the example provided on the Application Questions document to see how this information should be presented.

If there are any resources or guidelines you could share before we apply, that would be greatly appreciated. *(added 06/25)*

Application resources are on the [Capacity Building webpage](#) which include the Info Session recording and the PowerPoint presentation. These materials include grant priorities, detailed application instructions, and tips on preparing a strong application. The website also includes questions and answers about the Capacity Building Grant.

If we are including pass-through grants, how and where should it be included in the proposal budget? *(added 06/25)*

There is a section in the application questions that asks applicants to provide an estimate of expenses. Applicants should include the amounts budgeted for pass-through grants in this section.

There is a PDF version of the application questions available on the [Capacity Building Webpage](#). Responses to application questions are completed online. Please review the webpage and [RFP Instructions](#) for complete information.

Do you have the questions in a separate document? We cannot copy and paste into a Google doc. *(added 06/25)*

We have a PDF of the [Application Questions](#) for reference to prepare before you fill out the questions online. All Capacity Building RFP materials are on the [webpage](#) including the [RFP Application Instructions](#) which explain all of the required documents and how to submit them.

Contract Requirements and Reporting

***New, 07/10* Given this is a two-year grant period, what flexibility exists in terms of changing the budget and work plan during the course of the project? And what would be the process if the budget and work plan needed to change?**

After an applicant is selected for funding, the Grant Manager works with them to finalize the budget exhibit and work plan exhibit to the contract. These contract exhibits will be closely related to the information provided in the application. The majority of budget changes will require a contract amendment. The requested budget changes will be evaluated to make sure they are eligible expenses. Changes to the work plan that are only time related, for example, a certain activity takes longer than expected, do not require an amendment. However, removing or changing a primary activity, scope of work and/or outcome will be considered on a case-by-case basis to determine whether it is a substantial deviation from the original contract and application. It is less likely that we can approve a substantial deviation from the primary activities that were provided in the application and incorporated into the contract. The decision to fund a proposal is based on the information provided in the application and interview. It is possible that removing a primary element in the application would have resulted in the proposal not being funded. Generally speaking, new activities cannot be added to the contract.

If funds will be used to support staff salaries, will we be expected to track staff time (such as show hours worked on the project, hourly rate, etc.)? *(added 06/25)*

Yes, grantees will be expected to track and report on staff time spent on grant activities and the hourly rate for that staff person. This information will also be included in the grant contract budget.

What are the Grant Contract Agreement requirements for bidding and sub-contracting if we do not know at the time of the application who may be our sub-grantees or vendors? *(added 06/25)*

Contracts of \$10,000 or more with vendors or contractors (including sub-grantees) not identified before contract execution must be competitively bid according to the total cost for the activities. Requirements range from verbal quotes or bids to a formal bidding process as outlined below.

- Any services and/or materials that are expected to cost \$100,000 or more must undergo a formal notice and bidding process.
- Services and/or materials that are expected to cost between \$25,000 and \$99,999 must be competitively awarded based on a minimum of three (3) verbal quotes or bids.
- Services and/or materials that are expected to cost between \$10,000 and \$24,999 must be competitively awarded based on a minimum of two (2) verbal quotes or bids or awarded to a targeted vendor.

- The Grantee must take all necessary affirmative steps to assure that targeted vendors from businesses with active certifications through these entities are used when possible:
 - State Department of Administration's Certified Targeted Group, Economically Disadvantaged and Veteran-Owned Vendor List
 - Metropolitan Council Underutilized Business Program: MCUB: Metropolitan Council Underutilized Business Program
 - Small Business Certification Program through Hennepin County, Ramsey County, and City of St. Paul: Central Certification Directory
- The Grantee must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.
- The Grantee must maintain support documentation of the purchasing or bidding process used to contract services in their financial records, including support documentation justifying a single/sole source bid, if applicable.
- MHFA may waive bidding process requirements when:
 - Vendors included in response to competitive grant request for proposal process were approved and incorporated as an approved work plan for the grant.
 - It is determined there is only one legitimate or practical source for such materials or services and that the Grantee has established a fair and reasonable price.
- For projects that include construction work of \$25,000 or more, prevailing wage rules apply per Minn. Stat. §§177.41 through 177.44. These rules require that the wages of laborers and workers should be comparable to wages paid for similar work in the community as a whole.
- The Grantee must not contract with [vendors who are suspended or debarred in MN](#).