



High-Rise Sprinkler System Grant Program (HRSS Program) Virtual Information Session

Minnesota Housing HRSS Staff

August 22, 2024

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HOUSING

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Minnesota Housing Staff

Multifamily Housing Division

High-Rise Sprinkler System Grant Program

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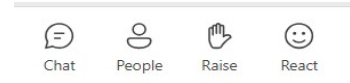
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Microsoft Teams toolbar

Q&A Protocol

- Click the raise your hand button Microsoft Teams toolbar. This will allow us to call on you and unmute your line to ask your question.
- Type your question in the Question/Chat Box of the Microsoft Teams toolbar



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Agenda

- Our Mission
- HRSS Program & Eligibility Requirements
- Eligible Uses
- Completing the Application
- Pre-Award Risk Assessment
- Next Steps, Application Submission, & Timeline
- Question and Answer

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Our Mission: The Core Purpose

Housing is foundational to a full life and a thriving state, so we equitably collaborate with individuals, communities and partners to create, preserve and finance housing that is affordable.

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Why We're Here

- Housing impacts Minnesotans of all backgrounds in all corners of the state
- Housing touches all areas of life – education, health, jobs and more



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Program Background

High-Rise Sprinkler System Grant Program (HRSS Program)

Established by the Minnesota Legislature in 2023

- \$6 million in one-time state appropriations for the installation of sprinkler systems in eligible high-rise residential buildings
- Funds will be distributed as grants through a competitive request for proposal process (RFP Process)
- The maximum grant per eligible building shall be \$2M

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Eligibility Requirements

To be eligible for funding, the applicant must:

- Own the building
- Be an eligible High-Rise Residential Building
- Meet the affordability requirement
- Meet match fund requirement



See Chapter 2 of RFP Application Instructions for complete list

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Eligibility Criteria: Ownership

Applicants must own the building

Applicants can be one of the following organizational types:

- A tax-exempt nonprofit organization under section 501(c)(3) of the Internal Revenue Code*
- A federally recognized Indian Tribe in Minnesota or their associated Tribally designated Housing Entity
- A Local Unit of Government
- For-Profit Business

*In accordance with statute, priority shall be given to non-profit applicants

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Eligibility Criteria: High-Rise Residential Building

Eligible high-rise residential buildings are described as existing residential buildings that meet the following criteria:

- Provide permanent residential housing that is not time limited; and
- Have at least one story used for human occupancy that is 75 feet or more above the lowest level of fire department vehicle access.

Documentation that the building meets the height requirement is required. Height Verification Letter is available, if needed.

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Eligibility Criteria: Affordability

Buildings must meet the following program requirements:

- Have at least two-thirds of its units affordable to households with an annual income at or below 50% of area median income as determined by the United States Department of Housing and Urban Development (HUD), adjusted for family size.
- Qualifying households shall not be paying more than 30% of annual income on rent.
- Affordability requirement must be maintained for 5 years after project completion.

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Eligibility Criteria: Match Fund Requirement

- Each grant to a non-profit organization, local unit of government, or federally recognized Indian Tribe in Minnesota or their associated Tribally Designated Housing Entity shall require a 25% match of the awarded grant amount.
- Each grant to a for-profit organization shall require a minimum 50% match of the awarded grant amount.
- After the Contract Grant Agreement is executed, match funds must be fully disbursed and expended on Eligible Expenses before the HRSS Program funds are disbursed.

See Chapter 3 of HRSS Program Guide for more details

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Match Fund Dollars

Match fund dollars may be provided by:

- Selected Grantee
- Local Unit of Government (work with your local city or county departments and representatives)
- Non-profit organization
- Federally Recognized Indian Tribe



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High-Rise Sprinkler System Program Eligible Expenses

Costs associated with the installation of Sprinkler System which includes:

- Prepare performance specifications by qualified design professional to design the Sprinkler System
- Obtain Permits to install the Sprinkler System
- Complete restoration work due to installation of Sprinkler System
- Inspect the Sprinkler System by a design professional who prepared performance specifications
- Temporary resident relocation expenses
- Pay a project management fee which is lesser of 5% of total project cost or \$100,000

See Chapter 3 of HRSS Program Guide for full list

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Vendors & Tenants

- Grantee must comply with Contracting and Bidding Requirements for all vendors as required by Office of Grants Management. See Chapter 4 in RFP Application instructions for details.
- HRSS Program funds can only be used to reimburse expenses incurred after the Grant Contract Agreement is fully executed.
- Tenants can not be permanently displaced because of installing the Sprinkler System

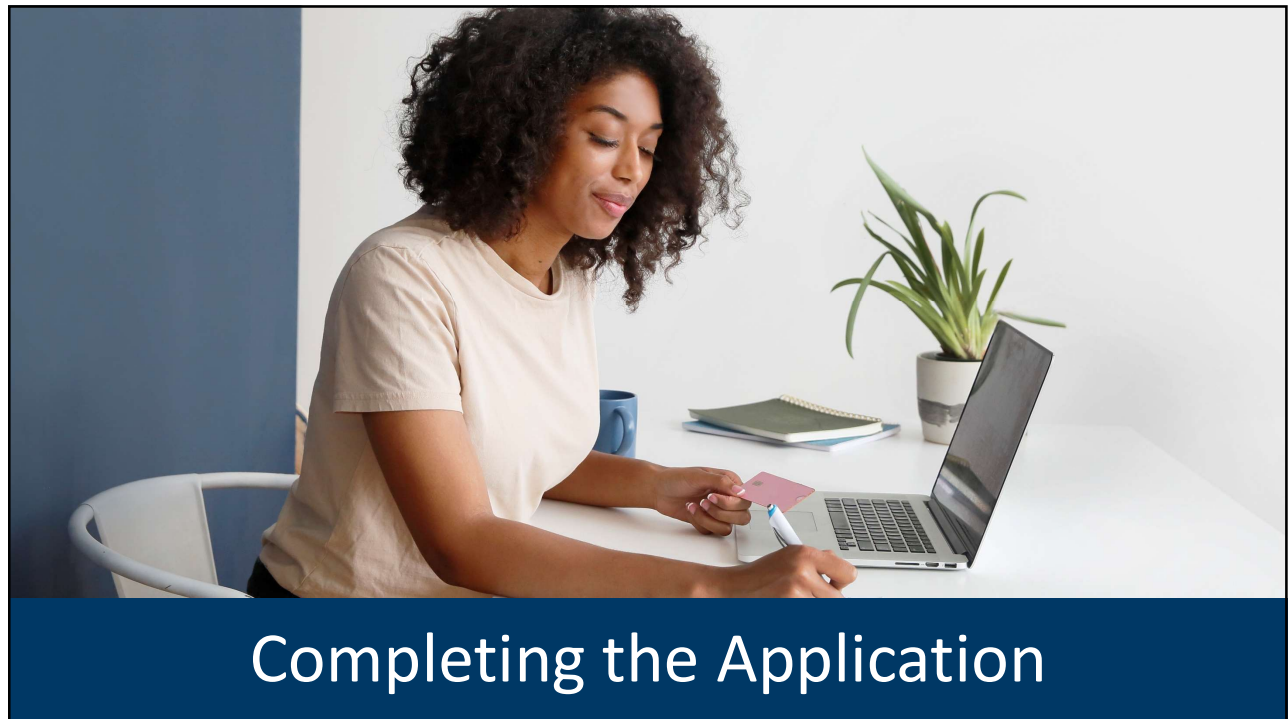


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Completing the Application

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Streamlined Application Process

- No third-party reports required
- An easy sources and uses workbook
- A concept-based application rather than a completed scope of work
- Technical Assistance available beginning the week of August 26th.
- FAQs posted to HRSS Program website in response to RFP Questions.



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Application Checklist (1 of 3)

Application Checklist found in Application and Chapter 8 of RFP Application Instructions

- ☐ 1. [Application](#)
- ☐ 2. [Application Signature Page](#) (wet, digital, or electronic signatures will be accepted)
- ☐ 3. Proof of building ownership
- ☐ 4. [Height Verification Letter](#)
- ☐ 5. Completed [HRSS Program Work Plan and Budget](#) on Minnesota Housing template including completion of the following tabs:
 - a. Property information
 - b. Project description and temporary relocation plan
 - c. Budget
 - d. Approved vendors

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Budget – Uses

DEVELOPMENT COSTS			
	Amount paid with HRSS funds	Amount paid with non-HRSS funds	Proposed Budget
SPRINKLER INSTALLATION			
Sprinkler System Installation			\$ -
Restoration (related to Sprinkler Installation)			\$ -
Permits			\$ -
Payment and Performance Bonds			\$ -
Other*			\$ -
Other*			\$ -
Subtotal (should equal contract amount)	\$ -	\$ -	\$ -
Construction Contingency (5%)			\$ -
Total Construction Costs	\$ -	\$ -	\$ -
OTHER COSTS			
Design Fees			\$ -
Project Management Fee (total of line items below cannot exceed \$100,000 or 5% of total project cost)			
Construction Management			\$ -
Resident Coordination			\$ -
Legal Fees			\$ -
Other*			\$ -
Other*			\$ -
Temporary Resident Relocation			\$ -
Other Local Fees			\$ -
Other*			\$ -
Other*			\$ -
Other Costs Total	\$ -	\$ -	\$ -
Total Development Costs	\$ -	\$ -	\$ -

* Subject to approval by Minnesota Housing at its sole discretion

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Budget – Sources

SOURCES			
	HRSS Funds	Non-HRSS Funds	AMOUNT
High-Rise Sprinkler System Program Award	\$ -		\$ -
Matching Funds from Applicant			\$ -
Other Source used as Matching Funds (Identify)			\$ -
Other Source Used as Matching Funds (Identify)			\$ -
Total Sources of Funds	\$ -	\$ -	\$ -
Total Non-HRSS Funds			\$ -
Percentage of TDC			

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Application Checklist (2 of 3)

- ☐ 6. Documentation of the affordability requirement; this may be demonstrated in the form of a recorded declaration, covenants, land use restrictive agreement, other documentation as approved by Minnesota Housing at its sole discretion
- ☐ 7. Risk Assessment Form and accompanying documents detailed in the form
 - a. [Risk Assessment Form](#) – Nonprofit Organizations
 - b. [Risk Assessment Form](#) – For-Profit Business Entities
 - c. [Risk Assessment Form](#) – Political Subdivisions
 - d. Accompanying Documentation
 - i. Financial Documents related to the applicant organization and detailed on the Risk Assessment Form (nonprofits and for-profits only)
 - 1. [Internal Controls Certification](#) – Nonprofit Organizations, if applicable
 - 2. [Internal Controls Certification](#) – For-Profit Business Entities, if applicable
 - ii. Evidence of good standing with the Minnesota Secretary of State (nonprofits and for-profits only)
 - iii. Certification of no convictions of felony financial crimes by a principal, along with a list of principals being certified (all applicants)
- ☐ 8. Evidence of commitment of required match dollars

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Application Checklist (3 of 3)

- ☐ 9. [2024 HRSS Program Self-Scoring Worksheet](#)

Affordability of Units	Possible Score	Reviewer's Score	Notes
1) Percentage of units with annual income at or below 50% of area median income. Qualifying households shall not pay more than 30% of annual income on rent*			
67% - 75%	5		
75.01% - 80%	15		
80.1% - 90%	25		
90.1% - 100%	35		

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Selection Criteria

The 2024 HRSS Program Self-Scoring Worksheet outlines the competitive selection criteria.

- The self-scoring worksheet must be completed by the applicant and submitted as part of the Application Checklist.
- The project will also be scored by Minnesota Housing.
- There is a question, with a link, about demographics. Instructions on how to find demographic information is on the HRSS Program website.




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HRSS Program Webpage



[Partner Login](#)

[Home](#) / [Rental Housing](#) / [Housing Development and Capital Programs](#) / [Deferred Loans and Grant Programs](#) / [High-Rise Sprinkler System Program](#)



High-Rise Sprinkler System Program

Request for Proposals Applications Now Open!

The High-Rise Sprinkler System Grant Program (HRSS Program) was established in [Minnesota Session Laws 2023, Regular Session, chapter 37, article 2, section 10](#) as a grant program to install sprinkler systems in eligible high-rise residential buildings. [Minnesota Session Laws 2023, Regular Session, chapter 37, article 1, section 2, Subdivision 27](#) provided \$6 million in one-time state appropriations for the installation of sprinkler systems in high-rise buildings.

The \$6 million will be distributed as grants through a competitive request for proposals process in accordance with the policies established by the [Minnesota Department of Administration Office of Grants Management \(OGM\)](#). The maximum grant per eligible building shall be \$2 million.

[High-Rise Sprinkler System Program Guide](#)

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HRSS Webpage

Eligibility and Eligible Expenses

Application Materials and Resources

eNews Information

[Sign up to receive our eNews](#) to receive timely updates about the High-Rise Sprinkler System Program.

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HRSS Webpage

Application Materials and Resources

- [HRSS Program RFP Application Instructions](#)
- [HRSS Program RFP Application Form](#)
- [HRSS Program RFP Application Signature Page](#)
- [2024 HRSS Program Self-Scoring Worksheet](#)
- [HRSS Program Work Plan and Budget](#)
- [Instructions: How to Find Demographic Information](#) for Self-Scoring
- Risk Assessment Forms
 - [Risk Assessment Form](#) – Nonprofit Organizations
 - [Risk Assessment Form](#) – For-Profit Business Entities
 - [Risk Assessment Form](#) – Political Subdivisions
- Internal Controls Certification (nonprofits and for-profits only)
 - [Internal Controls Certification](#) – Nonprofit Organizations, if applicable
 - [Internal Controls Certification](#) – For-Profit Business Entities, if applicable
- [HRSS Program Height Verification Letter](#) (if needed)

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Pre-Award Risk Assessment

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Pre-Award Risk Assessment

Per [Minn. Stat. §16B.981](#), and the Office of Grants Management [Policy 08-06](#), Minnesota Housing is required to conduct a pre-award risk assessment of potential grantees requesting grant awards of \$50,000 or more, including:

- Nonprofit organizations
- For-profit business entities
- [Political Subdivisions](#)

Tribal governments are not covered by this statute. However, Tribal-affiliated organizations with a non-profit or for-profit business designation with the MN Secretary of State are subject to the pre-award risk assessment process.

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Pre-Award Risk Assessment

- The goal is to assess the risk that a potential grantee cannot or would not perform the duties of the grant.
- Minnesota Housing is trying to determine if:
 - The potential grantee would likely be able to perform the duties of the grant without additional conditions.
 - The potential grantee would likely be able to perform the duties of the grant with additional technical assistance or funding conditions.
 - There is a substantial risk that the potential grantee cannot or would not perform the required duties of the grant.

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Pre-Award Risk Assessment- Requirements

A unique Risk Assessment form and all accompanying documentation listed in each form is required for:

- [Nonprofit Organizations](#)
- [For Profit Business Entities](#)
- [Political Subdivisions](#)

Each form outlines all the information required of that specific type of entity and includes a checklist so that potential grantees can reference what items are required with their submission.

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Pre-Award Risk Assessment- Requirements

Non-Profit Organizations

- Financial Documents
- Evidence of good standing with the MN Secretary of State
- Organizational Review Questions
- Confirmation of not being suspended or debarred from doing business with the State or Federal Government
- Certification that no principals of the organization have been convicted of a felony financial crime within the last 10 years

For-Profit Business Entities

- Financial Documents
- Evidence of good standing with the MN Secretary of State
- Organizational Review Questions
- Confirmation of not being suspended or debarred from doing business with the State or Federal Government
- Certification that no principals of the organization have been convicted of a felony financial crime within the last 10 years
- Current bankruptcy status
- Explanation of any current liens on the organization's assets

Political Subdivisions

- Organizational Review Questions
- Certification that no principals of the organization have been convicted of a felony financial crime within the last 10 years

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Required Financial Documentation- Non-profits

Potential Grantee's Total Gross Revenue	Required Documentation
Over \$750,000 in the last fiscal year	-Most recent audited financial statements -Most recent Form 990 or Form 990 EZ filed with the Internal Revenue Service (IRS)
Under \$750,000 in the last fiscal year	-Most recent Form 990 or Form 990 EZ filed with the Internal Revenue Service (IRS)
Not in existence long enough or not required to file Form 990 or Form 990 EZ with the IRS	-Document explaining why the potential grantee is exempt from filing with the IRS (i.e., IRS Determination Letter) -Most recent board-approved (or managing group if applicable) financial statements - Internal Controls Certification Form (Non-profit)

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Required Financial Documentation- For Profits

Required Documentation

- Most recent Federal and State tax returns filed with the Internal Revenue Service
- Current Financial Statements
- If a business entity has not been in business long enough to have a tax return, a completed [Internal Controls Certification Form](#) (For Profits) is submitted along with the current financial statements.

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Pre-Award Risk Assessment – Items to Keep in Mind

- **All** required documents must be submitted with RFP application materials for an application to be complete and considered for funding.
*Reference the Risk Assessment Form required of your organization for the full list of required documents.
- 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. When submitting the required list of principals you are attesting to, make sure it is complete and lists all board members.

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Pre-Award Risk Assessment – Items to Keep in Mind

- The results of this pre-award risk assessment will not impact scoring of an organization's competitive application for grant funds.
- To complete this assessment, Minnesota Housing may request additional information from the potential grantee.
- Minnesota Housing will notify a potential grantee if we're unable to satisfy concerns and will include information on the decision and options to request reconsideration of the decision.
- The submission of inaccurate or misleading information may be grounds for disqualification from a grant award and may subject an organization to suspension or debarment proceedings, as well as other remedies available to Minnesota Housing, by law.

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Next Steps



Step 1:

Determine eligibility
and sprinkler system
scope of work



Step 2:

Determine match fund
source



Step 3:

Complete your
application and all
submittals



Step 4:

Submit all items by
noon, November 4th

Using Multifamily Secure Upload Tool

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Submission Instructions

- Submit application and all required information/documentation to [Multifamily Secure Upload Tool](#).
- **Using the online tool** send items to mhfa.app@state.mn.us.

Secure Upload

Enter the email of the recipient for this transfer

Recipient Email

- Review the [Upload Tool Instructions](#) for more information.

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Submission Instructions

Application materials must be received by 12:00 p.m. (noon) Central time on Monday, November 4, 2024 to be considered for funding

- It is strongly recommended that applicants submit their application at least 2 business days before the deadline during regular business hours.
- All documents with a signature block must be signed.
- Review Upload Tool Instructions
- Email highrise.sprinkler.mhfa@state.mn.us for technical support.



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Request For Proposals Timeline

Date	Activity
Monday, August 12, 2024	RFP posted on the Minnesota Housing website, eNews and State Register
Thursday, August 22, 2024	Minnesota Housing holds an RFP Information Session; the link will be available on Minnesota Housing's HRSS Program webpage
Thursday, September 19, 2024	Final call for questions by 4:00 p.m. Central Time
Thursday, September 26, 2024	Final Frequently Asked Questions (FAQs) document posted to the Minnesota Housing website in response to RFP questions submitted
Monday, November 4, 2024	Applications due by 12:00 p.m. (noon) Central Time; refer to the Chapter 9 for additional details
Thursday, May 22, 2025 ²	Minnesota Housing staff recommends selections to Minnesota Housing's board
Thursday, May 29, 2025	Minnesota Housing notifies all applicants of selection decisions
Thursday, June 5, 2025	Mandatory due diligence training for all selected applicants; the link will be available on Minnesota Housing's HRSS Program webpage
Wednesday, November 26, 2025	All due diligence must be submitted
Thursday, December 18, 2025	Upon Grant Contract Agreements being fully executed, Grant Contract Agreement term begins
Monday, December 20, 2027	Grant Contract Agreement term ends; no activities funded after this date

² Date determined by OGM Requirements and could be sooner based on outcome of Pre-Award Risk Assessment Process.

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Thank You!

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