

Minnesota Housing Finance Agency (“Minnesota Housing”), in partnership with Greater Minnesota Housing Fund (“GMHF”) announces the availability of funds through the Consolidated Single Family Request for Proposals (“Single Family RFP”).

The Single Family RFP provides funding for the Community Homeownership Impact Fund (Impact Fund) and the Workforce and Affordable Homeownership Development Program. Minnesota Housing encourages applicants to review the Impact Fund Program Concept and the Community Homeownership Impact Fund Procedural Manual on Minnesota Housing’s [Impact Fund webpage](#) for details about the programs. The implementation and requirements for both programs are directed by the [Minnesota Housing Community Homeownership Impact Fund Program Procedural Manual](#), Minnesota Statutes Section 462A.33 (“Challenge Statute”), (Minnesota Rules parts 4900.3600-4900.3652 (“Challenge Rules”), and Minnesota Statutes section 462A.38 (“Workforce and Affordable Homeownership Development Program Statute”). Please familiarize yourself with the program guidance.

It is the policy of Minnesota Housing to further fair housing opportunities in all of Minnesota Housing’s programs and to administer its housing programs affirmatively, so that all Minnesotans of similar income levels have equal access to Minnesota Housing programs regardless of race, color, creed, religion, national origin, sex, sexual orientation, marital status, status with regard to receipt of public assistance, disability, or family status.

Application Deadline: Thursday, July 27, 2023 at 12:00pm

Impact Fund

The Impact Fund program is the umbrella name for a variety of Minnesota Housing’s limited funding resources for single family housing, including the Economic Development and Housing Challenge Fund (Challenge), Workforce and Affordable Homeownership Development Funds, and other resources when available.

The goal of the Impact Fund is to increase the supply of affordable, owner-occupied, single family housing, while maintaining the safety and habitability of existing owner-occupied, single family homes in communities throughout Minnesota.

Eligible Applicants

- Local governments
- Housing and Redevelopment Authorities
- Nonprofit organizations
- For-profit organizations and private developers
- Indigenous housing corporations and Tribal governments
- Public housing agencies
- Joint powers boards established by two or more cities

Multi-organization collaboration and partnership are welcomed but not required. In the case of multi-organization collaboration and partnerships, one organization must be the main applicant applying for funding and must be listed on the General Application. This organization will be the organization that will enter into a contractual agreement with Minnesota Housing if awarded funding.

Eligible Activities

- *Affordability Gap**: Deferred loans or grants to homebuyers to cover the difference between the purchase price of a home and the first mortgage for which a homebuyer qualifies.
- *Owner-Occupied Rehabilitation*: Deferred loans or grant to homeowners to cover the costs of home rehabilitation or to write down Community Fix Up interest rates.
- *Value Gap*: Grants to administrators to cover the difference between the total development cost and appraised value of a unit.
 - New construction of single-family homes
 - Acquisition, rehabilitation, resale of single-family homes
- *Tribal Indian Housing Program (TIHP)**: Grants to TIHP administrators to recapitalize TIHP revolving funds.

** Not eligible for Workforce and Affordable Homeownership Development Program.*

If you are requesting funding for or related to a Special Purpose Credit Program under 12 C.F.R. § 1002.8 (Reg. B), please reach out to the Impact Fund team.

Income Limits

Proposed projects must serve households up to 115 percent area median income (AMI) according to Impact Fund’s income limits. Current income limits are posted on the [Impact Fund webpage](#).

Workforce and Affordable Homeownership Development Program

Minnesota Housing will also provide funding to preserve and increase the supply of workforce and affordable housing throughout Minnesota. Priority will be given to smaller projects located in Greater Minnesota, in suburban communities within the seven-county Twin Cities metropolitan area, for communities with populations of less than 10,000 or new construction projects.

Eligible Applicants

- Tribal governments
- Nonprofit organizations
- Cities
- Cooperatives
- Community Land Trusts

For-profit organizations are not eligible to apply for funding.

Eligible Activities

- New construction of single-family homes
- Acquisition, rehabilitation, resale of single-family homes
- Owner-occupied rehabilitation

Equity and Inclusion

Minnesota thrives because of its diversity of race, ethnicity, sexual orientation, gender identity, (dis)abilities, ages, families, and geographies. Discrimination and lack of access to resources and other barriers have led to disparities that inhibit Minnesotans from achieving their fullest potential. Minnesota Housing centers communities most impacted by housing instability and disparities in its work to advance equity. This is a core value in all of Minnesota Housing’s activities, including the administration of the annual Single Family RFP process, which includes the award and allocation of grants and deferred loans. This Single Family RFP is designed to prioritize projects that center on equity and inclusion.

Available Funding

The Single Family RFP is funded by a variety of state resources provided by the Minnesota Legislature and Minnesota Housing's own resources. The amount of available funding is dependent, in part, upon state appropriations approved by the Minnesota legislature, as well as demand for other uses of Minnesota Housing resources.

Types of Funding Available

While applicants are required to select the type of funding they wish to receive, the final funding type will be determined by Minnesota Housing at its sole discretion based on the type of activity requested, the amount of the request and availability of funding.

- **Grants:** Funds awarded to administrators to finance value gap (i.e., the difference between the total development cost and the after-improved appraised value of a home) and other eligible activities for which Minnesota Housing may not recapture loans without increasing housing costs beyond affordability to the eligible homebuyer.
- **Deferred Loans:** Funds awarded to administrators who in turn originate, close, and assign 30-year, 0% interest, deferred loans to homebuyers and homeowners.
- **Housing Infrastructure Bond (HIB) Proceeds:** 3-year, 0% interest, deferred, forgivable loans to awarded administrators. Loans will be forgiven if awarded administrators satisfy contract conditions.
 - Finance the construction or rehabilitation of single-family homes.
 - Costs of land acquisition, demolition, and utility connections for community land trusts.
 - All eligible applicants above are eligible to receive HIB proceeds.
- **Interim Loans:** 26-month, interest bearing, unsecured, deferred, repayable loans to awarded administrators to finance the acquisition and construction of homes. Interim loans will require the following:
 - Monthly interest payments
 - Quarterly financial reporting that requires ability to meet net asset and current ratios, according to contract conditions.
 - If applicants are interested in a secured loan, please reach out to Minnesota Housing for more information.

Selection Process and Criteria

This is a competitive application process. Each proposal will be evaluated based on the extent to which it meets the Selection Standards and Funding Priorities set forth in the 2023 Single Family RFP Selection Process and Scoring Criteria. Applicants are encouraged to review the [Single Family RFP Selection Process and Scoring Criteria](#) for more information about the selection process and details about the Selection Standards and Funding Priorities.

Co-Funder Information

GMHF has their own program requirements and guidelines. While applications for GMHF funds are solicited through the Single Family RFP, GMHF's has funding timelines and approval processes that are separate from Minnesota Housing. Below is a summary of funding provided by GMHF:

- **GMHF** provides funding for homebuyer affordability gaps in the form of deferred, subordinate loans at 0% interest. The maximum loan amount per homebuyer is \$8,500. GMHF will give preference to proposals which apply a racial and economic equity lens to promote economic inclusion in the

benefits of homeownership among households of color, immigrant households, and households with disabled members, and that seek to leverage cross-sector health and housing partnerships to improve community and individual health through investments in affordable housing.

Minnesota Housing encourages applicants to review the co-funder's program information guide, which is posted on the [Impact Fund webpage](#).

Financial Leverage

While Minnesota Housing considers all sources of leverage when determining project feasibility during the selections process, only applicants that have committed financial leverage to close funding gaps will meet Minnesota Housing's funding priorities.

Committed Financial Leverage

Committed financial leverage is the cash amount of leveraged funds dedicated specifically to the proposed project to close a funding gap. Applicants must provide documentation (e.g., award letter, funding contract, etc.) of the committed leverage. The documentation must include the following:

- Name of the organization committing funding, contact person, and his/her/their contact information;
- The amount of cash committed to the proposed project;
- The period of time the funds will be available for the Applicant's use; and
- The terms and conditions of the commitment including but not limited to:
 - How funds are to be used (e.g., lump sum allocated to a project or pipeline funds available on an ongoing basis, etc.); and
 - Funding type (e.g., loan or grant).

Committed financial leverage can include the Applicant's own funds or funding from a third-party. The funds must be for the proposed project. Operating funds, value of in-kind material and/or labor, other general use funds, lines of credit, borrower and seller's own resources are not considered financial leverage but will be considered when determining project feasibility.

Pending Financial Leverage

Pending financial leverage is leverage that has not been formally committed to the Applicant or the proposed project. Applicants must submit pre-commitment documentation for all pending leverage no later than **September 1, 2023**. Pending leverage will not be considered without pre-commitment documentation.

Organizational Capacity Review

Minnesota Housing will conduct an organizational capacity review of each applicant that is a nonprofit or a for-profit organization. The organizational capacity review is not an audit or a guarantee of the organization's financial health or stability. Rather, it assesses the organization's capacity to carry out the proposed project, if funded.

All nonprofit and for-profit organizations must complete either the Organization Capacity and Review Form – Nonprofit Organizations or Organization Capacity and Review Form – For-Profit Organizations and submit all required documentation.

All other applicants are not required to complete an Organization Capacity and Review form.

Application Materials

All Single Family RFP application materials are available on the [Impact Fund webpage](#). Applicants must use the required application forms and include all of the required information. Applicants are encouraged to be clear and concise in the presentation of information.

All Applicants must complete and submit the following by the application deadline to be considered for funding:

- Single Family RFP General Application
- Single Family RFP General Workbook
- Single Family RFP Housing Activity Section and Workbook **for each type** of Housing Activity for which funds are requested:
 - Acquisition/Rehabilitation/Resale Housing Activity Section(s) and Workbook(s) – (Non-CLT or CLT)
 - (Stand-Alone) Affordability Gap Housing Activity Section(s) and Workbook(s) – (Non-CLT or CLT)
 - New Construction/Demolition - Rebuild Housing Activity Section(s) and Workbook(s) – (Non-CLT or CLT)
 - Owner-Occupied Rehabilitation Program Housing Activity Section(s) (includes Community Fix Up Loan (CFUL) Program Write-down) and Workbook(s)
 - Tribal Indian Housing Program Housing Activity Section(s) and Workbook(s)
- Activity-specific required documents. See activity sections for list of required documents.
- Supplemental forms, if applicable
 - Community Land Trust (CLT) Supplemental Application (New CLTs only)
 - Organization Capacity and Review Form – Nonprofit Organizations
 - Organization Capacity and Review Form – For Profit Organizations
- Affirmative Action Certification Form (along with a Certificate of Compliance and additional documentation, as described on the Certification Form)

Application Deadline and Submission Instructions

Applicants must submit an electronic copy of all completed application materials to Minnesota Housing no later than:

Thursday, July 27, 2023 at 12:00pm

Electronic Copy Delivery Instructions

Submit all files in **one upload** using the [Single Family Secure File Exchange](#) (LeapFILE™), accessible on the [Community Initiatives Programs webpage](#), to impact.fund.mhfa@state.mn.us.

Applicants should use the following naming conventions for each file: "Organization Name Application Form" Example: "ABC Development Acquisition Rehab Resale Workbook"

Note: Submitted applications are considered final; **late and/or incomplete applications will not be accepted**. Minnesota Housing may request additional information or clarification. The applicant will be responsible for all costs incurred with applying for this Single Family RFP.

The Single Family RFP is subject to all applicable federal, state, and municipal laws, rules, and regulations.

Per the Minnesota Government Data Practices Act, responses submitted by a applicant are private or nonpublic until the responses are opened. Once the responses are opened, certain limited data, such as the name of the applicant, become public. All other data in a response is private or nonpublic data until completion of the evaluation process, which for the purposes of this Single Family RFP, is when all grant and/or loan contracts have been fully executed. After Minnesota Housing has completed the evaluation process, all remaining data in the responses become public, with the exception of trade secret information as defined and classified in Minnesota Statutes section 13.37. A statement by an applicant that the response is copyrighted or otherwise protected does not prevent public access to the response.

Minnesota Housing reserves the right to withdraw this request for proposals, to not make selections, and to modify dates and submission material requirements as it deems necessary. Minnesota Housing will post notice of any such changes on its website and is not able to reimburse any Applicant for costs incurred in the preparation or submittal of proposals. Minnesota Housing also reserves the right, in its sole discretion, to approve nonmaterial errors or nonmaterial omissions in application submissions.

Technical Assistance and Email Updates

Applicants are encouraged to review the recorded Single Family technical assistance webinar on the [Impact Fund webpage](#) under the Impact Fund Training section. Many of the information in the 2020 webinars are still relevant in the 2023 Single Family RFP, however the 2023 Single Family RFP have some changes (i.e. RFP timeline, available funding, selection process and scoring, and co-funder information). Any additional technical assistance and questions during the application period can be emailed to impact.fund.mhfa@state.mn.us.

To receive email updates related to the Impact Fund, sign up for Impact Fund eNews on the [Minnesota Housing website](#).

Approval Date and Award Notification

Funding Timeline

Applicants must complete and submit an application through the Single Family RFP process by the application deadline. More information on the timeline can be found on the [RFP Timeline](#).

Board Approval

The Minnesota Housing Board of Directors is expected to consider the Minnesota Housing funding recommendations for the Single Family RFP in **December 2023**.

Minnesota Housing reserves the right to not select proposals. Proposals selected for funding through the Single Family RFP are subject to availability of funding.

Award Notification

Selected proposals will be posted on Minnesota Housing's website following the board meeting. All applicants will receive a letter following the board meeting with Minnesota Housing's funding decision. Awardees selected for funding will receive an award letter and funding contracts within approximately three months of Minnesota Housing's board meeting.

GMHF will select projects through its own separate funding processes and will notify applicants separately of its funding decisions.

Grant and Loan Expectations and Reporting Requirements

All applicants awarded funding under the proposal submitted will be required to:

- Complete the project as selected and stated in the grant or loan contract agreement(s) within the grant or loan period of 20 months or as otherwise stated in the grant or loan contract agreement.
- Comply with the grant or loan contract agreement(s), as applicable, and the [Minnesota Housing Community Homeownership Impact Fund Program Procedural Manual](#).
- Comply with all local, state and federal requirements.
- Comply with records retention and reporting requirements found in the [Minnesota Housing Community Homeownership Impact Fund Program Procedural Manual](#).
- Submit all required reporting and related documentation including household demographic and project information forms, annual reporting, and close out reporting to Minnesota Housing.
- Maintain records for at least a minimum of six years after the termination or expiration of the grant or loan contract agreement, as applicable.
- Comply with monitoring, financial reconciliation and quality control audits including site visits, providing information and participating in evaluation and reporting conducted by Minnesota Housing.
- Maintain financial records that document the use of all program funds. Review and reconciliation of such records may be requested at Minnesota Housing's sole discretion.
- Have an agency Conflict of Interest policy and take necessary steps to prevent individual and organizational conflicts of interests. All suspected, disclosed or discovered conflicts of interests must be reported to Minnesota Housing in a timely manner.
- Comply with applicable contracting and bidding requirements noted in the grant or loan contract agreement.
- Comply with all affirmative action and non-discrimination requirements noted in the grant or loan contract agreement.
- Comply with [Minn. Stat. §201.162](#) by providing voter registration services for its employees and for the public served by the organization.

Contact Information

Minnesota Housing

Impact Fund
Song Lee impact.fund.mhfa@state.mn.us
Leighann McKenzie 651.296.8147

Projects Serving American Indian Households
Corey Strong 651.296.5701 corey.strong@state.mn.us

Home Improvement Programs
Shannon Gerving 651.296.3724 shannon.gerving@state.mn.us

Greater Minnesota Housing Fund

Wes Johnson 651.350.7227 wjohnson@gmhf.com