

High-Rise Sprinkler System Grant Program

Request for Proposals Application Instructions

Grant Period: December 2025 - December 2027

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Chapter 1: Overview

Minnesota Housing is now accepting applications for the High-Rise Sprinkler System (HRSS) Grant Program (HRSS Program) that was established in Minnesota Laws 2023, chapter 37, article 1, section 2, subdivision 27 to install Sprinkler Systems in Eligible High-Rise Residential Buildings as described in Minnesota Laws 2023, chapter 37, article 2, section 10. Up to \$6 million in funding is available for the December 2025 – December 2027 grant period and will be distributed as grants through a competitive request for proposals (RFP) process in accordance with the policies established by the Minnesota Department of Administration Office of Grants Management (OGM). The application deadline is 12:00 p.m. (noon) Central Time on Monday, November 4, 2024.

Unless otherwise stated, capitalized terms have the meaning ascribed to them in Appendix A of the HRSS Program Guide.

Available Funding

The maximum grant per eligible building shall be \$2,000,000. Minnesota Housing may retain a portion of the appropriations to cover administrative costs in accordance with Minnesota Statute 16B.98, subdivision 14. This is a one-time grant program with a match fund requirement. See Chapter 2 for details.

Chapter 2: Eligible Applicants

To be eligible for funding, the applicant must:

- 1. Own the building and be one of the following organizational types¹:
 - a. A tax-exempt nonprofit organization under section 501(c)(3) of the Internal Revenue Code
 - b. A federally recognized Indian Tribe in Minnesota or their associated Tribally Designated Housing Entity
 - c. A local unit of government
 - d. A for-profit Business
- 2. Be a High-Rise Residential Building which is defined as follows:
 - a. Provides permanent residential housing that is not time limited
 - b. Has at least one story used for human occupancy which is 75 feet or more above the lowest level of fire department vehicle access
- 3. Meet both the affordability requirement defined as the following:
 - a. At least two-thirds of the building's units are affordable to households with an annual income at or below 50% of the area median income as determined by the United States Department of Housing and Urban Development (HUD), adjusted for family size
 - b. Qualifying households shall not be paying more than 30% of annual income on rent
- 4. Accept vouchers
 - a. Accept rental subsidies including but not limited to vouchers under Section 8 of the United States Housing Act of 1937, as amended
- 5. Meet the match fund requirement
 - a. Each grant to a nonprofit 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 awarded grant amount
 - b. Each grant to a for-profit organization shall require a minimum 50% match of awarded grant amount
 - c. The match:

i. May be provided by the selected Grantee, a local unit of government, business, nonprofit organization, or federally recognized Indian Tribe.

ii. Must be fully committed without conditions at the time of the Grant Contract Agreement is executed.

¹ In accordance with Minnesota Session Laws 2023, Regular Session, chapter 37, article 2, section 10, priority shall be given to nonprofit applicants. Subgrantees are not permitted.

- iii. Must be fully disbursed and expended on Eligible Expenses as defined in Chapter 4 of the HRSS Program Guide prior to HRSS Program funds being disbursed.
- iv. Upon completion, project savings, if any, may proportionally decrease the HRSS Program funds and match, subject to approval by Minnesota Housing at its sole discretion.
- 6. Provide a temporary relocation plan, if applicable
 - a. No tenants will be permanently relocated due to of installation of the Sprinkler System.

Chapter 3: Eligible Uses

Grantees may only use HRSS Program funds for costs associated with the installation of the Sprinkler System, which includes the costs to:

- Prepare performance specifications by a qualified design professional to design the Sprinkler System
- Obtain permits to install the Sprinkler System
- Install the Sprinkler System components
- Complete restoration work due to installation of the Sprinkler System
- Have the Sprinkler System inspected by the design professional who prepared performance specifications
- Pay for temporary resident relocation expenses incurred as a result of installing the Sprinkler System; permanent resident relocation is not an eligible expense
- Pay a project management fee to the Grantee, which is the lesser of 5% of the total project costs or \$100,000; the project management fee may include costs such as construction management, resident coordination, legal costs, and other costs that are directly related to the installation of the Sprinkler System, subject to approval by Minnesota Housing
- Pay other costs associated with installing the Sprinkler System upon prior written approval from Minnesota Housing.

In mixed use buildings, the portion of costs to install the Sprinkler System in non-residential spaces are ineligible for reimbursement. Structured or underground parking and common areas may be pro-rated to the residential areas, subject to approval at Minnesota Housing's sole discretion.

HRSS Program grant funding can only be used to reimburse expenses incurred after the Grant Contract Agreement is fully executed. Any expense incurred before the Grant Contract Agreement is fully executed cannot be reimbursed.

Chapter 4: Program Expectations

Review the full <u>HRSS Program Guide</u> for all program expectations, which includes but is not limited to:

- 1. Work Plan and Budget: Selected Grantees are required to prepare a work plan and budget on a template provided by Minnesota Housing to identify how they anticipate using the grant proceeds for eligible expenses.
- 2. All applicants are required to follow contracting and bidding requirements per OGM.
- 4. Affordability requirement: The affordability requirement referenced above shall be in place for a minimum of five years after the Sprinkler System installation work is complete and is monitored on an annual basis.
- 5. Monitoring and reporting requirements: Comply with all monitoring and reporting requirements as outlined in Chapter 9 of the <u>HRSS Program Guide</u>.

Contracting and Bidding Requirements

- 1. Any services and/or materials that are expected to cost \$100,000 or more must undergo a formal notice and bidding process.
- 2. 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 verbal quotes or bids.
- 3. 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 verbal quotes or bids or awarded to a targeted vendor.
- 4. 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:
 - a. <u>Minnesota Department of Administration Certified Targeted Group, Economically</u>
 <u>Disadvantaged and Veteran-Owned Vendor List</u>
 - b. Metropolitan Council Underutilized Business Directory
 - c. <u>Central Certification Program (CERT) Directory</u>
- 5. 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.

- 6. 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.
- 7. Notwithstanding 1- 4 above, Minnesota Housing may waive bidding process requirements when:
 - a. Vendors included in response to competitive grant request for proposals process were approved and incorporated as an approved work plan for the grant.
 - b. 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.
- 8. For projects that include construction work of \$25,000 or more, prevailing wage rules apply per Minn. Stat. 177.41 177.44. 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.
- 9. The Grantee must not contract with vendors who are suspended or debarred in Minnesota.

Chapter 5: 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 actions, including resources administered through the HRSS Program. The HRSS Program is designed to prioritize projects that center on Communities Most Impacted.

Chapter 6: Review Criteria

This is a competitive application process. Applications will be reviewed and scored by a committee comprised of Minnesota Housing staff. Recommendations will be presented to the Minnesota Housing board for approval. Minnesota Housing's award decisions are final and are not subject to appeal.

Threshold Criteria

Threshold criteria are the basic requirements an application must meet in order to be considered for funding. The following **threshold criteria** must be satisfied for an application to be considered:

- The applicant must eligible as defined in the Property Eligibility Requirements section of the <u>Application</u>.
- The Applicant must own the building.
- The Applicant must meet the affordability requirements as outlined in the Property Eligibility Requirements section of the Application.
- The Applicant must provide confirmation of meeting the match fund requirement as defined in the Matching Fund Requirement section of the <u>Application</u>.
- The application must include all required application checklist items; these items must be
 properly completed and submitted via <u>Multifamily Secure Upload Tool</u> by the published
 deadline. Refer to <u>Chapter 9</u> for details.

Competitive Criteria

Priority will be given to nonprofit applicants per Minnesota Laws 2023, chapter 37, article 2, section 10.

Applicants must complete the Self Scoring Worksheet and submit as part of the application checklist. Minnesota Housing staff will review the Self Scoring Worksheet for each application, determine whether the applicant has scored itself correctly and make scoring adjustments if needed. The following **competitive criteria** are reflected in the Self-Scoring Worksheet and will be used to score only those applications that satisfy the minimum threshold criteria as stated in the Chapter 8:

Table 1: Scoring Criteria

Category	Criteria	Maximum Score
Entity Type	Nonprofits shall be given priority	75
Diversity and Inclusion	Percentage of Black, Indigenous and people of color populations	35
Affordability of Units	Percentage of units in building that meet affordability requirement	35

Category	Criteria	Maximum Score
Match Fund	Percentage of total development fund that is match funded	30
Need for Sprinkler System	Status of Existing Sprinkler System	25
	Total	200

After the grant review committee has met and scores have been finalized, Minnesota Housing staff may incorporate the scores into final funding recommendations that may also be based on past performance, geographic distribution, and the applicant's history as a state grantee and capacity to perform the work. Funding recommendations will also incorporate the results of the pre-award risk assessment. Final funding amounts will be dependent on the amount requested, the number of applicants, and the funding amount available to distribute.

All funding decisions are at Minnesota Housing's sole discretion and are not subject to appeal unless allowed for under Minn. Stat. 16B.981. Additionally, Minnesota Housing reserves the right to request proposal revisions during the due diligence phase, which is after Minnesota Housing board approval but before the Grant Contract Agreement is executed.

Pre-Award Risk Assessment

Per Minn. Stat. 16B.981, Minnesota Housing is required to conduct a pre-award risk assessment of potential grantees requesting grant awards of \$50,000 or more. The information submitted by potential grantees will be used to assess the risk that a potential grantee cannot or would not perform the required duties of the grant. Minnesota Housing will review the potential grantee's past performance, tax returns, audits, principals, and standing with the Secretary of State.

Minnesota Housing will determine whether:

- 1. The potential grantee would likely be able to perform the duties of the grant without additional conditions,
- 2. The potential grantee would likely be able to perform the duties of the grant with additional technical assistance or conditions placed on the potential grantee, or
- 3. There is a substantial risk that the potential grantee cannot or would not perform the required duties of the grant.

The pre-award risk assessment will include the following components:

- A Risk Assessment Form with questions to be completed as part of the application
- Financial Information as applicable to the applicant organization and detailed on the Risk Assessment Form

- Evidence of good standing with the Minnesota Secretary of State
- Certification of no convictions of felony financial crimes by a principal, along with a list of principals being certified

To complete this assessment, Minnesota Housing may request additional information which must be provided by the potential grantee. Minnesota Housing will notify a potential grantee if it is unable to satisfy its concerns by working with the potential grantee. This notification 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.

The results of this pre-award risk assessment will not impact scoring of an organization's competitive application for grant funds.

Tribal governments are not subject to the pre-award risk assessment. Tribal-affiliated organizations with a nonprofit or for-profit business designation with the Minnesota Secretary of State are subject to the requirements.

Chapter 7: Application Timeline

Table 2: Application 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 <u>HRSS Program</u> 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 <u>Chapter 9</u> 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 <u>HRSS Program</u> 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

NOTE: All dates and times are subject to change at the sole discretion of Minnesota Housing.

Minnesota Housing is hosting a virtual information session on Thursday, August 22, 2024, at 9 a.m. Central Time. Potential applicants are encouraged to attend to learn more about the application process. Register here to attend. This information session will be recorded and posted to the Minnesota Housing's HRSS Program webpage

The information session will provide an overview of RFP content and allow time for questions.

Frequently Asked Questions (FAQs) from the information session, along with other questions, will be posted on or around August 29, 2024. All following questions must be submitted by 4:00 p.m. on

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

September 19, 2024, with the final FAQs posted on or around September 26, 2024. Refer to Chapter 12 for contact information.

To receive email updates related to the RFP, <u>sign up to receive eNews updates</u> on the Minnesota Housing website.

Chapter 8: Application Checklist

Applicants must use the required application form and include all of the required information/documentation. Applicants are encouraged to be clear and concise in the presentation of information. Do not submit materials that are not requested (letter of support, photos, brochures, etc.). Unrequested materials will not be reviewed.

All of the following checklist items must be completed properly and submitted via <u>Multifamily Secure</u> <u>Upload Tool</u> to meet the minimum threshold criteria. Only applications meeting the threshold criteria will be considered for funding:

1. Application
2. Application Signature Page (wet, digital, or electronic signatures will be accepted)
3. Proof of building ownership
4. Height Verification Letter or other documentation that the building meets the height
requirement
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
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. <u>Risk Assessment Form</u> – 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. <u>Internal Controls Certification</u> Nonprofit Organizations, if applicable
 - 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 dollar	·S
9. 2024 HRSS Program Self-Scoring Worksheet	

Applicants must understand the application components and what types of submission materials are required to satisfy each required component. Applications that do not contain all required components (completed and submitted properly) will be noted as incomplete and will not be eligible for further review, including scoring. Minnesota Housing is unable to provide notice if an application is incomplete.

If you have questions regarding checklist items listed above, contact the designated point of contact found in <u>Chapter 12</u>. Allow enough time for staff to respond and help resolve issues so that a complete application can be submitted prior to the application submission deadline. Also note that technical assistance does not guarantee that a complete application will be submitted.

Chapter 9: Submission Instructions

Submit application information and upload required documents to Minnesota Housing's online Multifamily Secure Upload Tool. Using the online tool, send items to mhfa.app@state.mn.us. Review the Upload Tool Instructions for more information. All required documents must be submitted no later than Monday, November 4, 2024, at 12:00 p.m. (noon) Central Time in order to be considered for funding.

If you have questions regarding the checklist items, please contact the designated point of contact listed in Chapter 12.

Submitted applications are considered final; late and incomplete applications will not be considered. Minnesota Housing may request additional information or clarification. The applicant will be responsible for all costs incurred with applying for this RFP. Award decisions are final and not subject to appeal.

Per section 13.599, subdivision 3 of the Minnesota Government Data Practices Act, responses submitted by an applicant are private or nonpublic until the responses are opened. Once the responses are opened, the name and address of the applicant and the amount requested is public. All other data in a response is private or nonpublic data until completion of the evaluation process, which for the purposes of this grant, is when all grant agreements have been fully executed. After a granting agency has completed the evaluation process, all remaining data in the responses is public with the exception of trade secret data as defined and classified in section 13.37 of the Minnesota Government Data Practices Act. A statement by an applicant that the response is copyrighted or otherwise protected does not prevent public access to the response.

Chapter 10: Due Diligence Requirements

Due Diligence refers to the documents that organizations must submit or actions that must be completed prior to contracting with Minnesota Housing. If an applicant is selected for funding, the following due diligence items must be submitted by November 26, 2025:

- **Signed Grant Contract Agreement** (provided by Minnesota Housing).
- **Resolution:** A signed original, or signed and certified copy, specific to the Grant Contract Agreement that designates authorized signatories, authority to enter into a Grant Contract Agreement, and that references the requested and/or awarded amount.
- Organizational documents (such as bylaws) specifying authorized signatories.
- Certificate of liability insurance with employee dishonesty/crime coverage in the amount of at least one-eighth of the total grant amount. The expiration date of the policy must be after the start of the grant term. Minnesota Housing must be named as certificate holder. Employee theft coverage will *not* be accepted.
- Worker's compensation insurance.
- <u>W-9</u> and <u>SWIFT vendor number</u> for a new potential grantee that has been selected, or if the current information on file needs to be updated.
- **Environmental review:** Asbestos-containing materials survey may be required for areas affected by the installation of the sprinkler system. An abatement plan is required for asbestos and any other hazardous materials that needs to be abated due to the installation of the sprinkler system.
- Approved work plan: The selected potential grantee will be required to complete and submit a
 work plan on a template provided by Minnesota Housing. The purpose of the work plan is to
 describe changes since application submittal and because of the final award amount and
 requirements.
- **Final, approved budget:** A final budget reflecting the awarded amount and any allocation or amount changes to Grantee.
- Final temporary relocation plan, if applicable.
- Project timeline.
- Proof of ownership of the building.
- Most recent financials and operating budget of the building (if not already provided).
- Evidence that the building meets the affordability requirement outlined in section 2.02 of the HRSS Program Guide.
- **Documentation of required matching funds** Reference section 3.02 of the <u>HRSS Program</u> Guide for complete details and requirements.

Potential grantees that are awarded funding must have all due diligence items submitted and approved and the Grant Contract Agreement fully executed, which includes both the potential grantee's and Minnesota Housing's signatures, before costs can be incurred and reimbursed or grant funds can be expended. Minnesota Housing will not reimburse costs incurred prior to the execution of the Grant Contract Agreement. Minnesota Housing will initiate the execution of the Grant Contract Agreement, including required signatures.

Refer to Chapter 7 of the <u>HRSS Program Guide</u> for items that need to be provided to Minnesota Housing prior to initial disbursement of funds and items needed prior to receiving the final disbursement of funds.

Chapter 11: Contractual Requirements

A potential grantee awarded funding under this proposal will be required to:

- Execute a Grant Contract Agreement with Minnesota Housing outlining the scope of work to be performed. The Grantee may also be responsible for completing the proposal, budget, work plan, and/or other exhibits to the Grant Contract Agreement(s).
- Maintain financial records that document the use of all grant funds for a minimum of six years
 after the Grant Contract Agreement has ended. Minnesota Housing, at its sole discretion, may
 request to review the accounting and documentation of such records at site visits or at other
 times.
- Complete and submit all invoices and required reports on time in a manner determined by Minnesota Housing.
- Comply with all applicable state statutes, rules, and policies.
- Have a 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 <u>reported to Minnesota Housing</u> in a timely manner.
- Comply with applicable contracting and bidding requirements noted in the Grant Contract Agreement.
- Comply with all affirmative action and non-discrimination requirements noted in the Grant Contract Agreement.
- Comply with Minn. Stat. 201.162 by providing voter registration services for its employees and for the public served by the grantee.

This is not an exhaustive list. All Contractual Obligations will be outlined in the Grant Contract Agreement, sent to selected potential grantees.

If there are any conflicts between the Application Instructions and the Grant Contract Agreement, the Grant Contract Agreement controls.

Chapter 12: Contact Information

Questions can be directed to the designated point of contact for this RFP: Beverly Wilharm, Program Manager, at 651.284.0077 or Highrise.Sprinkler.mhfa@state.mn.us.

No other staff are authorized to respond to questions from potential applicants related to this RFP. All questions and answers will be posted to Minnesota Housing's <u>HRSS Program</u> webpage.