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## HOME American Rescue Plan

Request for Proposals Standards

Last Updated: January 2026

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*An equal opportunity employer.*

*This information will be made available in alternative format upon request.*

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## Purpose

This HOME American Rescue Plan (HOME ARP) Request for Proposals (RFP) Standards provides an overview of the Minnesota Housing Finance Agency's (Minnesota Housing's) HOME ARP RFP process, general instructions, requirements, and important application information regarding Minnesota Housing's application solicitation, intake, and selection process. Note that all definitions of capitalized terms can be found in Appendix A of the [HOME ARP Program Guide](#) (Program Guide).

Minnesota thrives because of its diversity of race, ethnicity, sexual orientation, gender identity, (dis)abilities, ages, families, and geographies. Discrimination, lack of access to resources, and other barriers have led to disparities that inhibit Minnesotans from achieving their fullest potential.

Minnesota Housing and the one-time HOME ARP Program prioritizes projects that center on communities most impacted by housing instability. This is a core value in all of Minnesota Housing's actions, including awarding HOME ARP funds for affordable multifamily rental housing developments. In addition, based on the funding source's priorities, the RFP process focuses on increasing housing access and housing stability for vulnerable populations identified as Qualifying Populations.

HOME ARP funding is subject to specific program requirements and limitations that are not set out in detail, or modified by, this document. The award of HOME ARP funding is governed by Minnesota Housing's [HOME ARP Allocation Plan](#) and [HOME ARP Program Guide](#) which informed the [HOME ARP Self-Scoring Worksheet](#).

Applicants who are applying or have received funding for other sources, such as 9% Housing Tax Credits (HTCs), deferred loans with a 4% HTC financial structure, or deferred loans only, should refer to the applicable guiding documents to ensure they comply with all requirements for all sources of funding received from Minnesota Housing.

Interested applicants are encouraged to sign up for Minnesota Housing's [HOME ARP Funding eNews list](#) to receive important information and training opportunities throughout the HOME ARP funding application period.

## Legal Addendum

Any recipient of an award agrees to comply with the additional requirements and obligations as described in Appendix A of this document.

## Overview

Funding rounds for affordable housing development resources from Minnesota Housing are highly competitive. Funding requests in a typical application period can be as much as four to five times greater than what is available. HOME ARP is a unique funding source that is targeted to benefit individuals and households that are experiencing homelessness or at risk of homelessness. For more information on HOME ARP eligibility, refer to the [HOME ARP Program Guide](#).

## Available Funding

Minnesota Housing has received a one-time allocation of \$31 million in HOME ARP funds under the American Rescue Plan Act of 2021. These funds are available from Minnesota Housing to support the development of rental housing activities that primarily benefit Qualifying Populations. All funding will be provided in the form of deferred loans and must be used for eligible HOME ARP activities and costs.

Minnesota Housing anticipates funding multiple proposals until all funds are awarded. All selected projects must demonstrate strong alignment with HOME ARP-specific regulations, including compliance with eligible uses, targeting of Qualifying Populations, and adherence to federal requirements. Applicants are encouraged to review the [HOME ARP Program Guide](#) and related materials to ensure full compliance with application and project requirements.

## Technical Assistance

Applicants may request technical assistance by contacting [MHFA.HOME-ARP@state.mn.us](mailto:MHFA.HOME-ARP@state.mn.us). Technical assistance is a free consultation session with Minnesota Housing staff and/or our ICF consultants to review project concepts, project workbooks and financial structures, preliminary building design or scopes of work, and Minnesota Housing's scoring process. Given the nature of the HOME ARP RFP, technical assistance is strongly recommended for all applicants, and particularly for those who are new to the Minnesota Housing RFP process.

Technical assistance is only advisory and does not guarantee that a development will receive points under a particular category or be selected for funding. While every effort is made to help ensure the accuracy of the technical assistance, such assistance is subject to, and does not modify or override, the requirements of the [HOME ARP Program Guide](#), this document, or other documents related to applications for funding.

Applicants are encouraged to review the materials available on Minnesota Housing's [HOME American Rescue Plan \(HOME ARP\) Funding](#) webpage and consult with their respective legal counsel and, if applicable, a knowledgeable tax professional to ensure compliance with all applicable application, submission, and project requirements.

## The HOME ARP RFP Process

The HOME ARP RFP process includes the solicitation and evaluation periods. The solicitation period begins when application materials are released on Tuesday January 20, 2026, and ends on Tuesday, May 5, 2026, at noon Central time. The evaluation period begins on the application due date and ends when the Minnesota Housing board of directors approves funding selections.

### The Solicitation Period

The solicitation period formally starts once the application is available to the public. This includes all application materials, application trainings, and technical assistance to help applicants submit a competitive application. Refer to the Steps to Get Started section of this document for additional details. Within the solicitation period, potential applicants submit a full application to be considered for a funding selection.

### Application

A full application must be completed, submitted, and accepted by Minnesota Housing on or before the application deadline to move forward to the evaluation period. A full application includes, but is not limited to, the following:

- All required application materials applicable in the [HOME ARP Application Checklist](#), submitted via the Secure Upload Tool, which can be accessed from Minnesota Housing's [Partner Login](#) webpage. Follow the prompts and use the email address mhfa.app@state.mn.us. Refer to the [Secure Upload Tool Instructions](#) for more information. Required application materials not completed, submitted, and accepted may be considered ineligible.
- Submission of the HOME ARP Self-Scoring Worksheet and HOME ARP Scoresheet via the Secure Upload Tool.
- Qualification Forms and complete financial information. Refer to Minnesota Housing's [Development Team Qualification Forms](#) webpage for more information.

Additional information can be found in the Review Application Requirements section of this document.

### The Evaluation Period

The evaluation period has multiple phases and begins after the application deadline. The evaluation period generally extends over a four-month period and ends when recommendations are made to Minnesota Housing's board of directors. The phases include:

- **Eligibility and Data Validation:** Applications go through an initial review to ensure a full application was submitted and is eligible. Application materials submitted are cross-referenced to ensure consistency. If inconsistency exists, characteristics or documentation will be

reconciled to match the application materials submitted. Applicants may be notified by Minnesota Housing staff should this be necessary. Reconciliation may include, but is not limited to, aligning the Multifamily Workbook(s) with the proposal type, determination of the project type(s), geographic area, and/or unit-mix.

- **Scoring:** Applications may be ranked based on self-score or Minnesota Housing score in accordance with the HOME ARP Self-Scoring Worksheet. Projects are then ranked based on the score and categorized by geographic area and deferred funding priorities.
- **Feasibility:** Applications are further processed and reviewed in accordance with the application selection and funding requirements.
- **Board:** Final recommendations are subject to approval by the Minnesota Housing board of directors, which concludes the application evaluation period.

Minnesota Housing, at its sole discretion, may request additional information or deem an application error as nonmaterial. Minnesota Housing reserves the right to withdraw any RFP, not make selections, adjust dates, and/or modify submission material requirements as it deems necessary. Notice of any such changes will be posted on the Minnesota Housing website.

Minnesota Housing is not able to reimburse any applicant for costs incurred in the preparation or submittal of proposals.

### **Communication During the Evaluation Period**

Minnesota Housing does not communicate or permit clarifications specific to scoring documentation after the application deadline. Minnesota Housing may, at its sole discretion, communicate with an applicant related to non-scoring application items, such as a selection determination or the feasibility review. Minnesota Housing may, at its sole discretion, provide an applicant with additional time to produce a required signature if incomplete or missing, provided Minnesota Housing determines this practice can be applied consistently and within a prudent timeline.

HOME ARP RFP information may be requested through Minnesota Housing's [data request](#) process. However, most information will not be publicly available until after the evaluation period. Once applicant responses opened, the names of applicants will be public but other data contained in applications will not. Pursuant to Minnesota Statutes, additional HOME ARP RFP information, including, but not limited to, selection determination for all applications, project type, geographic region, and score, will become public after the evaluation period. This information will be posted on the [Board of Directors](#) webpage when recommendations are made, and on the [Funding Selections](#) webpage following the board of directors approval of the selections.

### **Waiting List**

Eligible applications that were not selected may be maintained on a waiting list in the event Minnesota Housing has remaining, unused, and/or returned HOME ARP funds. The waiting list will follow

Minnesota Housing's order of ranking of competitive points. Generally, projects will be chosen in order; however, Minnesota Housing reserves the right to make modifications to the waiting list at its sole discretion.

Projects placed on the waiting list must be fully evaluated for underwriting and market and financial viability prior to receiving consideration for a HOME ARP award. A project must satisfy these reviews to be eligible for selection from the waiting list.

## Steps to Get Started

To submit an application, interested applicants should follow the five steps below. Each step includes requirements and considerations for submitting an application.

1. Review available resources and request technical assistance
2. Review application eligibility
3. Review application requirements
4. Review application selection and funding considerations
5. Gather materials and apply by the deadline

### Step 1: Review Available Resources and Request Technical Assistance

Most funding sources depend on the availability of those resources. The one-time amount of HOME ARP resources available for deferred loans is described in the accepted Minnesota Housing HOME ARP Allocation Plan. State or federal actions may affect the resources, preferences, eligible uses, and other requirements after the HOME ARP RFP process is published. The guidance in this HOME ARP RFP Standards may be modified accordingly. If that occurs, notification will be sent via eNews and posted on Minnesota Housing's webpage.

Technical assistance is available for applicants. Applicants may request technical assistance by contacting [MHFA.HOME-ARP@state.mn.us](mailto:MHFA.HOME-ARP@state.mn.us).

### Step 2: Review Application Eligibility, Determine Project Type(s), and Review Application Requirements

Projects must meet the categories listed below to be eligible for funding. Only the eligible development costs of the HOME ARP Assisted Units may be charged to the HOME ARP Program.

#### Eligible Housing Types

Housing as defined in Code of Federal Regulations, title 24, section 92.2, including:

- Permanent general occupancy rental units
- Single-room occupancy (SRO) units
- Permanent supportive housing
- Transitional Housing

#### Eligible Buildings/Projects

- Single/multiple building(s) on a parcel of land

- Scattered site buildings on different tracts of land if the project is under the same owner, management and financing, and units are to be assisted with HOME ARP funds in a single undertaking.

## **Eligible Construction Types**

- New construction
- Adaptive reuse/conversion to housing from another use
- Acquisition/rehabilitation of existing housing is eligible but not encouraged; HOME ARP funds must primarily benefit Qualifying Populations which poses significant risk for initial and ongoing compliance

## **Eligible Activities**

- New construction
- Acquisition of land or existing structures
- Adaptive reuse/conversion to housing from another use
- Demolition
- Construction financing
- Permanent financing
- Operating assistance, for operating deficits in HOME ARP Qualifying Population Units only and in conjunction with award for construction, acquisition, and/or rehabilitation.
- Preservation and Rehabilitation are both eligible but not encouraged; HOME ARP funds must primarily benefit Qualifying Populations which poses significant risk for initial and ongoing compliance

## **Ineligible Activities and Housing Types**

Homeownership and owner-occupied activities (for example, assistance to homebuyers, development of affordable housing for homeownership, and homeowner rehabilitation) are not eligible to be charged to the HOME ARP Program.

Ineligible housing types include emergency shelters, hotels, motels (including those currently operating as non-congregate shelter), facilities such as nursing homes, residential treatment facilities, correctional facilities, halfway houses, and housing for students or dormitories. However, these structures can be acquired and rehabilitated with HOME ARP Program funds to convert them to rental housing.

## Step 3: Review Application Requirements

The HOME ARP RFP uses a combination of existing and modified application materials from the 2025 Multifamily Consolidated RFP/2026 HTC funding round. Certain application components remain unchanged and are identified with an asterisk (\*) in the HOME ARP Application Checklist.

Applicants may resubmit these unchanged materials for consideration under the HOME ARP funding round, provided that the information contained therein remains accurate, current, and valid. In addition, applicants are strongly encouraged to review all previously submitted materials and make any necessary updates to ensure full compliance with HOME ARP requirements and priorities.

Therefore, applicants are advised to:

- Confirm the validity of all previously submitted application materials
- Revise and supplement materials as needed to meet HOME ARP standards.
- Ensure that all submissions reflect the most current project details, financial assumptions, and compliance certifications.

Applications that are not submitted by the application deadline and that do not include the following information, when applicable, may be considered ineligible for further processing.

- Evidence of site control and a site map
- Multifamily Workbook(s)
  - To be considered for a deferred loan with 4% HTCs, the HTC Info and Determination of Credit tabs in the Multifamily Workbook must be completed.
- [General Certification Form for Project Owner/Sponsor](#)
- [HOME ARP Certification Form](#)
- [Wage Theft Disclosure Certification Form](#) and [Wage Theft Prevention Verification Form](#)
- Architectural submissions that meet Minnesota Housing's [Rental Housing Design and Construction Standards](#)
- All application materials and checklist items that are applicable to the project. The most current version of all application forms can be found on the [HOME ARP](#) webpage.
- [Development Team Qualification Forms](#) and complete financial information. This includes the Qualifications of Sponsor and Qualification of Service Provider for applications that are implementing the HOME ARP Preference

## Signatures

All application materials with a signature block must be signed, including the HOME ARP Certification Form. Minnesota Housing will accept the following signatures:

- Scanned wet signatures
- DocuSign, if the applicant has an active DocuSign account

- Adobe Sign signatures
- A photo of the signed document(s)
- Mailed original copies; if mailing original copies, they must be received in accordance with all deadlines and requirements outlined above

## Step 4: Review Application Selection and Funding Considerations

Minnesota Housing determines if the application meets the selection and funding requirements. The application review requirements for selection and funding include, but are not limited to, the following:

- Geographic distribution
- HOME ARP Alignment
- Amount of funding requested
- Financial and organizational capacity
- Site control
- Project feasibility
  - HOME ARP Underwriting Standards
  - Multifamily Rental Housing Design/Construction Standards
  - Payment standards
  - Rent and income limits
  - Wage theft
- Prohibited tenant preference policy
- Tenant displacement prior to selection

### Geographic Distribution

Minnesota Housing considers the geographic distribution of resources and the resulting amount and type of anticipated housing production throughout the state when making HOME ARP funding round selection decisions.

### HOME ARP Alignment

When scoring and determining funding awards, Minnesota Housing prioritizes proposals that best meet the greatest number of selection criteria, as outlined in the HOME ARP Allocation Plan, which reflect the U.S. Department of Housing and Urban Development (HUD) and Minnesota Housing's policy goals for the HOME ARP funding. Proposals must align with HOME ARP requirements to be eligible for funding from Minnesota Housing, as demonstrated in the submitted application materials.

An award is based on the information provided in the application. The project is required to comply with all selection criteria that are claimed and awarded. This includes any due diligence/reporting

requirements after selection and for the term of the declaration. Failure to comply could result in the loss of the award as well as the assessment of penalty points in future rounds.

## **Amount of Funding Requested**

Minnesota Housing considers the amount of funding requested in comparison to available resources in order to fully fund or nearly fully fund as many projects as reasonably feasible. This may result in not selecting higher scoring projects, including in instances where insufficient resources are available to fully fund or nearly fully fund a project.

## **Financial and Organizational Capacity**

Applicants must submit the required qualification forms. The qualification forms, along with additional information and instructions for submittal, can be accessed on Minnesota Housing's [Development Team Qualification Forms](#) webpage.

The applicant's financial and organizational capacity will be reviewed to assess:

- The applicant's related housing or other real estate development experience
- The number of proposed projects
- Whether the applicant has successfully completed similar projects or is partnering with other organizations that have successfully completed similar projects
- Whether the applicant has strong current and expected ongoing capacity to complete the proposed housing project(s) and other proposals being developed by the organization, including proposals being considered for selection in the current funding round and those previously selected by Minnesota Housing that have not yet been completed
- Whether the applicant has the capacity to operate and maintain the rental housing long-term
- Whether the applicant is active, in [good standing](#), and not [suspended](#)
- Whether the applicant has successfully managed projects in its portfolio and in compliance with Minnesota Housing's compliance policies, procedures, and requirements

## **Site Control**

Applicants must demonstrate acceptable evidence of title/site control, which includes a purchase agreement, purchase option, or letter of intent from a governmental body for a sole developer. If there is no transfer of ownership, then the warranty deed or contract for deed is acceptable. Additional federal requirements, such as an environmental review, may apply post-selection.

The evidence of site control must:

- Be current – not expired
- Be fully executed by both buyer and seller

- Include the legal description of the property
- Have the purchase price clearly indicated
- Extend at least through the calendar year of the funding round, including automatic extensions. If the purchase agreement does not contain a specific date of expiration, but rather a series of phases with timeframes, the applicant must document how long the agreement extends, given the allowable timeframes

## Project Feasibility

Projects must demonstrate and satisfy the following feasibility requirements in their application:

- The housing is economically viable and sustainable when the HOME ARP Underwriting Standards are applied
- The proposed site is appropriate for the proposed housing and the target population including, but not limited to, environmental conditions and neighboring property uses such as fuel tank storage, high noise producing activities, floodplains, etc.
- The costs of developing the housing are reasonable and/or justifiable
- The proposed housing is needed in the intended market based on population, job growth, and low housing vacancy rates; this includes the need for supportive housing units
- The proposed housing has a feasible plan for securing resources for adequate staffing and services to address the needs of the population to be served
- For projects that are to be developed in tandem with another project (for example, shared underground parking), the application must demonstrate that each individual project can be financed and built independently; the Multifamily Workbook must reflect all costs associated with the submitted project
- For projects that include a commercial component, the application must demonstrate that the housing and commercial elements will be financed separately, and that the sustainability of the housing component does not rely upon commercial income

## HOME ARP Underwriting Standards

The [HOME ARP Underwriting Standards](#) are used by Minnesota Housing for underwriting and sizing of all funding awards, and can be found on Minnesota Housing's [HOME ARP](#) webpage.

## Multifamily Rental Housing Design/Construction Standards

Minnesota Housing is committed to constructing or rehabilitating multifamily housing to a standard that, when properly maintained, remains decent, safe, sanitary, and affordable for a long-term duration.

Minnesota Housing has established minimum design standards that are applicable to the construction or rehabilitation project being proposed. Minnesota Housing's Rental Housing Design/Construction

Standards incorporate requirements from a variety of sources to further Minnesota Housing's charge to facilitate the provision of decent, safe, sanitary, and affordable housing in the state. Overall, Minnesota Housing's standards help ensure that financed affordable housing is sustainable, cost-effective, healthy, and energy efficient. The type of housing and funding program often dictates which standards apply. Refer to Minnesota Housing's [Building Standards](#) webpage to access the [2025-26 Rental Housing Design/Construction Standards](#), [2025-2026 Architect's Guide](#), and the [2025-2026 Contractor's Guide](#) that is relevant to HOME ARP funding.

## **Payment Standards**

Public Housing Agencies (PHAs) adopt payment standard schedules that establish the Housing Choice Voucher (HCV) and HUD Veterans Affairs Supportive Housing (HUD VASH) Voucher payment amount standards for unit sizes in the PHA jurisdiction. Minnesota Housing encourages developers to be aware of the payment standards in the project area so that projects seeking Minnesota Housing financing are accessible to voucher holders.

## **Rent and Income Limits**

Minnesota Housing requires rent and income limits consistent with those specified in the owner's application, and as underwritten by Minnesota Housing for selected projects, provided they are not higher than applicable program statutory [rent and income limits](#). Refer to section 3.01 (Rent Revenue) of the [HOME ARP Underwriting Standards](#) and section 4.02 (Income and Rent Limits) of the [HOME ARP Program Guide](#) for more information.

For HOME ARP Assisted Units restricted for occupancy by Qualifying Populations without rental assistance, the gross rents, including an allowance for tenant-paid utilities, may be restricted to the greater of 30% of the household's monthly income or the most current Supportive Housing Standards in the HOME ARP Underwriting Standards. The owner must establish and implement policies and procedures to specify the calculation method used to determine the appropriate rent amount and periodic income recertification to adjust rents.

## **Wage Theft**

The Wage Theft Disclosure Certification Form and Wage Theft Prevention Verification Form is required by [Minnesota Statute 462A.051](#) for all multi-unit residential housing projects applying for funding from Minnesota Housing, including any loan and federal low-income HTCs.

Minnesota Housing must deny any application where the applicant refuses to provide the information requested by the Wage Theft Disclosure Certification Form and Wage Theft Prevention Verification Form and may refuse to fund any application based on the information provided in the forms.

## Prohibited Tenant Preference Policy

[Minnesota Rule 4900.0340](#) prohibits a preference for occupancy in multi-unit developments financed by Minnesota Housing to persons or families by virtue of their prior residence in the community in which the development is located. In limited circumstances, exceptions may be considered for households displaced by public action or natural disaster or for previous residents of a rehabilitated multi-unit development financed by Minnesota Housing.

Under HOME ARP, projects are prohibited from having tenant selection preferences that are not otherwise described in the HOME ARP Allocation Plan for HOME ARP Qualifying Population Units.

## Tenant Displacement Prior to Selection

If a project will involve the demolition, rehabilitation, and/or conversion of an existing residential or commercial building currently occupied by tenants who are not the building owner, the applicant or owner cannot attempt to involuntarily vacate or displace current tenants from the building as a direct result of acquisition, rehabilitation, or demolition for the project from the time of application submission through selection. Notices to vacate given to tenants or refusals to renew an expiring lease in order to evade responsibilities to provide relocation assistance or sell the property as "vacant" after the date of application submission is not allowed. Building occupancy must also be tracked from application submission through selection.

Because applicants will be applying directly for HOME ARP funds, requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) will be triggered at application, if applicable to a project. All URA requirements regarding notices and existing tenant notification must be followed in conjunction with the project's application submission.

If the project requires temporary relocation of tenants during demolition, rehabilitation, and/or conversion, a plan must be submitted and accepted. Review Minnesota Housing's [Temporary Relocation Principles](#) for more information.

## Step 5: Gather Materials and Apply by the Deadline

Applicants must submit all required items on the [HOME ARP Application Checklist](#) and all other required materials using the Secure Upload Tool, which can be accessed from Minnesota Housing's [Partner Login](#) webpage. Follow the prompts and use the email address [mhfa.app@state.mn.us](mailto:mhfa.app@state.mn.us). Refer to the [Secure Upload Tool Instructions](#) for more information.

There is no limit to the number of applications that can be submitted by a single applicant; however, an applicant may only submit one application per project. All checklist items must be completed properly and submitted in their entirety to be considered for funding.

Application materials must be received by 12:00 p.m. (noon) Central time on Tuesday, May 5, 2026, to be considered for funding. It is strongly recommended that applicants submit their application at least 48 hours before the deadline and during regular business hours to allow enough time to correct errors or overcome potential submission issues. All documents with a signature block must be signed.

Submitted applications are considered final. As part of its review process, Minnesota Housing reserves the right to request missing information or clarify information provided by applicants. If you need technical support, email [mhfa.app@state.mn.us](mailto:mhfa.app@state.mn.us) and enter 'HOME ARP Program' in the subject line.

## What to Expect After Selection

If an application is selected for further processing, Minnesota Housing will send a selection determination letter to the applicant detailing the terms and conditions of funding along with next steps. Being selected for further processing is not a commitment or guarantee of funding.

All selected proposals may be subject to scoring criteria and conditions of selection for the term of the Deferred Loan Declaration. All selected projects are required to follow Minnesota Housing's [Tenant Selection Plan Guidelines](#). Minnesota Housing will review Tenant Selection Plans prior to loan closing to confirm that the plan complies with the Tenant Selection Plan Guidelines.

## Contact Information

If you have questions about the HOME ARP Program or require technical assistance, contact [MHFA.HOME-ARP@state.mn.us](mailto:MHFA.HOME-ARP@state.mn.us).

## **Appendix A – Legal Addendum**

### **1.01 Conflict and Control**

In the event of any conflict between the terms of this Addendum and the document to which it is attached, the terms of this Addendum will govern and control.

### **1.02 Fraud**

Fraud is any intentionally deceptive action, statement or omission made for personal gain or to damage another.

Any person or entity (including its employees and affiliates) that enters into a contract with Minnesota Housing and witnesses, discovers evidence of, receives a report from another source or has other reasonable basis to suspect that fraud or embezzlement has occurred must immediately make a report through one of the communication channels described in section 1.07 of this Addendum.

### **1.03 Misuse of Funds**

A contracting party that receives funding from Minnesota Housing promises to use the funds to engage in certain activities or procure certain goods or services while Minnesota Housing agrees to provide funds to the recipient to pay for those activities, goods or services. Regardless of the Minnesota Housing program or funding source, the recipient must use Minnesota Housing funds as agreed, and the recipient must maintain appropriate documentation to prove that funds were used for the intended purpose(s).

A misuse of funds shall be deemed to have occurred when: (1) Minnesota Housing funds are not used as agreed by a recipient; or (2) a recipient cannot provide adequate documentation to establish that Minnesota Housing funds were used in accordance with the terms and conditions of the contract.

Any recipient (including its employees and affiliates) of Minnesota Housing funds that discovers evidence, receives a report from another source or has other reasonable basis to suspect that a misuse of funds has occurred must immediately make a report through one of the communication channels described in section 1.07 of this Addendum.

### **1.04 Conflict of Interest**

A conflict of interest – Actual, Potential or Appearance of a Conflict of Interest – occurs when a person has an actual or apparent duty or loyalty to more than one organization and the competing duties or loyalties may result in actions which are adverse to one or both parties. A Potential Conflict of Interest or Appearance of a Conflict of Interest exists even if no unethical, improper or illegal act results from it.

- **Actual Conflict of Interest:** An Actual Conflict of Interest occurs when a person's decision or action would compromise a duty to a party without taking immediate appropriate action to eliminate the conflict.
- **Potential Conflict of Interest:** A Potential Conflict of Interest may exist if a person has a relationship, affiliation or other interest that could create an inappropriate influence if the person is called on to make a decision or recommendation that would affect one or more of those relationships, affiliations or interests.
- **Appearance of a Conflict of Interest:** An Appearance of a Conflict of Interest means any situation that would cause a reasonable person, with knowledge of the relevant facts, to question whether another person's personal interest, affiliation or relationship inappropriately influenced that person's action, even though there may be no Actual Conflict of Interest.

A conflict of interest includes any situation in which one's judgment, actions or non-action could be interpreted to be influenced by something that would benefit them directly or through indirect gain to a Partner, Family Member, Relative, Friend, Business or other Outside Interest with which they are involved. Such terms are defined below.

- **Business:** Any company, corporation, partnership, proprietorship, firm, enterprise, franchise, association, organization, self-employed individual or any other legal entity which engages either in nonprofit or profit-making activities.
- **Family Member:** A person's current and former spouse; children, parents, and siblings; current and former children-in-law, parents-in-law, and siblings-in-law; current and former stepchildren and stepparents; grandchildren and grandparents; and members of the person's household.
- **Friend:** A person with whom the individual has an ongoing personal social relationship. "Friend" does not generally include a person with whom the relationship is primarily professional or primarily based on the person being a current or former colleague. "Friend" does not include mere acquaintances (that is, interactions are coincidental or relatively superficial). Social media friendships, connections, or links, by themselves, do not constitute friendship.
- **Outside Interest:** An Outside Interest may occur when an individual, their Family Member or their Partner has a connection to an organization via employment (current or prospective), has a financial interest or is an active participant.
- **Partner:** A person's romantic and domestic partners and outside Business partners.
- **Relative:** Uncle or aunt; first or second cousin; godparent; godchild; other person related by blood, marriage or legal action with whom the individual has a close personal relationship.

Once made aware of a conflict of interest, Minnesota Housing will make a determination before disbursing any further funds or processing an award. Determinations could include:

- Revising the contracting party's responsibilities to mitigate the conflict
- Allowing the contracting party to create firewalls that mitigate the conflict
- Asking the contracting party to submit an organizational conflict of interest mitigation plan

- Terminating the contracting party's participation

Any person or entity (including its employees and affiliates) that enters into a contract with Minnesota Housing must avoid and immediately disclose to Minnesota Housing any and all conflicts of interest through one of the communication channels described in section 1.07 of this Addendum.

#### **1.04.1 Federal Conflict of Interest Requirements**

State and federal conflict of interest requirements differ, and Minnesota Housing business partners must comply with all requirements.

Minnesota Housing administers various programs using federal funds. Minnesota Housing requires that each of its external business partners (for example, administrators, borrowers, contractors, grantees or subrecipients) complies with all applicable federal conflict of interest standards. Specifically, no external business partner's employee, agent or consultant may participate in the selection, award or administration of a contract supported by a federal award if they have a real or apparent conflict of interest. Such a conflict of interest would arise when the business partner's employee, agent, consultant or any member of their immediate family, their partners, or an organization which employs or is about to employ any of these parties, has a financial or other interest in, or obtains a tangible personal benefit from, a firm considered for a contract. External business partner's employees, agents and consultants may neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to subcontracts supported by a federal award. Minnesota Housing will not consider it a violation of this policy if the external business partner's employee, agent or consultant receives an unsolicited item of nominal value.

In addition, no external business's partner employees, agents or consultants "who exercise or have exercised any functions or responsibilities with respect to activities assisted with" funds from HOME Investment Partnerships (HOME), HOME American Rescue Plan (HOME ARP), Housing Opportunities for Persons with AIDS (HOPWA) or National Housing Trust Fund (NHTF) "or who are in a position to participate in a decision-making process or gain inside information with regard to these activities may obtain a financial interest or financial benefit from" a HOME, HOME ARP, HOPWA or NHTF-assisted activity "or have a financial interest in any contract, subcontract, or agreement with respect to the" HOME, HOME ARP, HOPWA or NHTF-assisted activity "or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. Immediate family ties include (whether by blood, marriage or adoption) the spouse, parent (including a stepparent), child (including a stepchild), brother, sister (including a

stepbrother or stepsister), grandparent, grandchild, and in-laws of a covered person.”<sup>1</sup> Violation of federal conflict of interest requirements by business partners, agents or consultants will result in appropriate actions by Minnesota Housing, including the potential termination of the relationship and additional contractual or other remedies. Violation of federal conflict of interest requirements may need to be reported to the federal government in appropriate circumstances.

Any person or entity (including its employees and affiliates) that enters into an agreement with Minnesota Housing relating to federal funds must avoid and immediately disclose to Minnesota Housing any and all conflicts of interest through one of the communication channels described in section 1.07 of this Addendum.

A contracting party should review its contract and request for proposals (RFP) materials, if applicable, for further requirements.

## **1.05 Assistance to Employees and Affiliated Parties**

Any party entering into a contract with Minnesota Housing for the purpose of receiving an award or benefit in the form of a loan, grant, combination of loan and grant or other funding is restricted in issuing a loan, grant, combination of loan and grant or other funding to a recipient (“Affiliated Assistance”) who is also: (1) a director, officer, agent, consultant, employee or Family Member of an employee of the contracting party; (2) an elected or appointed official of the state of Minnesota; or (3) an employee of Minnesota Housing, unless each of the following provisions are met:

- The recipient meets all eligibility criteria for the program;
- The assistance does not result in a violation of the contracting party’s internal conflict of interest policy, if applicable;
- The assistance does not result in a conflict of interest as outlined in section 1.04 of this Addendum;
- The assistance is awarded utilizing the same costs, terms and conditions as compared to a similarly situated unaffiliated recipient and the recipient receives no special consideration or access as compared to a similarly situated unaffiliated recipient; and
- The assistance is processed, underwritten and/or approved by staff/managers who are independent of the recipient and independent of any Family Member of the recipient. Family Member is defined in section 1.04 of this Addendum.

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<sup>1</sup> See generally, HOME: [24 C.F.R. 92.356](#); including any revisions by the Appendix to the HOME-ARP Notice as amended; HOPWA: [24 C.F.R. 574.625](#); NHTF: [24 C.F.R. 93.353](#). In limited circumstances, a conflict of interest could be waived via an exception request, in writing. For further information, see federal regulations at: HOME: [24 C.F.R. 92.356](#); HOPWA: [24 C.F.R. 574.625](#); NHTF: [24 C.F.R. 93.353](#).

A contracting party need not disclose Affiliated Assistance to Minnesota Housing. However, the contracting party must document and certify, prior to the award, that the Affiliated Assistance meets each of the provisions outlined above. This documentation must be included in the Affiliated Assistance file and must be made available to Minnesota Housing upon request. Affiliated Assistance that does not meet each of the provisions outlined above will be considered a violation of Minnesota Housing conflict of interest standards and must be reported by the contracting party through one of the communication channels outlined in section 1.07 of this Addendum.

## **1.06 Suspension**

By entering into any contract with Minnesota Housing, a contracting party represents that the contracting party (including its employees or affiliates that will have direct control over the subject of the contract) has not been suspended from doing business with Minnesota Housing. Please refer to Minnesota Housing's website for a list of [suspended individuals and organizations](#) (go to [mnhousing.gov](http://mnhousing.gov), scroll to the bottom of the screen and select Report Wrongdoing, then select Suspensions from the menu).

## **1.07 Disclosure and Reporting**

Minnesota Housing promotes a “speak-up, see something, say something” culture whereby internal staff must immediately report instances of fraud, misuse of funds, conflicts of interest or other concerns without fear of retaliation through one of the communication channels listed below. External business partners (for example, administrators, grantees or borrowers) and the general public are strongly encouraged to report instances of fraud, misuse of funds, conflicts of interest or other concerns without fear of retaliation using these same communication channels.

- Minnesota Housing's Chief Risk Officer at 651.296.7608 or 800.657.3769 or by email at [MHFA.ReportWrongdoing@state.mn.us](mailto:MHFA.ReportWrongdoing@state.mn.us);
- Any member Minnesota Housing's [Servant Leadership Team](#), as denoted on Minnesota Housing's current organizational chart (go to [mnhousing.gov](http://mnhousing.gov), scroll to the bottom of the screen and select About Us, select Servant Leadership Team); or
- [Report Wrongdoing or Concerns](#) (go to [mnhousing.gov](http://mnhousing.gov), scroll to the bottom of the screen and select Report Wrongdoing).

## **1.08 Electronic Signatures**

Minnesota Housing will use and accept e-signatures on eligible program documents subject to all requirements set forth by state and federal law and consistent with Minnesota Housing policies and procedures. The use of e-signatures for eligible program documents is voluntary. Questions regarding which documents Minnesota Housing permits to be e-signed should be directed to Minnesota Housing staff.

## **1.09 Fair Housing Policy**

It is the policy of Minnesota Housing to affirmatively further fair housing in all its programs so that individuals of similar income levels have equal access to Minnesota Housing programs, regardless of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, familial status, gender identity or sexual orientation.

Minnesota Housing's fair housing policy incorporates the requirements of Title VI of the Civil Rights Act of 1968; the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988; and the Minnesota Human Rights Act. Housing providers and other entities involved in real estate related transactions are expected to comply with the applicable statutes, regulations and related policy guidance. Housing providers should ensure that admissions, occupancy, marketing and operating procedures comply with non-discrimination requirements. Housing providers and other entities involved in real estate related transactions must comply with all non-discrimination requirements related to the provision of credit, as well as access to services.

In part, the Fair Housing Act and the Minnesota Human Rights Act make it unlawful, because of protected class status, to:

- Discriminate in the selection/acceptance of applicants in the rental of housing units;
- Discriminate in the making or purchasing of loans for purchasing, constructing or improving a dwelling, or in the terms and conditions of real estate related transactions;
- Discriminate in the brokering or appraisal of residential property;
- Discriminate in terms, conditions or privileges of the rental of a dwelling unit or services or facilities;
- Discriminate in the extension of personal or commercial credit or in the requirements for obtaining credit;
- Engage in any conduct relating to the provision of housing that otherwise make unavailable or denies the rental of a dwelling unit;
- Make, print or publish (or cause to make, print or publish) notices, statements or advertisements that indicate preferences or limitations based on protected class status;
- Represent a dwelling is not available when it is in fact available;
- Refuse to grant a reasonable accommodation or a reasonable modification to a person with a disability;
- Deny access to, or membership or participation in, associations or other services organizations or facilities relating to the business of renting a dwelling or discriminate in the terms or conditions of membership or participation; or
- Engage in harassment or quid pro quo negotiations related to the rental of a dwelling unit.

Minnesota Housing has a commitment to affirmatively further fair housing for individuals with disabilities by promoting the accessibility requirements set out in the Fair Housing Act, which establish

design and construction mandates for covered multifamily dwellings and requires those in the business of buying and selling dwellings to make reasonable accommodations and to allow persons with disabilities to make reasonable modifications.

Under certain circumstances, applicants will be required to submit an Affirmative Fair Housing Marketing Plan at the time of application, to update the plan regularly and to use affirmative fair housing marketing practices in soliciting renters, determining eligibility and concluding all transactions.

As a condition of funding through Minnesota Housing, housing providers are not permitted to refuse to lease a unit to, or discriminate against, a prospective resident solely because the prospective resident has a Housing Choice Voucher or other form of tenant-based rental assistance.

## **1.10 Minnesota Government Data Practices**

Minnesota Housing, and any party entering into a contract with Minnesota Housing, must comply with the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, as it applies to all data provided by Minnesota Housing under the contract, and as it applies to all data created, collected, received, stored, used, maintained or disseminated by the contracting party under the contract. The civil remedies of Minnesota Statutes, section 13.08 apply to the release of the data referred to in this section by either the contracting party or Minnesota Housing. If the contracting party receives a request to release the data referred to in this section, the contracting party must notify Minnesota Housing. Minnesota Housing will give the contracting party instructions concerning the release of the data to the requesting party before the data is released. The contracting party's response to the request shall comply with applicable law.

## **1.11 Prevailing Wage**

Under certain circumstances, awards of Minnesota Housing funds may trigger state prevailing wage requirements under [Minnesota Statutes, Chapter 177](#) or [Minnesota Statutes, section 116J.871](#). In broad terms, Minnesota Statutes, Chapter 177 applies to an award of \$25,000 or greater for housing that is publicly owned. Minnesota Statutes, section 116J.871 applies to awards for non-publicly owned housing that meet the following conditions: (1) new housing construction (not rehabilitation of existing housing); (2) a single entity receives from Minnesota Housing \$200,000 or more of grant proceeds or \$500,000 of loan proceeds; or (3) allocations or awards of low-income housing tax credits, for which tax credits are used for multifamily housing projects consisting of more than ten units.

Minnesota Statutes, section 116J.871 sets out several exceptions to the applicability of prevailing wage including (1) rehabilitation of existing housing; (2) new housing construction in which total financial assistance at a single project site is less than \$100,000; and (3) financial assistance for the new construction of fully detached single-family affordable homeownership units for which the financial assistance covers no more than ten fully detached single-family affordable homeownership units.

Entities receiving funding from Minnesota Housing as described in this section shall notify all employers on the project of the recordkeeping and reporting requirements in Minnesota Statutes, section 177.30, paragraph (a), clauses (6) and (7). Each employer shall submit the required information to Minnesota Housing.

Questions related to submission of required information to Minnesota Housing may be directed to [mhfa.prevailingwage@state.mn.us](mailto:mhfa.prevailingwage@state.mn.us).

All questions regarding state prevailing wages and compliance requirements should be directed to the Minnesota Department of Labor and Industry as follows:

Division of Labor Standards and Apprenticeship  
State Program Administrator  
443 Lafayette Rd. N  
St. Paul, MN 55155  
651.284.5091 or [dli.prevwage@state.mn.us](mailto:dli.prevwage@state.mn.us)

If a contractor or subcontractor fails to adhere to prevailing wage laws, then that contractor or subcontractor could face civil and/or criminal liability.