

STATE OF MINNESOTA GRANT CONTRACT

This Grant Contract is between the State of Minnesota, acting through its Commissioner of the Minnesota Housing Finance Agency (the "State") and **[GIVE THE FULL NAME OF THE GRANTEE INCLUDING ITS ADDRESS]** (the "Grantee").

Recitals

1. Under Minn. Stat. §462A.39, the State is empowered to enter into this Grant Contract.
2. The State is in need of the development of rental housing to serve the employees of local businesses ("Workforce Housing") in **[COUNTY]**, City of **[CITY]** pursuant to the State's Workforce Housing Development Program (the "Program").
3. The Grantee represents that it is duly qualified and agrees to perform all services described in this Grant Contract to the satisfaction of the State. Pursuant to [Minn.Stat. §16B.98](#), Subd.1, the Grantee agrees to minimize administrative costs as a condition of this Grant Contract.

Grant Contract

1 Term of Grant Contract

1.1 *Effective date:*

The date the State obtains all required signatures under [Minn. Stat. §16B.98](#), Subd. 5. Per, [Minn.Stat. §16B.98](#) Subd. 7, no payments will be made to the Grantee until this Grant Contract is fully executed. **The Grantee must not begin work under this Grant Contract until this Grant Contract is fully executed and the Grantee has been notified by the State's Authorized Representative to begin the work.**

1.2 *Expiration date:*

After three years from execution, or until all obligations have been satisfactorily fulfilled, whichever occurs first.

1.3 *Survival of Terms.*

The following clauses survive the expiration or cancellation of this Grant Contract: 8. Liability; 9. State Audits; 10. Government Data Practices and Intellectual Property; 12. Publicity and Endorsement; 13. Governing Law, Jurisdiction, and Venue; and 15 Data Disclosure.

2 Duties and Contracts

2.1 *Grantee's Duties*

The Grantee, who is not a state employee, will:

Comply with required grants management policies and procedures set forth through [Minn.Stat. §16B.97](#), Subd. 4 (a) (1).

The Grantee has made application to the State for the purpose of administering a Workforce Housing Development Program Project in the manner described in Grantee's Application (the "Project") which is incorporated into this Grant Contract by reference.

The Grantee, who is not a state employee, is awarded funds to provide financial assistance to address the need for Workforce Housing. The Project includes: **[INSERT BREIF DESCRIPTION OF PROJECT INLCUDING TYPE (NEW CONSTRUCTION/ADAPTIVE REUSE, ETC.), AND NUMBER OF UNITS]**.

The Grantee will comply with all requirements as further described in **Exhibit A** attached to this Grant

Contract and incorporated by reference.

The Grantee will be in compliance with the Workforce Housing Development Program Guide, as amended (the “Program Guide”), which is incorporated into this Grant Contract by reference.

2.2 Provisions for Contracts and Sub-grants.

(a) Contract Provisions. The Grantee must include in any contract and sub-grant, in addition to provisions that define a sound and complete agreement, such provisions that require contractors and sub-grantees to comply with applicable local, state and federal laws, rules, regulations and ordinances, as well as any applicable State policies.

(b) Use of Grant Funds. The Grant Funds (as defined below) awarded under this Grant Contract may only be used by Grantee or awarded by Grantee to third parties as grant funds or loans in accordance with the terms of the Program Guide. All Grant Funds must be used by an Eligible Project Area for the Qualified Expenditures of a Market Rate Residential Rental Property (as such terms are defined in the Program Guide). If awarded as a loan, any fees or interest charged cannot unduly enrich any parties involved beyond the approximate cost of the administrative costs associated with the Project.

3 Time

The Grantee must comply with all the time requirements described in this Grant Contract and the Program Guide. In the performance of this Grant Contract, time is of the essence. Project construction must begin within 12 months upon signing this Grant Contract. Construction completion must occur within 2 years of construction start.

4 Consideration and Payment

4.1 Consideration.

The State will pay for all services performed by the Grantee under this Grant Contract as follows:

(a) Compensation

The Grantee will be paid in accordance to section 4.2 of this Grant Contract.

(b) Total Obligation.

The total obligation of the State for all compensation and reimbursements to the Grantee under this Grant Contract will not exceed \$[ENTER AWARD AMOUNT] (the “Grant Funds”).

4.2 Payment

For all disbursements of Grant Funds, the Grantee be in compliance with the Program Guide and must complete and submit a Workforce Housing Development Program Disbursement Request Form, attached to this Grant Contract as **Exhibit B**, to the State for review and approval.

The State will promptly pay the Grantee up to one third of the Grant Funds on or after closing. The Grantee may request an additional one third of the Grant Funds as needed upon providing evidence of a grant or loan agreement relating to the Project with a subgrantee. The remaining one third of the Grant Funds will be withheld for final disbursement, and will not be released until construction completion of the Project and upon completion of all reporting and monitoring requirements pursuant to this Grant Contract.

4.3 Unexpended Funds

The Grantee must promptly return to the State any unexpended Grant Funds that: (i) have not been accounted for annually in a financial report to the State due at Grant Contract closeout; or (ii) have not been used in compliance with the Program Guide.

4.4 Contracting and Bidding Requirements

Per [Minn. Stat. §471.345](#), grantees that are municipalities as defined in Subd. 1 must follow the law.

Loans and grants under this Program are subject to the prevailing wage requirements of Minn. Stat. §116J.871. If the Project meets the requirements of that statutory provision the bid request must state the Project is subject to prevailing wages. A person receiving financial assistance under this Grant Contract must certify to the commissioner of labor and industry that laborers and mechanics at the Project site will be paid the prevailing wage rate as defined in Minn. Stat §177.42, subd. 6. It is a misdemeanor for a person who has certified that prevailing wages will be paid to labors and mechanics to subsequently fail to pay the prevailing wages. Each day a violation of that requirement continues is a separate offense.

5 Conditions of Payment

All services provided by the Grantee under this Grant Contract must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Grantee will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state, or local law.

6 Authorized Representative

The State's Authorized Representative is **Katie Moore, Program Manager, 651.296.6354, katie.moore@state.mn.us, 400 Wabasha St N, Suite 400, St. Paul, MN 55102** or her successor, and has the responsibility to monitor the Grantee's performance and the authority to accept the services provided under this Grant Contract. If the services are satisfactory, the State's Authorized Representative will certify acceptance on each invoice submitted for payment.

The Grantee's Authorized Representative is **[NAME, TITLE, ADDRESS, TELEPHONE NUMBER, EMAIL]**. If the Grantee's Authorized Representative changes at any time during this Grant Contract, the Grantee must immediately notify the State.

7 Assignment Amendments, Waiver, and Grant Contract Complete

7.1 Assignment

The Grantee shall neither assign nor transfer any rights or obligations under this Grant Contract without the prior written consent of the State, approved by the same parties who executed and approved this Grant Contract, or their successors in office.

7.2 Amendments

Any amendments to this Grant Contract must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original Grant Contract, or their successors in office.

7.3 Waiver

If the State fails to enforce any provision of this Grant Contract, that failure does not waive the provision or the State's right to enforce it.

7.4 Grant Contract Complete

This Grant Contract contains all negotiations and agreements between the State and the Grantee. No other understanding regarding this Grant Contract, whether written or oral, may be used to bind either party.

8 Liability

The Grantee must indemnify, save, and hold the State, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by the State, arising from the performance of this Grant Contract by the Grantee or the Grantee's agents or employees. This clause will not be construed to bar any legal remedies the Grantee may have for the State's failure to fulfill its obligations under this Grant

Contract.

9 State Audits

Under [Minn. Stat. § 16B.98](#), Subd.8, the Grantee's books, records, documents, and accounting procedures and practices of the Grantee or other party relevant to this Grant Contract or transaction are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this Grant Contract, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

10 Government Data Practices and Intellectual Property Rights

10.1 Government Data Practices

The Grantee and State must comply with the Minnesota Government Data Practices Act, [Minn. Stat. Ch. 13](#), as it applies to all data provided by the State under this Grant Contract, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Grantee under this Grant Contract. The civil remedies of [Minn. Stat. §13.08](#) apply to the release of the data referred to in this clause by either the Grantee or the State. If the Grantee receives a request to release the data referred to in this Clause, the Grantee must immediately notify the State. The State will give the Grantee instructions concerning the release of the data to the requesting party before the data is released. The Grantee's response to the request shall comply with applicable law.

10.2 Intellectual Property Rights

In the event that the Grantee secures a copyright protection on any of the work product created as part of the Project, the Grantee agrees to and does hereby grant to the State and its officers, agents, and employees acting within the scope of their official duties, a royalty-free, non-exclusive, and irrevocable license to publish, translate, reproduce, deliver, perform, dispose of, and to authorize others to do so for the use by the State, its divisions, instrumentalities, and local subdivisions, all materials, reports, writings, sound recordings, pictorial reproductions, drawings, or other graphical representations, and works developed and/or used in connection with the Project now or hereafter covered by copyright.

11 Workers Compensation

The Grantee certifies that it is in compliance with [Minn. Stat. §176.181](#), Subd. 2, pertaining to workers' compensation insurance coverage. The Grantee's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the State's obligation or responsibility.

12 Publicity and Endorsement

12.1 Publicity

Any publicity regarding the subject matter of this Grant Contract must identify the State as the sponsoring agency and must not be released without prior written approval from the State's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Grantee individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Grant Contract. All projects primarily funded by state grant appropriation must publicly credit the State of Minnesota, including on the Grantee's website when practicable.

12.2 Endorsement

The Grantee must not claim that the State endorses its products or services.

13 Governing Law, Jurisdiction, and Venue

Minnesota law, without regard to its choice-of-law provisions, governs this Grant Contract. Venue for all legal proceedings out of this Grant Contract, or its breach, must be in the appropriate state or federal court

with competent jurisdiction in Ramsey County, Minnesota.

14 Termination

14.1 *Termination by the State*

The State may immediately terminate this Grant Contract with or without cause, upon 30 days' written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

14.2 *Termination for Cause*

The State may immediately terminate this Grant Contract if the State finds that there has been a failure to comply with the provisions of this Grant Contract or the Program Guide, that reasonable progress has not been made or that the purposes for which the funds were granted have not been or will not be fulfilled. The State may take action to protect the interests of the State of Minnesota, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.

14.3 *Termination for Insufficient Funding*

The State may immediately terminate this Grant Contract if:

- (a) It does not obtain funding from the Minnesota Legislature; or
- (b) If funding cannot be continued at a level sufficient to allow for the payment of the services covered here.

Termination must be by written or fax notice to the Grantee. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the contract is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The State must provide the Grantee notice of the lack of funding within a reasonable time of the State's receiving that notice.

15 Data Disclosure

Under [Minn. Stat. § 270C.65](#), Subd. 3, and other applicable law, the Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

16 Fraud Disclosure

The Grantee must report all known or suspected instances of fraud in connection with the making or receipt of the Program funds to the State's Chief Risk Officer as soon as evidence of fraud is discovered by the Grantee. "Fraud" means an intentional deception made for personal gain or to damage another.

17 Suspension

By entering into any agreement with the State, accepting any award of funds from the State, or otherwise conducting any business with the State, the Grantee represents that the Grantee, or any principal of the Grantee, has not been suspended from doing business with the State pursuant to the Minnesota Housing Finance Agency Board of Directors Participant Suspension Policy. A principal is defined as: (a) an officer, director, owner, partner, principal investigator, or other person within an organization or entity doing business with the State with management or supervisory responsibilities; or (b) a consultant or other person, who: (1) is in a position to handle state funds; (2) is in a position to influence or control the use of those funds; or (3) occupies a technical or professional position capable of substantially influencing the development or outcome of an activity required to be performed under contract with the State. Please refer

to the State’s website or contact the State’s Authorized Representative for a list of all suspended individuals and organizations.

1. STATE ENCUMBRANCE VERIFICATION

Individual certifies that funds have been encumbered as required by Minn. Stat. §16A.15 and 16C.05

Signed: _____

Date: _____

SWIFT Contract/PO No(s). _____

2. GRANTEE

The Grantee certifies that the appropriate person(s) have executed the Grant Contract on behalf of the Grantee as required by applicable articles, bylaws, resolutions, or ordinances.

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

3. STATE AGENCY

By: _____

Title: _____

Date: _____

Distribution:
Agency
Grantee
State’s Authorized Representative

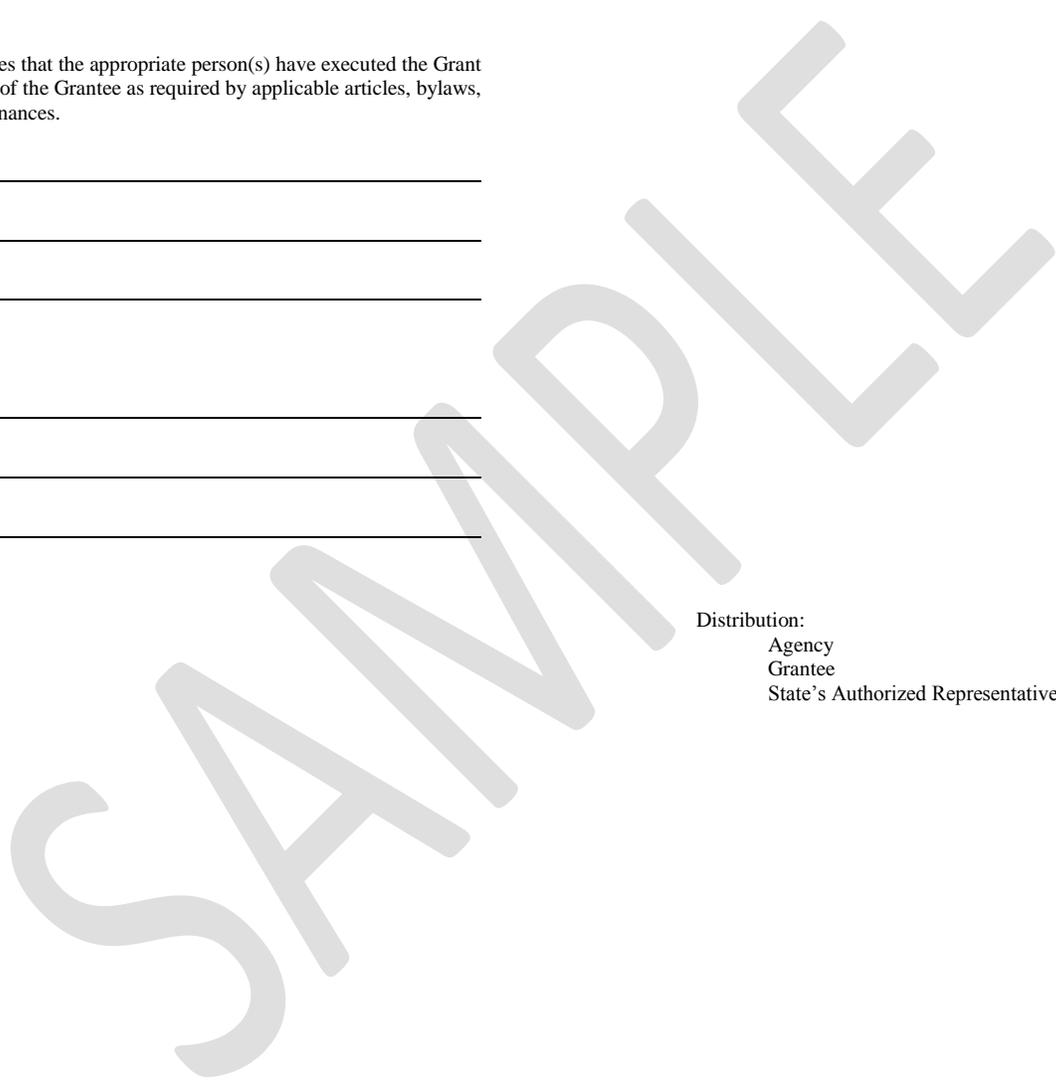


EXHIBIT A

Grantee agrees to comply with the following additional provisions:

1 Reporting

The Grantee will be required to complete an annual report which will include such information and will be in the format provided by Minnesota Housing. Once the Project is complete and the rental units are suitable for occupancy, and prior to final disbursement of Grant Funds, the Grantee will be required to complete a final report which will include such information and will be in the format provided by Minnesota Housing.

2 Accounting

For all expenditures of Grant Funds made pursuant to this Contract, the Grantee must keep financial records, including properly executed contracts, invoices, and other documents sufficient to evidence in proper detail the nature and propriety of the expenditures. Accounting methods must be in accordance with generally accepted accounting principles.

3 Records Retention

The Grantee is responsible for the records retention requirements of all third parties.

4 Monitoring

The Grantee will be monitored annually. This will take place at the time of annual reporting. Monitoring could include a phone call and/or a site visit by State staff.

Prior to final disbursement of Grant Funds, the State will also ask to review the most recent disbursement records. This will include a reconciled account balance showing when Grant Funds were received by the Grantee and disbursed to the third party. Minnesota Housing reserves the right to ask for additional information.

5 Compliance with Local, State and Federal Laws

The Grantee and any third parties must comply with all local, state and federal laws, rules, regulations and ordinances, as well as any applicable State policies, including, but not limited to, the following:

- (a) Recipients and subrecipients must comply with Visitability requirements at 462A.34*

EXHIBIT B

Workforce Housing Development Program Disbursement Request Form

SAMPLE

Summary

This form must be completed, signed and submitted to Minnesota Housing prior to receiving a disbursement of funds. To complete the form, enter the amount of funds you are requesting and a summary of what the funds will be used for. Have the form signed by an Authorized Representative. Submit the completed form to Katie Moore at katie.moore@state.mn.us.

Disbursement Request and Justification

Amount Requested (not to exceed one-third of the total award): _____

Use the space below to document what the funds will be used for:

Authorized Representative Signature

Authorized Representative Name: _____

Authorized Representative Title: _____

Date Signed: _____

Authorized Representative
Signature: _____