



Housing Challenge Funds for Schools Request for Proposals (RFP) Application Instructions

Grant Period: August 2025-July 2027

Application Deadline: Thursday, March 6, 2025, at 12 p.m. Central Time

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Overview

The [Community Homeownership Impact Fund \(Impact Fund\) Program](#) provides competitive funding to increase the supply of affordable, owner-occupied, single family housing, while maintaining the safety and habitability of existing owner-occupied, single family homes in communities throughout Minnesota. Funding is available statewide and serves households up to 115% area median income (AMI).

Grant funds for direct costs related to home construction are offered through the Housing Challenge Funds for Schools Request for Proposals (RFP), a competitive application process that deploys state appropriations authorized under [Minnesota Statute Section 462A.33](#).

Available Funding

Minnesota Housing announces the availability of funds through the Housing Challenge Funds for Schools RFP. This RFP is funded by the Economic Development and Housing Challenge funds provided by the Minnesota Legislature. The amount of available funding is dependent, in part, upon state appropriations approved by the Minnesota legislature, as well as demand for other uses of Minnesota Housing resources. Individual grant awards will be less than \$100,000.00.

Funded awards will have 2-year contract terms. Awarded applicants are expected to complete funded projects within two years; if extensions are requested of and approved by Minnesota Housing staff, contracts will not exceed five years. Minnesota Housing will approve or disapprove extension requests at its sole discretion.

Applicants can apply for grants, which are awarded to selected applicants on a competitive basis to fund direct costs related to the construction of homes. Grants are subject to policies and requirements set by the Minnesota Department of Administration's [Office of Grants Management](#).

Eligible Applicants

Housing Challenge Funds for Schools grants may be awarded to a:

- School district;
- Cooperative unit as defined in [Minnesota Statute 123A.24 subdivision 2](#); or
- Charter school.

Multi-organization collaboration and partnership is welcomed but not required. In the case of multi-organization collaboration and partnerships, one organization must be the applicant. The

applicant must be one of the eligible entities noted above. If awarded funding, this will be the organization that will enter into a contractual agreement with Minnesota Housing.

NOTE: Nonprofit organizations or individual schools that are neither cooperative units as defined in [Minnesota Statute 123A.24 subdivision 2](#) or charter schools are ineligible to apply.

Applicants should have a history of completing similar projects to those for which they are requesting funding or should have contractual partnerships with other organizations that have the requisite experience.

Eligible Activities

The grant funds must be used to construct or rehabilitate single family, owner-occupied housing. All funded projects must result in homes that are:

- Owner-occupied;
- Residential in nature;
- Occupied by eligible households (see income limits section); and
- Affordable to the local workforce, meaning that housing payments will not exceed 30 percent of the wages being paid in the applicant's service area.

Applicants may request funding to develop new construction homes or acquire and rehabilitate existing homes including single-family detached homes; duplex, triplex, or quadplex units where at least one unit is owner-occupied; twin homes where both units are owner-occupied; and townhomes, rowhomes, condos, etc. where all units are owner-occupied. Grant funds are available for direct costs related to the construction of homes, including building materials, construction tools, subcontractors and professional labor.

New construction requirements (also see the Application for details):

- Visitability: Visitable unit design and construction allows people with mobility impairments to enter and comfortably stay for a duration and is required under [Minnesota Statute Section 462A.34](#).

Program Design Requirements

Income Limits

Proposed projects may serve households up to 115% AMI according to Impact Fund's income limits. Current income limits are posted on the [Impact Fund webpage](#).

Homebuyer Education Counseling

Proposed projects must require the future occupant to participate in the [homeownership education counseling and training program](#) under section [462A.209](#) to complete pre-purchase homeownership, financial education, or counseling from a qualified provider.

Ineligible Activities

Costs not directly related to home construction or rehabilitation are ineligible. Ineligible costs include, but are not limited to, teacher salaries, transportation expenses, program administration and more.

Program Implementation Requirements

All applicants that are awarded funding will be required to complete the project as stated in the Grant Contract Agreement (Contract Agreement) and in compliance with the Impact Fund Procedural Manual. The project must be completed within the Contract Agreement period of two (2) years, or as otherwise stated in the Contract Agreement and any amendments. Further information on Program Expectations can be found in the [Impact Fund Procedural Manual](#).

Reporting

Awarded applicants must submit all required reporting and related documentation, including:

- Household demographic and project information forms;
- Annual reports;
- Close out reports; and
- All applicable documents noted in Appendix C in the [Impact Fund Procedural Manual](#).

Fund Disbursements

Funds will be available for disbursement upon the effective date of the Contract Agreement and when all pre-disbursement contract conditions are satisfied. Fund disbursement conditions are defined in Contract Agreements. Awarded applicants must submit a completed Request for Funds form and provide the required documentation. Minnesota Housing reserves the right to disburse funds conservatively and may withhold disbursements from awarded applicants until outstanding Level 3 Monitoring Exceptions have been cleared.

Monitoring

Awarded applicants will be monitored by Minnesota Housing's Single Family Compliance team to ensure compliance with program requirements. The Single Family Compliance team will

review project files, complete financial reconciliation, and assess overall program administration. Awarded applicants must comply with monitoring and financial reconciliation, which may include site visits at Minnesota Housing's discretion.

Equity

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

Minnesota Housing centers communities most impacted by housing instability and disparities in its work to advance equity. This is a core value in all of Minnesota Housing's activities, including the administration of the Housing Challenge Funds for Schools RFP, which includes the award and allocation of grants. This Housing Challenge Funds for Schools RFP is designed to prioritize projects that center equity and inclusion.

The Housing Challenge Funds for Schools RFP includes Funding Priorities that prioritize service to diverse Minnesotans. These Funding Priorities include Equitable Access to Homeownership, universal design and accessibility features, rural or tribal designations, and business entities owned or led by people of color, Indigenous individuals, and/or women as described below in the Funding Priorities section. Household demographic and project information reports collect demographic information so that Minnesota Housing can assess Impact Fund awarded applicants' service to diverse populations.

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

Review Criteria

This is a competitive application process. Each timely submitted application will be assessed to determine whether it meets the threshold criteria to be further considered. An application that meets threshold criteria will be evaluated based on the extent to which it meets the Competitive Selection Standards Criteria and Funding Priorities. Applications that meet the Competitive Selection Standards Criteria threshold and Funding Priorities are presented to the Minnesota Housing Selections Committee.

The dollar amount recommended for funding will be evaluated based on organizational capacity to complete the project within the contract period, alignment with Funding Priorities, geographic coverage (i.e., the extent to which selected applications enable Minnesota Housing to serve all areas of the state), and funding availability. Funding recommendations will also incorporate the results of the pre-award risk assessment noted below.

Recommendations will be presented to the Minnesota Housing Board of Directors for approval. Minnesota Housing's award decisions are final and not subject to appeal.

All funding decisions are at Minnesota Housing's sole discretion and are not subject to appeal. Additionally, Minnesota Housing reserves the right to request application revisions during the due diligence phase, which is after Minnesota Housing board approval but before the Contract Agreement is executed.

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 be an eligible applicant as defined in the Eligible Applicants section.
- The proposed activities must be eligible activities as defined in the Eligible Activities section.
- The application must:
 - Include all required application checklist items;
 - Be properly completed; and
 - Be submitted by the published deadline via the specified submission method (refer to the Submission Instructions section of this document).

NOTE: All required application items must be provided either before or no later than the application deadline. **Any application that does not include all required items (threshold criteria) will not be eligible for funding consideration.**

Competitive Selection Standards Criteria

The following **Competitive Selection Standards Criteria** will be used to score only those applications that satisfy the minimum threshold criteria above. Minnesota Housing program staff will evaluate all timely submitted applications. Staff will score applications on a scale of zero to five points for each of the three Competitive Selection Standards categories described below for a combined total of 15 possible points. To meet the Competitive Selection Standards Criteria threshold, applications must receive a combined total of at least ten points across the three Competitive Selection Standards Criteria categories. Applications that meet the

Competitive Selection Standards Criteria threshold will be eligible for funding consideration. Applications that meet the Competitive Selection Standards Criteria threshold will then be assessed to determine alignment with the Funding Priorities. Applications that do not meet the Competitive Selection Standards Criteria threshold will be identified to the Selection Committee.

Table 1: Competitive Selection Standards Criteria

Competitive Selection Standard Criteria	Factors Assessed to Determine Score	Maximum Score
Organizational Capacity	The applicant’s or applicant’s partner(s) related experience, demonstrated successful completion of similar projects, progress on current awards, organizational financial capacity, and other organizational due diligence factors (e.g., outstanding legal matters, performance and compliance with past and current Impact Fund awards, etc.).	5
Project Feasibility	The extent to which reasonable development costs are proposed, how proposed development costs and subsidies compare to historical costs of similar Impact Fund projects, and the extent to which the proposal is economically viable.	5
Community Need	The extent to which the proposed project addresses a well-defined community need for the housing activity in the target geography based on local demographics including diverse populations, workforce, market and economic factors.	5
	Total Possible:	15

Funding Priorities

Applications that meet the minimum ten-point threshold for the Competitive Selection Standards Criteria will be further assessed to determine alignment with the Funding Priorities below. Final funding recommendations will prioritize applications that align with more Funding Priorities.

Efficient Use of Resources

1. **Leverage** – Based on committed leverage
2. **Regulatory Incentive** – Incorporating cost savings measures through regulatory incentives, such as fast-tracking permitting approvals and waiver of fees.
3. **Impact Fund Subsidy Protection/Long Term Affordability** – Based on the number of years of subsidy protection/long term affordability restrictions such as community land trust, funds recaptured and revolved, or other subsidy protection requirements.

Focus on Households Most Impacted

1. **Equitable Access to Homeownership** – Demonstrating a record of creating equitable access to homeownership, or the extent to which the Applicant has served Black, Indigenous and Households of Color and/or persons with disabilities.
2. **Serve Housing Needs Within a Community** – Incorporating universal design/accessibility features, enabling individuals 62+ years old to age in place, or committing to developing large family housing (i.e., homes with four or more bedrooms).
3. **Homeownership or Financial Education and Counseling** – Applicant requires homebuyers to complete pre-purchase homeownership, financial education, or counseling from a qualified provider, as appropriate to support homeowner success.

Supporting Community and Economic Development

1. **Cooperatively-Developed Plan (CDP)** – The application addresses priorities in a CDP for the community in which the proposed target area is located.
2. **Rural or Tribal Designation** – Whether a proposed target area is within a Rural or Tribal designated census tract.
3. **Location Efficiency** – Based on access to fixed transit or dial-a-ride.
4. **Community Recovery** – Based on the extent to which a proposed target area coincides with communities identified as having lower median household income, older housing stock and lower than average increases in home sales prices, including declines.
5. **Workforce Housing** – Based on the extent to which a proposed target area coincides with areas identified as long commute and/or job growth areas.
6. **Workforce Training Programs** – Based on applications that partner with workforce training programs that will be utilized with proposed developments.
7. **Increase Housing Choice** – Based on the extent to which the proposed housing activity that is affordable to eligible low- and moderate-income households is located within higher-income areas.
8. **Business Entities Owned or Led by People of Color, Indigenous Individuals, and/or Women** – An owner or executive director, or equivalent such as a superintendent or principal, is a person of color, indigenous individual, and/or woman.

Increasing and Maintaining the Supply of Affordable Housing

1. **Efficient Land Use** – Based on the extent to which an application maximizes efficient use of land through higher-density housing development and considers the following:
 - a. **Rehabilitation**: application increases inventory by converting non-residential buildings into housing or uses existing infrastructure; or
 - b. **New Construction**: application minimizes the loss of agricultural land or green space and maximize units per acre.
2. **Advancement of Housing Innovation and Technology** – Application uses innovative construction methods and technology to contain costs (i.e., methods other than site built), such as volumetric modular, cross-laminated lumber, panelized, robotics and 3D printed methods of development.

Financial Leverage

While Minnesota Housing considers all sources of leverage including cash contributions, regulatory incentives, and discounts or donations when determining project feasibility, only applicants that have committed cash leverage to close funding gaps will meet Minnesota Housing’s Committed Leverage funding priority.

Committed Financial Leverage

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

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

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

Pending Financial Leverage

Pending financial leverage is leverage that has not been formally committed to the applicant or the proposed project. Applicants must submit pre-commitment documentation for all pending leverage no later than **March 28, 2025**. Pending leverage will not be considered without pre-commitment documentation.

Pre-Award Risk Assessment

Per [Minnesota Statute 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 experience in completing similar projects, past performance, and whether any principals have been convicted of a felony financial crime within the last 10 years. In this context, the term "principal" refers to any public officials, board members, or staff with authority to access funds provided by Minnesota Housing or determine how those funds are used. It is not limited to a person with the job title of principal of a school.

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; and
- Certification of no convictions of felony financial crimes by a principal, which includes any public officials, board members, or staff with authority to access funds provided by Minnesota Housing or determine how those funds are used, 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.

Note: Tribal governments are not subject to the Pre-award Risk Assessment. Tribal-affiliated organizations with a non-profit or for-profit business designation with the Minnesota Secretary of State are subject to the requirements.

Application Timeline

Table 2: Application Timeline

Date	Activity
Monday, January 6, 2025	RFP posted via the Minnesota Housing website, eNews and State Register
Thursday, January 23, 2025	Minnesota Housing holds an RFP information Session
Friday, February 14, 2025	Final call for questions by 12:00 p.m. Central Time
Monday, February 24, 2025	Final Frequently Asked Questions (FAQs) posted to the Minnesota Housing website in response to RFP questions submitted
Thursday, March 6, 2025	Applications due by 12:00 p.m. Central Time (refer to the Submission Instructions section below)
Thursday, May 22, 2025	Minnesota Housing staff recommends selections to Minnesota Housing’s board of directors
Tuesday, June 3, 2025	Minnesota Housing notifies all applicants of selection decisions
June, 2025	Awarded applicant training and onboarding sessions
Thursday, July 10, 2025	All due diligence items described below must be submitted
Friday, August 1, 2025	Upon Contract Agreements being fully executed, Contract Agreement term begins

Friday, January 30, 2026	Annual Reports due
Saturday, July 31, 2027	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 will hold an **RFP Information Session at 10:00 a.m. on Thursday, January 23, 2025** via Teams Webinar. [Registration is required to attend.](#)

The information session will provide an overview of RFP content and allow time for questions. The session will be recorded and posted on the [Impact Fund website](#).

FAQs from the RFP Information Session, along with other questions, will be posted on or around Thursday, February 6, 2025. All final questions must be submitted by Friday, February 14, 2025, with the final FAQ posted on or around Monday, February 24, 2025.

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

Application Checklist

Applicants must use the required application forms in their original formats 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, such as letters of support, photos or brochures. Unrequested materials will not be reviewed.

All of the following checklist items are required, must be completed properly and submitted timely to meet the threshold criteria. Only applications meeting the threshold criteria will be considered for funding:

1. Application
 - A. Application Signature Page (wet, digital or electronic signatures will be accepted)
2. Workbook
3. Pre-Award Risk Assessment Form and accompanying documents detailed in the form
 - A. Risk Assessment Form—Political Subdivisions, or
 - B. Risk Assessment Form—Nonprofit Organizations, and
 - C. Accompanying Documentation:
 - a. Certification of no convictions of felony financial crimes by a principal, and
 - b. List of principals for which the applicant is certifying

4. If applicable: Local Investment and Financial Leverage Commitment Letter(s)

The **naming convention** should follow this format: “Organization_Document Name. For example, organization “ABC School District” should save an Application as “ABCSD_Application.”

NOTE: 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 not eligible for further review, including scoring. Minnesota Housing is unable to contact applicants to alert them to their application’s incompleteness.

If you have questions regarding checklist items listed above, contact the designated points of contact found at the end of this document. 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.

Submission Instructions

Upload all application materials in their original document formats in **one upload** using the [Single Family Secure File Exchange](#) (LeapFILE™), accessible on the [Community Initiatives Programs webpage](#), to impact.fund.mhfa@state.mn.us **no later than 12:00 p.m. Central Time on Thursday, March 6, 2025** in order to be considered for funding.

If you have questions regarding checklist items listed above, contact the designated point of contact found at the end of this document. 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 an applicant will submit a complete application.

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

Per 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 RFP, is when all contract 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 Governmental Data Practices Act](#). A statement by an applicant that the response is copyrighted or otherwise protected does not prevent public access to the response.

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**, Minnesota Housing will require the following due diligence items be submitted by **July 10, 2025**:

- Administrator Contract Information form (provided by Minnesota Housing)
- [W-9](#) and [SWIFT vendor number](#) for a new applicant that has been selected, or if the current information on file needs to be updated.

Minnesota Housing will initiate the execution of the Contract Agreement via DocuSign, including required signatures. Applicants awarded funding must have all due diligence items submitted and approved and the Contract Agreement fully executed, which includes both the applicant's and Minnesota Housing's signatures, before costs can be incurred and reimbursed or funds can be expended. Minnesota Housing will not reimburse costs incurred prior to the execution of the Contract Agreement.

Contractual Requirements

An applicant awarded funding under this proposal will be required to:

- Complete a Contract Agreement with Minnesota Housing and comply with all requirements listed therein.
- Comply with the [Minnesota Housing Community Homeownership Impact Fund Program Procedural Manual](#)
- Maintain financial records for a minimum of six years after the Contract Agreement has ended that document the use of all grant or loan funds. 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 by required due dates, all interim and final program reports in a template provided by Minnesota Housing.
- Comply with all local, state, and federal requirements.
- Comply with monitoring and financial reconciliation audits including site visits, providing, and participating in evaluation and reporting by Minnesota Housing.
- 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 [reported to Minnesota Housing](#) in a timely manner.

- Comply with applicable contracting and bidding requirements noted in the Contract Agreement.
- Comply with all affirmative action and non-discrimination requirements noted in the Contract Agreement.
- Comply with [Minnesota Statute 201.162](#) by providing voter registration services for its employees and for the public served by the grantee.

NOTE: This is not an exhaustive list. All contractual obligations will be outlined in the Contract Agreement and Impact Fund Procedural Manual, sent to selected applicants.

Questions

Questions can be directed to the designated points of contact for this RFP:

- Amanda Hedlund: 651.284.0465 amanda.hedlund@state.mn.us
- Nira Ly: 651-296-6345 nira.ly@state.mn.us

Projects serving American Indian households:

- Corey Strong 651.296.5701 corey.strong@state.mn.us

No other staff are authorized to respond to questions from potential applicants. All questions and answers will be posted to Minnesota Housing's [Impact Fund website](#).