



Stable Housing Organization Relief Program

Adopted: August 24, 2023
Amended: September 28, 2023

MINNESOTA HOUSING – STABLE HOUSING ORGANIZATION RELIEF PROGRAM



The Minnesota Housing Finance Agency does not discriminate on the basis of race, color, creed, national origin, sex, religion, marital status, status with regard to public assistance, disability, familial status, gender identity, or sexual orientation in the provision of services.

An equal opportunity employer.

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

Table of Contents

Chapter 1 – Introduction.....4

 1.01 *Program Purpose and Authorizing Statute..... 4*

 1.02 *Program Guide..... 4*

 1.03 *Definition of Terms 4*

Chapter 2 – Eligible Organizations.....5

 2.01 *Eligibility..... 5*

 2.02 *Primary Operations in Minnesota..... 5*

 2.03 *Units Owned or Controlled by the Applicant 6*

Chapter 3 – Grant Funding Allocation Formula.....7

Chapter 4 – Eligible Expenses9

 4.01 *Eligible Expenses 9*

 4.02 *Forgiveness of Rent Owed by Former or Current Tenants..... 9*

Chapter 5 – Competitive Application Process, Review Criteria, and Contracting Requirements11

 5.01 *Competitive Application Process 11*

 5.02 *Review Criteria..... 11*

 5.03 *Funding Selections and Work Plan 12*

 5.04 *Grantee Requirements..... 12*

Chapter 6 – Funding Requests and Disbursements.....13

 6.01 *Reimbursement Request..... 13*

 6.02 *Supporting Documentation 13*

Chapter 7 – Budget Modifications.....15

 7.01 *Budget Modifications that Do Not Require Pre-Approval 15*

 7.02 *Budget Modifications that Require Pre-Approval 15*

Chapter 8 – Reporting and Recording Keeping16

 8.01 *Required Reporting and Deadlines 16*

 8.02 *Corrections and Funding Repayment 16*

 8.03 *Government Data Practices Act..... 17*

 8.04 *Record Keeping 18*

Chapter 9 – Additional Information19

 9.01 *Digital/Electronic Signatures 19*

 9.02 *Subgrantees 19*

Chapter 10 – Fair Housing Policy20
**Chapter 11 – Fraud, Misuse of Funds, Conflict of Interest, Suspension, and
Disclosure and Reporting22**
 11.01 *Fraud* 22
 11.02 *Misuse of Funds* 22
 11.03 *Conflict of Interest* 22
 11.04 *Suspension* 23
 11.05 *Disclosure and Reporting* 23
Appendix A: Timeline.....25
Appendix B: Definitions26

Chapter 1 – Introduction

1.01 Program Purpose and Authorizing Statute

The Stable Housing Organization Relief Program (SHORP) is a one-time grant program funded with \$50 million of state appropriations to support eligible rental housing owners that have experienced significant detrimental financial impacts due to recent economic and social conditions. SHORP was established in [Minnesota Session Laws 2023, Regular Session, chapter 37, article 1, section 2, subdivision 33 and article 2, section 8](#) with eligibility provisions further clarified in [Minnesota Session Laws 2023, Regular Session, chapter 69, section 4](#).

The grant funding will be distributed through a competitive request for proposal (RFP) process in accordance with the policies established by the Minnesota Department of [Administration Office of Grants Management](#).

Minnesota Housing may retain a portion of the appropriations to cover administrative costs in accordance with [Minnesota Session Laws, 2023, Regular Session, chapter 62, article 7, section 10](#).

1.02 Program Guide

This Program Guide, including subsequent changes and additions, will be incorporated into the Grant Contract Agreement executed between the Grantee and Minnesota Housing. This Program Guide is incorporated into such Grant Contract Agreement by reference and is a part thereof as fully as if set forth in the Grant Contract Agreement at length. If there are any conflicts between the terms of this Program Guide and the Grant Contract Agreement, the Grant Contract Agreement controls.

1.03 Definition of Terms

Appendix B includes definitions of capitalized terms used in this Program Guide.

Chapter 2 – Eligible Organizations

2.01 Eligibility

The authorizing legislation determines eligibility. To be eligible for funding, the applicant must:

- A. Be one of the following organizational types:
 - i. A tax-exempt nonprofit organization under section 501(c)(3) of the Internal Revenue Code that has been doing business in Minnesota for at least ten years as demonstrated by registration or filing of organizational documents with the secretary of state; or
 - ii. A federally recognized Indian Tribe in Minnesota or their associated Tribally Designated Housing Entity as provided for in [Minnesota Session Laws 2023, Regular Session, chapter 37, article 4, section 4](#) that expands eligibility for all Minnesota Housing funding programs.
- B. Have its primary operations located in Minnesota as defined in Section 2.02;
- C. Be experiencing significant detrimental financial impact due to recent economic and social conditions, including but not limited to decreased operating revenue due to loss of rental income or increased operating expenses due to inflation in utility expenses, insurance, or other expenses;
- D. Have Supportive Services options available for the individuals and families residing in a portion of the rental housing it provides to low-income populations; and
- E. Have, as of December 31, 2022, sufficient housing units that it owns or controls in the state of Minnesota that meets the criteria in at least **one** of the following categories:
 - i. At least 1,000 units of Naturally Occurring Affordable Housing (NOAH); or
 - ii. Rental housing units, not including NOAH, of which 50 percent of the total number of units are rented to individuals or families whose annual incomes, according to the most recent income certification as of December 31, 2022, are at or below 30 percent of the area median income as determined by the United States Department of Housing and Urban Development, adjusted for family size; or
 - iii. At least 250 units of Permanent Supportive Housing.

2.02 Primary Operations in Minnesota

Nonprofit organization applicants are determined to have its primary operations in Minnesota if **all** the following requirements are met:

- A. The nonprofit organization is registered with the Minnesota Secretary of State with a “Principal Place of Business Address” located in the state of Minnesota; and
- B. The nonprofit organization’s 2022 Internal Revenue Service (IRS) Form 990, 990-EZ, 990-PF, 990-T or comparable form uses an address located in the State of Minnesota; and

MINNESOTA HOUSING – STABLE HOUSING ORGANIZATION RELIEF PROGRAM

- C. More than 50% of the rental housing owned or controlled by the Nonprofit Organization is located within the state of Minnesota.

Federally recognized Indian Tribes in Minnesota or their associated Tribally Designated Housing Entity are deemed to have their primary operations in Minnesota.

2.03 Units Owned or Controlled by the Applicant

A housing unit is considered owned or controlled by the applicant if the housing unit meets the criteria of the following part A, part B and one of the three categories in part C.

- A. The property in which the housing unit is located is within the state of Minnesota; and
- B. The property in which the housing unit is located was placed in service before December 31, 2022.
- C. The property meets the requirements of at least one of the following categories:
 - Category 1: Properties directly owned by the applicant.
 - Category 2: Properties that are: (1) owned by a Limited Liability Company (LLC), Limited Partnership (LP), or other similar ownership entity with approval from Minnesota Housing at its sole discretion; and the applicant is the managing general partner of the LLC, LP, or other similar ownership entity. If there is more than one general partner, the Eligible Organization must control at least 50% of the combined ownership of all general partners in the ownership entity.
 - Category 3: Other properties where the applicant can demonstrate ownership or control at Minnesota Housing's sole discretion.

In cases where more than one applicant is part of the ownership structure of the same property, only one applicant can claim the housing units for the purpose of this program.

Only permanent residential rental housing is eligible. Assisted living facilities, nursing homes, shelters, and other similar facilities are not eligible for SHORP.

Chapter 3 – Grant Funding Allocation Formula

The statutory authorization defines the funding allocation formula ([Minnesota Session Laws, 2023, Regular Session, Article 2, Section 8, Subdivision 3](#)). The amount of grant funding available to each Grantee is a function of the number of rental units owned or controlled by all Grantees selected in the program. The maximum grant amount available to each Grantee is the **lesser** of:

- The total number of rental units from a single Grantee divided by the total number of rental units submitted by all Grantees multiplied by up to \$50 million; or
- \$4,000 per rental unit

The per unit amount of funding available to a Grantee is not limited to the number of units that qualified the Grantee for program eligibility in Section 2.01. For example, a Grantee owns or control 900 rental units, of which at least 250 rental units meet the Permanent Supportive Housing definition. In this example, the 250 units of Permanent Supportive Housing helps qualify the Grantee for SHORP eligibility but all 900 rental units would be included in the funding allocation formula.

For illustration purposes only, the following scenarios are examples of possible grant funding allocation outcomes based on the statutory formula depending on the total number of rental units submitted by all Grantees. The example scenarios do not account for administrative costs that may be retained by Minnesota Housing.

Example Scenario 1: In this example, the potential allocation amount per unit exceeds \$4,000 due to the total number of rental units submitted by all Grantees. In accordance with the statutory limit, the allocation is decreased to a maximum of \$4,000 per rental unit.

Eligible Organization	Rental Units	Percent of Rental Units	Allocation Amount	Allocation Amount per Rental Unit	Adjusted Allocation per Rental Unit	Adjusted Allocation Amount
Organization 1	575	6%	\$2,798,054	\$4,866	\$4,000	\$2,300,000
Organization 2	900	9%	\$4,379,562	\$4,866	\$4,000	\$3,600,000
Organization 3	500	5%	\$2,433,090	\$4,866	\$4,000	\$2,000,000
Organization 4	800	8%	\$3,892,944	\$4,866	\$4,000	\$3,200,000
Organization 5	2,500	24%	\$12,165,450	\$4,866	\$4,000	\$10,000,000
Organization 6	5,000	49%	\$24,330,900	\$4,866	\$4,000	\$20,000,000
Total	10,275	100%	\$50,000,000	\$4,866	\$4,000	\$41,100,000

MINNESOTA HOUSING – STABLE HOUSING ORGANIZATION RELIEF PROGRAM

Example Scenario 2: In this example, the allocation amount per unit is less than \$4,000 per unit because of the total number of units from all Grantees.

Eligible Organization	Rental Units	Percent of Rental Units	Allocation Amount	Allocation Amount per Rental Unit	Adjusted Allocation per Rental Unit	Adjusted Allocation Amount
Organization 1	575	3%	\$1,283,196	\$2,232	n/a	n/a
Organization 2	900	4%	\$2,008,480	\$2,232	n/a	n/a
Organization 3	500	2%	\$1,115,822	\$2,232	n/a	n/a
Organization 4	8,000	36%	\$17,853,158	\$2,232	n/a	n/a
Organization 5	1,250	6%	\$2,789,556	\$2,232	n/a	n/a
Organization 6	6,000	27%	\$13,389,868	\$2,232	n/a	n/a
Organization 7	255	1%	\$569,069	\$2,232	n/a	n/a
Organization 8	300	1%	\$669,493	\$2,232	n/a	n/a
Organization 9	450	2%	\$1,004,240	\$2,232	n/a	n/a
Organization 10	400	2%	\$892,658	\$2,232	n/a	n/a
Organization 11	275	1%	\$613,702	\$2,232	n/a	n/a
Organization 12	3,500	16%	\$7,810,757	\$2,232	n/a	n/a
Total	22,405	100%	\$50,000,000	\$2,232	n/a	n/a

Chapter 4 – Eligible Expenses

4.01 Eligible Expenses

Grantees must use grant funds to maintain or improve the housing stability of tenants by expending funds on the following eligible activities ([Minnesota Session Laws, 2023, Regular Session, Article 2, Section 8, Subdivision 2\(e\)](#)):

- Property maintenance, improvement, and security;
- Providing services, including services and programs that promote economic and social mobility;
- Efforts to attract and retain employees that will assist in providing services and support to tenants;
- Forgiveness of all or a portion of rent balances owed by former or current tenants.

Minnesota Housing may approve, at its sole discretion, additional uses that would have a beneficial impact on the housing stability of the tenants.

Except as further defined in Section 4.02, only eligible expenses incurred after the Grant Contract Agreement is fully executed are reimbursable to the Grantee.

The actual cost incurred by the Grantee to complete the required SHORP reporting and financial audit process, as further described in Chapter 8, is an eligible program expense and can be included in the budget.

4.02 Forgiveness of Rent Owed by Former or Current Tenants

Past due rent balances owed by former or current tenants are eligible for reimbursement if the balance remained outstanding at the time the Grant Contract Agreement was executed, subject to the two following restrictions:

- Rent balances previously paid by any local, state, federal or philanthropic funding source, including but not limited to, the COVID-19 Housing Assistance Program or the federal Emergency Rental Assistance program, are not eligible for reimbursement.
- Past due rent balances that were incurred before the federal declaration of the National Emergency Concerning the Coronavirus Disease 2019 (COVID-19) Pandemic that was effective as of March 1, 2020, are not eligible for reimbursement.

Past due rents that occur after the Grant Contract Agreement is executed during the grant period are eligible for reimbursement.

MINNESOTA HOUSING – STABLE HOUSING ORGANIZATION RELIEF PROGRAM

Grantees shall cease any eviction processes and any collection efforts associated with the past due rent for the applicable former or current tenant(s) upon receipt of grant funds. The Grantee shall also inform the tenant(s) in writing that the past due rent amount has been satisfied and no further action is required by the tenant(s). The written communication shall be distributed within 15 business days of receiving the reimbursement. If the tenant(s) no longer resides in a property owned or controlled by the Grantee, the Grantee shall make reasonable efforts to send the letter to the last known forwarding address of the former tenant(s).

Chapter 5 – Competitive Application Process, Review Criteria, and Contracting Requirements

5.01 Competitive Application Process

Minnesota Housing will:

- A. Publish notifications of this grant opportunity, at a minimum, on Minnesota Housing’s website, in the State Register, and through issuance of Minnesota Housing eNews.
- B. Publish the application and required supporting materials on Minnesota Housing’s website, which will include, but is not limited to:
 - i. Supporting documentation needed to verify nonprofit status (not applicable to a federally recognized Indian Tribe in Minnesota or their associated Tribally Designated Housing Entity)
 - ii. Narrative form to describe the significant detrimental financial impact due to recent economic and social conditions
 - iii. Narrative form to describe the supportive services options available for the individuals and families residing in all or a portion of the rental housing the applicant provides to low-income populations
 - iv. Certification to the number of units necessary to qualify for this program
 - v. Certification to the total number of units owned or controlled by the applicant
 - vi. Certification of eligibility for receipt of funding
 - vii. Budget template provided by Minnesota Housing for total amount of estimated expenditures by eligible use
 - viii. Other documentation, as determined by Minnesota Housing

5.02 Review Criteria

The applicant must meet all review criteria to be considered for funding.

- A. Verification that the applicant is an Eligible Organization as defined in Section 2.01
- B. Verification that the applicant’s primary operations are located in the state of Minnesota as defined in Section 2.02
- C. Submission of a complete application form, including all necessary certifications and required documentation
- D. Submission of a complete budget form template that will be provided by Minnesota Housing
- E. Review of the organizational financial information necessary to conduct the review required by [Minnesota Department of Administration Office of Grants Management Policy 08-06](#)

- F. Signature of applicant as requested on the application form
- G. Any other criteria that, in its sole discretion, Minnesota Housing determines is necessary to carry out the intent of the authorizing language

5.03 Funding Selections and Work Plan

Funding selections are subject to approval by the Minnesota Housing board of directors.

After selection, each Grantee will receive a grant award letter with the allocated grant amount, terms and any due diligence requirements. The Grantee must complete a work plan and budget template based on the allocated grant amount. The work plan and budget template will be provided by Minnesota Housing and incorporated into the Grant Contract Agreement.

5.04 Grantee Requirements

The Grantee is a party to the Grant Contract Agreement and shall adhere to the following requirements which include, but are not limited to, the activities listed below. If there are any conflicts between this Program Guide and the Grant Contract Agreement, the Grant Contract Agreement controls.

- Execute a Grant Contract Agreements with Minnesota Housing outlining the scope of work to be performed. The Grantee may also be responsible for completing the proposal, budget, work plan and/or other exhibits to the Grant Contract Agreement(s).
- Maintain financial records for a minimum of six years after the Grant Contract Agreement(s) ends that document the use of all grant proceeds awarded. Minnesota Housing, at its sole discretion, may request to review the accounting and documentation of such records at as part of a site visit or at other times.
- Complete and submit all invoices and required reports on time in a manner determined by Minnesota Housing.
- Have a written conflict of interest policy and take necessary steps to prevent individual and organizational conflicts of interest. All suspected, disclosed, or discovered conflicts of interest must be reported to Minnesota Housing in a timely manner.
- Comply with applicable Grant Contract Agreement and bidding requirements noted in the Grant Contract Agreement.
- Comply with all affirmative action and non-discrimination requirements noted in the Grant Contract Agreement.
- Comply with all applicable state statutes, rules and policies.

Chapter 6 – Funding Requests and Disbursements

6.01 Reimbursement Request

After the Grant Contract Agreement is fully executed, the Grantee may submit a reimbursement request to Minnesota Housing using the draw request form template attached to the Grant Contract Agreement. On the draw request form, the Grantee must identify the amount of expenses by eligible expense category. Grantees shall use the draw form provided by Minnesota Housing to request reimbursements. The Grantee will receive access to Minnesota Housing’s online tool to upload the draw request form and any supporting documentation. Disbursement will be made directly to the Grantee.

6.02 Supporting Documentation

Based on the expense category, the Grantee shall include the required documentation with the reimbursement request. The submitted documentation must clearly indicate the applicable eligible expense category.

Expense Category	Required Documentation*
A. Property maintenance, improvement, and security	Invoice from the Grantee with a description of the services and the cost; the invoice must also include the applicable property name, property address, and time period of the activity
B. Services, including services and programs that promote economic and social mobility	Invoice from the Grantee with a description of the services, the time period of the activity, and how the total cost was determined; also include the property name and property address if applicable
C. Efforts to attract and retain employees that will assist in providing services and support to tenants	Invoice from the Grantee with a description of the efforts, time period of the activity, and how the total cost was determined
D. Forgiveness of all or a portion of rent balance owed by former or current tenants	Rent roll by property with property name and address, unit number, past due amounts, and time period of the past due amounts or accounting ledger showing past due amounts; also indicate if forgiveness is for all or a portion of the rent balance owed; totals from the rent

MINNESOTA HOUSING – STABLE HOUSING ORGANIZATION RELIEF PROGRAM

Expense Category	Required Documentation*
	roll must match the total amount requested as reimbursement
E. Additional expenses, that have been pre-approved by Minnesota Housing; the pre-approved expenses must have a beneficial impact on the housing stability of the tenants, as determined by Minnesota Housing in its sole discretion	To be determined based on the pre-approved expense
F. Report and financial audit the SHORP program expenditures	Invoice from the independent accounting firm/auditor that includes the accounting firm's/auditor's license number, legal name and address of the business conducting the audit, and name and title of the person completing the audit; if applicable, also include an invoice for the actual cost of staff time to help prepare required reporting and financial auditing.

*Alternative documentation may be accepted at the sole discretion of Minnesota Housing.

Minnesota Housing may request additional documentation as needed to verify expenses. Grantee shall retain all backup documentation related to the reimbursement request, which may include invoices from private contractors, employee timesheets, rent rolls, etc.

Chapter 7 – Budget Modifications

The budget attached to the Grant Contract Agreements may be modified in conformance with the provisions in this Chapter 7.

7.01 Budget Modifications that Do Not Require Pre-Approval

Grantees are not required to seek Minnesota Housing approval for budget modifications that move funds between eligible expense categories identified on the work plan attached to the executed Grant Contract Agreement. Such funding movements shall be reported to Minnesota Housing when Draw Request Forms are submitted. The report shall include:

- The amount of funds being moved between eligible expense categories
- The reason for moving the funds

7.02 Budget Modifications that Require Pre-Approval

Grantees may request in writing to use an eligible expense category not included in the work plan or to create a new category if the use will have a beneficial impact on housing stability of the tenants. The written request must include:

- A description of the expense that includes, but is not limited to, a detailed description of how costs have been incurred and what activities are associated with the costs
- The amount of the request
- How the use will have a beneficial impact on housing stability of the tenants

Budget modifications that require pre-approval are approved at the sole discretion of Minnesota Housing and may require an amendment to the Grant Contract Agreement.

Chapter 8 – Reporting and Recording Keeping

8.01 Required Reporting and Deadlines

Each Grantee must submit a report and financial audit to Minnesota Housing by September 30, 2024. The same report and financial audit must also be submitted by January 15, 2025, to the chair and ranking minority members of the legislative committees having jurisdiction over housing. The report and financial audit must address the use of the funds awarded in this program during the grant period as outlined in the Grant Contract Agreement.

The report and financial audit must include all of the following:

- A. Narrative explaining how the Stable Housing Organization Relief Program supported stabilization of the Grantee and, if applicable, specific properties
- B. Total amount of eligible expenditures by budget category, including any budget modifications as permitted or approved by the provisions in Chapter 7
- C. The list of properties that benefited from this program, including the property address and number of units
- D. The number of units that no longer have past due rent due to this program, including the total amount of grant proceeds that were used to satisfy past due rents and the average amount that was past due per unit
- E. A financial audit provided by an independent accounting firm/auditor that:
 - i. Samples at least 10% of the reimbursement for Categories A, B, C, and E in Section 6.02 to confirm the activities were complete and the expenses were eligible
 - ii. Confirms the total amount of grant proceeds used to satisfy past due rent, the number of assisted rental units by property, that letters were sent to applicable households that past due rent has been satisfied, and that there are no current ongoing eviction or collection actions related to those households
 - iii. Confirms the number of rental units to qualify as an Eligible Organization in Section 2.01(E).
 - iv. Confirms the number of rental units owned or controlled by the Grantee for the purposes of calculating the funding allocation formula in Chapter 3.

8.02 Corrections and Funding Repayment

If the independent accounting firm/auditor identifies any ineligible expenses or other irregularities in the report or financial audit, Minnesota Housing will:

- Review the report and financial audit to determine if corrections or funding repayment is necessary
- Notify the Grantee of the correction requirements and/or repayment requirements

The Grantee shall have 10 business days to respond to Minnesota Housing to appeal the determination and submit any supporting documentation that supports its appeal or return the improperly invoiced funds. Minnesota Housing may extend the appeal period at its sole discretion. Grantees that fail to comply and/or return funds within 10 business day for ineligible uses may be subject to consequences, including a finding of Unacceptable Practices in future Consolidated Requests for Proposals (RFPs), suspension from doing business with Minnesota Housing, and/or any other disciplinary or legal action Minnesota Housing deems appropriate and as determined at Minnesota Housing’s sole discretion.

8.03 Government Data Practices Act

The Grantee and Minnesota Housing must comply with the Data Practices Act (Minn. Stat. Ch. 13). The Data Practices Act applies to all data provided by Minnesota Housing under the Grant Contract Agreement, and it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Grantee under the Grant Contract Agreement. The civil remedies of Minnesota Statute 13.08 apply to the release of the data referred to in this section by either the Grantee or Minnesota Housing.

The Data Practices Act provides that the collection and use of not public data including private and confidential data on individuals “shall be limited to that necessary for the administration and management of programs specifically authorized by the legislature or local governing body or mandated by the federal government.” Minnesota Statute 13.05, subd. 3. The Grantee must “establish appropriate security safeguards” including that data are “accessible to persons whose work assignment reasonably requires access to the data and is only be accessed by those persons for purposes described in the procedure.” Minnesota Statute 13.05, subd. 5(a)(2).

The Grantee will ensure that it protects any nonpublic data it receives. Private or confidential information on individuals may include but is not limited to:

- Name
- Email address, phone number, or other contact information
- Photos

The Grantee should contact Minnesota Housing with any questions about the Data Practices Act and whether a request it received is considered a data request. If the Grantee receives a request to release the data referred to in this section, the Grantee must immediately notify Minnesota Housing. Minnesota Housing 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.

8.04 Record Keeping

Grantees are responsible for maintaining records that document the use of all Grant Proceeds. Grantees must save copies of all books, records, program files, documents and accounting procedures related to the grant in a secure and organized format. Grantees must maintain these documents for a minimum of six years from the end of the Grant Contract Agreement. Minnesota Housing reserves the right to review all records during this six-year period, and records must be made available to Minnesota Housing upon request.

Documents to save and retain include, but are not limited to:

- Executed Grant Contract Agreement
- Reports submitted by the Grantee to Minnesota Housing
- Invoices and supporting invoice documentation (receipts, proof of payment, employee payroll, etc.)
- Written approvals from Minnesota Housing

Chapter 9 – Additional Information

9.01 Digital/Electronic Signatures

Minnesota Housing accepts electronic signatures (eSignatures) on certain documents to the extent the person signing complies with all applicable state and federal electronic signature laws, as well as any counterparty requirements. Questions regarding which documents Minnesota Housing permits to be signed electronically should be directed to Minnesota Housing staff. However, note that Minnesota Housing does not permit eSignatures on any document that needs to be recorded with the county. In addition, a Grantee cannot be required to use electronic signatures.

9.02 Subgrantees

Subgrantees are not permitted.

Chapter 10 – 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 the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988, as well as the Minnesota Human Rights Act. Housing providers are expected to comply with the applicable statutes, regulations, and related policy guidance. Housing providers should make sure that admissions, occupancy, marketing and operating procedures comply with non-discrimination requirements.

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 terms, conditions or privileges of the rental of a dwelling unit or services or facilities;
- Engage in any conduct relating to the provision of housing that otherwise makes 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;
- 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 housing providers to make reasonable accommodations and to allow persons with disabilities to make reasonable modifications.

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.

MINNESOTA HOUSING – STABLE HOUSING ORGANIZATION RELIEF PROGRAM

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.

Chapter 11 – Fraud, Misuse of Funds, Conflict of Interest, Suspension, and Disclosure and Reporting

11.01 Fraud

Fraud is any intentionally deceptive action made for personal gain or to damage another. Any person or entity (including its employees and affiliates) that enters into an agreement 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 ways described in section 11.05.

11.02 Misuse of Funds

A loan or grant agreement is a legal contract between Minnesota Housing and the borrower or grantee. The borrower or grantee 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 borrower or grantee to pay for those activities, goods or services. Regardless of the Minnesota Housing program or funding source, the borrower or grantee must use Minnesota Housing funds as agreed, and the borrower or grantee 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 borrower or grantee; or (2) A borrower or grantee cannot provide adequate documentation to establish that Minnesota Housing funds were used in accordance with the terms and conditions of the loan or grant agreement.

Any borrower or grantee (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 ways described in section 11.05.

11.03 Conflict of Interest

A conflict of interest, actual, potential, or perceived, 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 or perceived conflict of interest exists even if no unethical, improper or illegal act results from it.

An individual conflict of interest is 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 friend, relative, acquaintance or business or organization with which they are involved.

Organizational conflicts of interest occur when:

- A Grantee is unable or potentially unable to render impartial assistance or advice to Minnesota Housing due to competing duties or loyalties
- A Grantee’s objectivity in carrying out the award is or might be otherwise impaired due to competing duties or loyalties
- A Grantee has an unfair competitive advantage through being furnished unauthorized proprietary information or source selection information that is not available to all competitors

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 Grantee’s responsibilities to mitigate the conflict
- Allowing the Grantee to create firewalls that mitigate the conflict
- Asking the Grantee to submit an organizational conflict of interest mitigation plan
- Terminating the Grantee’s participation

Any person or entity (including its employees and affiliates) that enters into an agreement with Minnesota Housing must avoid and immediately disclose to Minnesota Housing any and all actual, perceived or potential conflicts of interest through one of the ways described in section 11.05.

A Grantee should review its contract agreement and request for proposals material, if applicable, for further requirements.

11.04 Suspension

By entering into any agreement with Minnesota Housing, a Grantee represents that the Grantee (including its employees or affiliates that will have direct control over the subject of the agreement) has not been suspended from doing business with Minnesota Housing. Refer to Minnesota Housing’s website for a list of [suspended individuals and organizations](#).

11.05 Disclosure and Reporting

Minnesota Housing promotes a “speak-up, see something, say something” culture whereby internal staff, external business partners (e.g., grantees, borrowers) and the general public are encouraged to report instances of fraud, misuse of funds, conflicts of interest, or other

MINNESOTA HOUSING – STABLE HOUSING ORGANIZATION RELIEF PROGRAM

concerns without fear of retaliation. You may report wrongdoing or other concerns by contacting:

- Minnesota Housing's Chief Risk Officer at 651.296.7608 or 800.657.3769
- Any member of Minnesota Housing's [Servant Leadership Team](#) (visit mnhousing.gov and enter **SLT** in the Search box)
- [Report Wrongdoing or Concerns](#) (visit mnhousing.gov and enter **Wrongdoing** in the Search box)

Appendix A: Timeline

Date	Activity
Thursday, August 24, 2023	SHORP Guide Approved
TBD	SHORP Request for Proposals Issued
Thursday, October 26, 2023 <i>(subject to change)</i>	SHORP Grantees Selected
Saturday, September 30, 2024	Deadline for Grantees to submit report and financial audit to Minnesota Housing; the report outlines the use of funds awarded under the Grant Contract Agreement
Monday, January 15, 2025	Deadline for Grantees to submit report and financial audit to the chair and ranking minority members of the legislative committees having jurisdiction over housing; the report outlines the use of funds awarded under the Grant Contract Agreement

Appendix B: Definitions

Term	Definition
Eligible Organization	An organization that meets the requirements of Chapter 2
Data Practices Act	References the Minnesota Government Data Practices act (Minnesota Statutes, chapter 13)
Grant Contract Agreement	The Grant Contract Agreement executed between the Minnesota Housing Finance Agency and the Grantee for the Stable Housing Organization Relief Program.
Grantee	An Eligible Organization selected by the Minnesota Housing board of directors to receive SHORP funding
Minnesota Housing	The Minnesota Housing Finance Agency
Naturally Occurring Affordable Housing (NOAH)	Multi-unit rental housing developments that have not received financing from the federal Low-Income Housing Tax Credit program for which the majority of the units have agreements in place to be affordable to individuals or families with incomes at or below 60% of the area median income as determined by the United States Department of Housing and Urban Development, adjusted for family size, and that do not receive project- or other place-based rental subsidies from the federal government
Permanent Supportive Housing	Housing that is not time-limited and provides or coordinates with linkages to services necessary for residents to maintain housing stability and maximize opportunities for education and employment. Minn. Stat. Section 462A.36, subdivision 1, paragraph (e)
Program Guide	The Stable Housing Organization Relief Program Guide
Supportive Services	Supportive services include, but is not limited to, such activities as case management, mental health services, educational services, employment services, life skills training, children’s services and activities, and support groups.

MINNESOTA HOUSING – STABLE HOUSING ORGANIZATION RELIEF PROGRAM

Term	Definition
Tribal Designated Housing Entity	Entities that meet the requirements defined by Unites States Code, title 25, section 4103(22)