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# **Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program Request for Proposals (RFP) Application Instructions**

Grant Performance Period: Summer/Fall 2025 – December 31, 2029

Application Deadline: **Thursday, April 24, 2025, 5 p.m. Central time**

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## Overview

Minnesota Housing is now accepting applications for the Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program (the “Program”).

This Program is established under [Minnesota Statutes Chapter 477A.36, subdivision 3](#). Minnesota Housing is authorized to award grants of Statewide Local Housing Aid funds, also referred to as Statewide Affordable Housing Aid (“SAHA”) funds, to Tier II Cities to develop and preserve affordable housing and, under certain conditions, market-rate housing. The Minnesota Legislature first authorized and appropriated funds for this Program in 2023.

Definitions of terms capitalized in these Application Instructions can be found in the [Definitions](#) section. Additional information about the Program can be found in the [Program Guide](#) available on Minnesota Housing’s [Local Government Housing Programs webpage](#).

## How to Apply

Complete the [Application in Cvent](#) and upload all required [Application Checklist](#) items before the Application Deadline of **Thursday, April 24, 2025, 5 p.m. Central time**.

## Application Content

Although Applicants must submit the application using the [Application in Cvent](#), Minnesota Housing has made available an Application Content reference document you may refer to as you prepare and complete your application in Cvent.

## Available Funding

**Up to \$4.5 million** of state appropriations is available through this RFP.

As shown in Table 1 and Figure 1 below, available funds are tentatively distributed to six regions of Greater Minnesota. In each region, the distribution is based on the share of cost-burdened households in Tier II Cities. Amounts shown are tentative maximum amounts and are only estimates. Final awards depend on the funding available to Minnesota Housing and may be adjusted at Minnesota Housing’s sole discretion.

Minnesota Housing will review each application according to the [Review Criteria](#) described in these Application Instructions. All applications that pass threshold may be eligible for, but are not guaranteed, funding. If competitive applications are not received from all regions, Minnesota Housing reserves the right to distribute any funds intended for regions that did not submit competitive applications to proposals from any or all other regions. Consistent with statute, Minnesota Housing will not make any award of less than \$25,000, nor award more than an applicant requested.

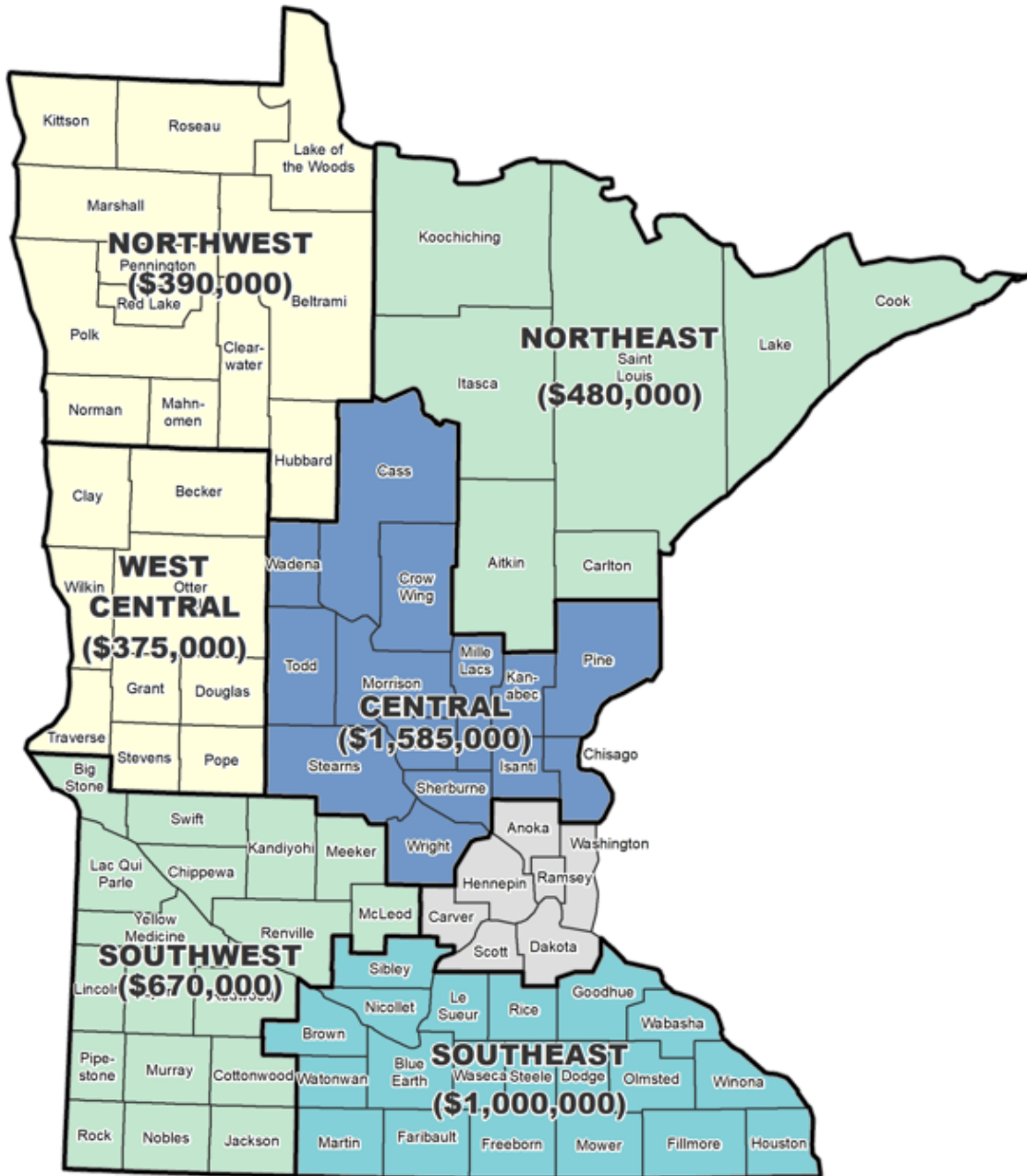
**Table 1: Regional Funding Allocations**

Region	Regional Allocation
<p>1: Northwest</p> <p>Includes cities within the counties of:</p> <p>Beltrami, Clearwater, Hubbard, Kittson, Lake of the Woods, Mahnommen, Marshall, Norman, Pennington, Polk, Red Lake and Roseau</p>	<p>Up to \$390,000</p>
<p>2: Northeast</p> <p>Includes cities within the counties of:</p> <p>Aitkin, Carlton, Cook, Itasca, Koochiching, Lake and Saint Louis</p>	<p>Up to \$480,000</p>
<p>3: West Central</p> <p>Includes cities within the counties of:</p> <p>Becker, Clay, Douglas, Grant, Otter Tail, Pope, Stevens, Traverse and Wilkin</p>	<p>Up to \$375,000</p>
<p>4: Central</p> <p>Includes cities within the counties of:</p> <p>Benton, Cass, Chisago, Crow Wing, Isanti, Kanabec, Mille Lacs, Morrison, Pine, Sherburne, Stearns, Todd, Wadena and Wright</p>	<p>Up to \$1,585,000</p>
<p>5: Southwest</p> <p>Includes cities within the counties of:</p> <p>Big Stone, Chippewa, Cottonwood, Jackson, Kandiyohi, Lac qui Parle, Lincoln, Lyon, McLeod, Meeker, Murray, Nobles,</p>	<p>Up to \$670,000</p>

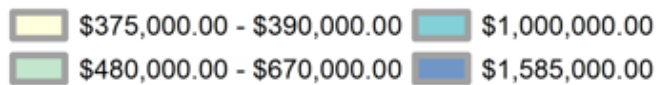
Pipestone, Redwood, Renville, Rock, Swift and Yellow Medicine	
<p>6: Southeast</p> <p>Includes cities within the counties of:</p> <p>Blue Earth, Brown, Dodge, Faribault, Fillmore, Freeborn, Goodhue, Houston, Le Sueur, Martin, Mower, Nicollet, Olmsted, Rice, Sibley, Steele, Wabasha, Waseca, Watonwan and Winona</p>	Up to \$1,000,000
Total	Up to \$4,500,000

Figure 1: Map of Regional Funding Allocations

Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program



Regional Allocation Up To:



## Eligible Applicants

Only Tier II Cities, also referred to as Greater Minnesota Small Cities, are eligible. A Greater Minnesota Small City:

- Has a population below 10,000, and
- Is located in Minnesota *outside* the seven-county Twin Cities metropolitan area (Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington counties).

If your city has approximately 10,000 residents or is located in more than one county, please see “population and region details,” below.

### Population and Region Details

Any city certified to receive either [Local Affordable Housing Aid \(LAHA\)](#) or SAHA funds [directly from the Department of Revenue as a Tier I city in the Most Recent Aid Year](#) is considered to have more than 10,000 residents and is not eligible for funding through this RFP.

Any city not certified to receive either LAHA or SAHA funds directly from the Department of Revenue as a Tier I city in the Most Recent Aid Year is considered to have fewer than 10,000 residents and may be eligible for funding through this RFP if it is wholly or partially located in Greater Minnesota.

Cities partially within and partially outside the seven-county Twin Cities metropolitan area are considered Greater Minnesota Small Cities if not certified by the Department of Revenue to directly receive either SAHA or LAHA funds in the Most Recent Aid Year.

Some applicants’ municipal boundaries may span Greater Minnesota regional boundaries. In these cases, Minnesota Housing will assign the applicant to the region within which the greatest share of its population is located.

For purposes of this RFP, “Most Recent Aid Year” means the 2025 calendar year.

## Eligible Uses

Funds must be used only for one or more Qualifying Projects as defined in the [Program Guide](#). Qualifying Projects include:

- Emergency rental assistance for households earning less than 80% of the area median income as determined by the United States Department of Housing and Urban Development (HUD).
- Financial support to nonprofit affordable housing providers in their mission to provide safe, dignified, affordable, and supportive housing in Minnesota.
- In limited circumstances, development of Market-Rate Residential Rental Properties subject to the requirements of Section 2.04 of the [Program Guide](#).

- Affordable Housing Development and Financing, which means the construction, acquisition, rehabilitation (including rehabilitation of occupied housing), demolition, or removal of existing structures, construction financing, permanent financing (which may include downpayment assistance), interest rate reduction, refinancing, and Gap Financing of housing to provide affordable housing to households that have incomes which do not exceed:
  - For homeownership projects, 115% of state or area median income (as determined by HUD), whichever is greater;
  - For rental housing projects, 80% of state or area median income (as determined by HUD), whichever is greater; or
  - Lower limits if set by the Grantee in its discretion to ensure the housing is affordable to the local workforce.
- Operations and management of financially distressed residential properties.
- Supportive services or staff of supportive services providers for supportive housing as defined in section [462A.37, subdivision 1](#). Financial support to nonprofit housing providers to finance supportive housing operations may be awarded as a capitalized reserve or as an award of ongoing funding.
- Operating emergency shelter facilities, including the costs of providing services.
- Other projects specifically approved in writing by Minnesota Housing staff.

## Fund Commitment and Expenditure Deadlines

Grantees must commit Program funds to one or more Qualifying Projects by **December 31, 2028** and expend committed funds by **December 31, 2029**. This is a statutory requirement and cannot be negotiated.

## Ineligible Uses

The following expenditures are *ineligible*:

- Expenditures that supplant existing locally funded housing expenditures;
- Staffing or administrative expenses not specifically identified in Section 2.02 or Section 2.05 of the [Program Guide](#), or in [Minn. Stat. 477A.36, subd. 4](#);
- Housing or shelter located outside of Minnesota;
- Demolition or removal of existing structures, including temporary structures, unless the cleared land is to be used for the construction of housing under an Affordable Housing Development and Financing project; and
- Any other expense determined by Minnesota Housing to be ineligible.



## Program Expectations

Among other requirements, Grantees must prioritize projects that provide Affordable Housing to Low-Income Households. Low-Income Households have incomes that do not exceed:

- For homeownership projects, 80% of state or area median income (as determined by HUD), whichever is greater; and,
- For rental housing projects, 50% of state or area median income (as determined by HUD), whichever is greater.

Payments will be made on a reimbursement basis unless otherwise specified in the Grant Contract Agreement.

As a condition of receiving Program funds, the Grantee must commit to using money to supplement, not supplant, existing locally funded housing expenditures, so that the Grantee is using the funds to create new, or to expand, existing housing programs.

Please review the [Program Guide](#) on Minnesota Housing's website for additional requirements.

## Equity

This Program focuses on reducing barriers to small cities' participation. Regional funding allocations, meanwhile, are intended to ensure fair access to Program funds among small cities in each region of Greater Minnesota.

Required prioritization of Affordable Housing for Low-Income Households (see [Program Expectations](#)) and competitive criteria require and incentivize Grantees to serve communities that are most impacted by housing challenges and disparities. These communities, as defined in Minnesota Housing's [Strategic Plan](#), are the people more likely to be impacted by housing instability, including: lowest income, people of color, Indigenous individuals, LGBTQ+, people experiencing homelessness, people with disabilities, immigrants, large families, seniors, children. This also includes people facing barriers and/or limited choices due to: poor credit, limited savings, criminal history, prior evictions, and transitioning out of foster care, prison, or other systems.

## Review Criteria

This is a competitive process. Applications will be reviewed and scored by a review committee comprising Minnesota Housing staff and potentially other state agency staff, content experts, and community members with topic/regional knowledge. Recommendations will be presented to Minnesota Housing's board for approval. Minnesota Housing's board decisions are final and not subject to appeal.

## Threshold Criteria

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

- The Applicant must be eligible. (See the [Eligible Applicants](#) section of these Application Instructions.)
- The application must include all required [Application Checklist](#) items.
- The application must be properly completed and submitted:
  - Via the specified method (refer to the [Submission Instructions](#) section of this document); and,
  - By the Application Deadline of **Thursday, April 24, 2025, at 5 p.m. Central time.**

## Competitive Criteria

Minnesota Housing will review all applications that meet threshold criteria according to the **competitive application criteria**, also referred to as application scoring criteria, summarized in Table 2, and further explained in Tables 3 – 6, below.

**Table 2: Competitive Scoring Criteria Summary**

Category	Criteria	Maximum Score
Commitments to Affordable and Workforce Housing	<p>Commitment to use Program funds for Affordable Housing for Low-Income Households (15 points)</p> <p>Local policy actions to encourage Affordable Housing, workforce housing, and market-rate housing (15 points)</p> <p>Project and program readiness; proposal is to create new or expand existing programs/projects (15 points)</p>	<b>45 Points</b>
Community Need	<p>Number of low-income households as a share of all households (15 points)</p> <p>Number of cost-burdened households as a share of all households (15 points)</p>	<b>30 Points</b>
Community Impact	<p>Applicant demonstrates an understanding of the communities identified in the proposal and their opportunities, needs, and challenges. (5 points)</p> <p>The needs of the identified communities will be prioritized in the applicant’s qualifying projects, such as through program design, housing design, or both. (5 points)</p> <p>Applicant includes people from Communities Most Impacted in project design, and/or plans to affirmatively market to people from Communities Most Impacted to deliver housing, goods, and services through qualifying projects. (5 points)</p>	<b>15 Points</b>
Collaboration	<p>Collaboration with counties, cities, and Tribal Nations (5 Points)</p> <p>Cross-sector collaboration (5 Points)</p>	<b>10 Points</b>
	<b>Total:</b>	<b>100 Points</b>

**Table 3: Detail: "Commitments to Affordable and Workforce Housing" Criteria**

<b>Criterion 1:</b> Commitment to use Program funds for Affordable Housing for Low-Income Households (15 points)
<p><b>About:</b> By statute, Grantees must prioritize Qualifying Projects that provide Affordable Housing to Low-Income Households. "Low-Income Households" means homeowners with household incomes at or below 80% of state or area median income (as determined by HUD), whichever is greater, and/or renters with household incomes at or below 50% of state or area median income (as determined by HUD), whichever is greater. This term, as well as "Affordable Housing," is defined in the <a href="#">Definitions section of these RFP Instructions</a>.</p> <p>Minnesota Housing will prioritize proposals with the greatest commitments to Affordable Housing. Applicants may demonstrate these commitments by the share of funds committed to those purposes, presence and length of affordability periods, level of need among households served (for example, very low-income and particularly vulnerable populations such as people experiencing homelessness), and other methods.</p>
<b>Criterion 2:</b> Local policy actions to encourage Affordable Housing, workforce housing, and market-rate housing (15 points)
<p><b>About:</b> Policy actions may include, but are not limited to, actions to increase allowable density, allow "by right" development, eliminate design requirements, or a combination of these or other actions. High-scoring proposals should exhibit numerous and wide-ranging actions (such as those effective citywide).</p>
<b>Criterion 3:</b> Project and program readiness; proposal is to create new or expand existing programs/projects (15 points)
<p><b>About:</b> There is a minimum score of three points on this criterion for Applicants expanding existing programs, projects, or initiatives, and no minimum for Applicants solely creating new programs, projects, or initiatives. All Applicants are, however, able to earn full points for this criterion — whether proposing new or to expand existing programs, projects, or initiatives, or both — by sufficiently planning for <a href="#">timely fund commitment and expenditure</a>, including contingency planning.</p>

**Table 4: Detail: "Community Need" Criteria**

<b>Criteria:</b> Community Need (30 points)
<b>About:</b> Please see the <a href="#">methodology document</a> .

**Table 5: Detail: "Commitments to Equity and Communities Most Impacted" Criteria**

<b>Criterion 1:</b> Applicant demonstrates an understanding of the communities identified in the proposal, and their opportunities, needs and challenges. (5 points)
<b>About:</b> Top-scoring proposals will fully identify and describe communities of focus, demonstrate a deep understanding of these communities, and explain the opportunities, needs, and challenges they face. Further, top-scoring proposals will rely on people from these communities to identify these challenges and opportunities.
<b>Criterion 2:</b> The needs of the identified communities will be prioritized in the applicant's qualifying projects, such as through program design, housing design, or both. (5 points)
<b>About:</b> Top-scoring proposals will provide thorough descriptions of their strategies to prioritize needs of communities identified. Further, these responses will demonstrate a deep understanding of how to effectively reach the communities identified and respond to the needs of those communities.
<b>Criterion 3:</b> Inclusion of Communities Most Impacted. (5 points)
<b>About:</b> Top-scoring proposals will include people from Communities Most Impacted in proposal/project design and employ affirmative marketing strategies to deliver housing goods and services to and from Communities Most Impacted.

**Table 6: Detail: "Collaboration" Criteria**

<b>Criterion 1: Collaboration with counties, cities, and Tribal Nations (5 Points)</b>
<b>About:</b> Top-scoring proposals will demonstrate a high degree of public sector collaboration that: <ul style="list-style-type: none"><li>• Includes multiple public entities of different types;</li><li>• Informed the proposal; and,</li><li>• Will likely continue as the Applicant carries out grant-funded activities.</li></ul>
<b>Criterion 1: Cross-sector collaboration (5 Points)</b>
<b>About:</b> Top-scoring proposals will demonstrate a high degree of cross-sector collaboration that: <ul style="list-style-type: none"><li>• Includes multiple public entities of different types;</li><li>• Informed the proposal; and,</li><li>• Will likely continue as the Applicant carries out grant-funded activities.</li></ul>

### **Final Scores and Funding Recommendations**

After the grant review committee has met and scores have been finalized, Minnesota Housing staff will incorporate the scores into final funding recommendations. In addition to application scores, funding recommendations will consider geographic distribution and applicants' history as state Grantees and their capacity to perform the work. Funding recommendations will also incorporate the results of the Pre-Award Risk Assessment (noted below). Final funding amounts will depend on the amount requested, the number of applicants, and the funding amount available.

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

### **Pre-Award Risk Assessment**

Per [Minn. Stat. §16B.981](#), Minnesota Housing is required to conduct a Pre-Award Risk Assessment of each potential Grantee before awarding the potential Grantee \$50,000 or more. The information submitted by potential Grantees will be used to assess the risk that a potential Grantee cannot or would not perform the required duties of the grant. Minnesota Housing will

review the potential Grantee’s past performance, organizational capabilities and capacity, and Principals (see definition of “Principal” below).

Minnesota Housing will determine whether:

- The potential Grantee would likely be able to perform the duties of the grant without additional conditions;
- 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,
- 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:

1. The [Pre-Award Risk Assessment Form](#) with questions to be completed as part of the application (see the [Application Checklist](#)).
2. Certification of no convictions of felony financial crimes by all Principals, along with a list of all Principals. (“Principal” means a public official, board member, or staff (paid or volunteer) with authority to access funds or determine how funds are used.)

To complete this assessment, Minnesota Housing may request additional information which the potential Grantee must provide. 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.

## Application Timeline

**Table 7: Application Timeline**

Date	Activity
Tuesday, February 4, 2025	(Optional) Notice of Intent to Apply opened in Cvent.  Note: You are encouraged to submit a Notice of Intent to Apply although it is optional.
Thursday, February 20, 2025	RFP posted via the Minnesota Housing website, eNews, and State Register. Application webpage opens. (See <a href="#">Application in Cvent.</a> )

Wednesday, March 5, 2025, 10:30 a.m. to noon Central time	Minnesota Housing holds a virtual RFP Application Information and Technical Assistance Session. <a href="#">Register here.</a>
Wednesday, March 19, 2025, 2 p.m. to 3:30 p.m. Central time	Minnesota Housing holds a second virtual RFP Application Information and Technical Assistance Session. <a href="#">Register here.</a>
Friday, March 28, 2025 5 p.m. Central time	<b>Final call for questions.</b> Submit questions by 5 p.m. Central time to <a href="mailto:Tier2cities.mhfa@state.mn.us">Tier2cities.mhfa@state.mn.us</a> .
On or around Friday, April 11, 2025	Minnesota Housing posts final FAQ document in response to RFP questions received on its <a href="#">Local Government Housing Programs webpage</a> .
Thursday, April 24, 2025 5 p.m. Central time	<b>Applications due</b> by 5 p.m. Central time. (Refer to the <a href="#">Submission Instructions</a> below.)  <b>Note: The application is required.</b>
Summer 2025	Minnesota Housing staff recommends selected applicants and grant funding amounts to Minnesota Housing’s board of directors.
Summer 2025	Minnesota Housing notifies all applicants of selection decisions; Minnesota Housing and awardees complete <a href="#">Due Diligence Requirements</a> .
Summer – Fall 2025	Minnesota Housing and awardees execute Grant Contract Agreements; Grant Contract Agreement performance period begins.
December 1, 2025	First annual report due to Minnesota Housing. This is a statutory requirement.
December 31, 2028	Grant fund commitment deadline: Grantees must have committed grant funds by this date. This is a statutory requirement and cannot be negotiated or extended.



December 31, 2029	Grant Contract Agreement performance period ends (no expenditures after this date). This is a statutory requirement and cannot be negotiated or extended.
March 31, 2030	Grant Contract Agreement term ends (all reporting complete and all funds disbursed).

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

Minnesota Housing will hold two RFP Information/Technical Assistance Sessions:

- **10:30 a.m. to noon Central time, Wednesday, March 5, 2025** via Microsoft Teams webinar. [Register here.](#)
- **2:00 p.m. to 3:30 p.m. Central time Wednesday, March 19, 2025** via Microsoft Teams webinar. [Register here.](#)

Each information session will provide an overview of RFP content and allow time for questions. Each session will be recorded and made available to prospective applicants.

All questions must be submitted on or before **Friday, March 28, 2025 at 5 p.m. Central time.** Minnesota Housing will post a **final FAQ on or around Friday, April 11, 2025.** Answers provided in the final FAQ control over any conflicting guidance provided during the RFP Information/Technical Assistance Sessions.

For updates about this RFP, [sign up to receive Local Government Housing Programs eNews.](#)

## Application Checklist

Applicants must use the required [Application in Cvent](#) and include all required information and documentation. Please be clear and concise and submit only requested materials. Unrequested materials will not be reviewed

All the following checklist items must be completed properly and submitted in order for an application to meet the threshold criteria and be considered for funding:

1.  [Application in Cvent](#)
2.  [Application Signature Page](#) (see upload Instructions below)
3.  [Pre-Award Risk Assessment Form](#) (see Upload Instructions below)

Please use the following file-naming convention when submitting documents: Applicant name\_Name of Document. Example: "Pinewood City\_Tier II Application Signature Page.xls"

Where signatures are required, we accept wet, digital, and electronic.

**NOTE:** Applications that do not contain all required components (completed and submitted properly) are incomplete and will not be eligible for further review or scoring. Minnesota Housing is unable to provide notice of incomplete applications prior to the application deadline.

If you have questions about any of the above Application Checklist items, message the designated contact for this RFP 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

Submit application materials as described below no later than the stated dates and times to be considered for funding.

**NOTE:** Cvent saves information that is entered but not submitted. However, the webpage does time out after 20 minutes; information entered after the website has timed out will not be saved. Applicants may want to draft answers on a separate document and copy and paste into the website to not lose work.

### To Apply:

Complete the [Application in Cvent](#) and upload all other [Application Checklist](#) items according to the upload instructions below before the Application Deadline of **Thursday, April 24, 2025, 5 p.m. Central time.**

### Upload Instructions:

#### Primary Method: Cvent

- **Recommended for most documents**, except large files and sensitive information.
- Simply follow the instructions in the Cvent application.

#### Alternative Method: LeapFILE Secure Upload

- Recommended for large files and sensitive information.
- Access the [Partner Login](#) page on the Minnesota Housing website and select the [Secure Upload Tool](#) at the bottom of the page
- Select “Secure Upload” and enter [Tier2cities.mhfa@state.mn.us](mailto:Tier2cities.mhfa@state.mn.us) as the recipient
- Follow the prompts to upload the [Pre-Award Risk Assessment Form](#) and [Application Signature Page](#)
- For more detailed directions, please read the [Secure Upload Tool Instructions document](#)

If you have questions regarding the checklist items, please email [Tier2cities.mhfa@state.mn.us](mailto:Tier2cities.mhfa@state.mn.us).

**NOTE:** Submitted applications are final; late and incomplete applications will not be considered. Minnesota Housing may request additional information or clarification. Applicants are

responsible for all costs incurred 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 grant is when all grant agreements have been fully executed. After a granting agency has completed the evaluation process, all remaining data in the responses is public with the exception of trade secret data as defined and classified in [Section 13.37 of the Minnesota 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 may require the following due diligence items be submitted by a date specified by Minnesota Housing approximately **90 days from the date of award notification**, subject to extension in Minnesota Housing's sole discretion:

- **City Council Resolution:** A signed original, or signed and certified copy, that designates authorized signatories and authority to enter into a contract.
- **Certificate of Workers' Compensation Insurance** as specified in the Grant Contract Agreement.
- **W-9** and **SWIFT vendor number** for a new potential Grantee that has been selected, or if the current information on file with Minnesota Housing needs to be updated.
- **Final, approved Work Plan:** The selected potential Grantee will be required to complete and submit a Work Plan on a template provided by and subject to approval of Minnesota Housing. The purpose of the Work Plan is to describe changes since application submittal and as a result of the final award amount and requirements.
- **Final, approved Budget:** A final Budget, subject to approval by Minnesota Housing, reflecting the awarded amount and any allocation or amount changes to Grantee.

Minnesota Housing will initiate the execution of the Grant Contract Agreement once it receives and approves all due diligence documents. The Grant Contract Agreement must be fully executed, which includes both the Grantee's and Minnesota Housing's signatures, before costs can be incurred and reimbursed or grant funds can be expended. Minnesota Housing will not reimburse costs incurred prior to the execution of the Grant Contract Agreement.

## Contractual Requirements

Grantees awarded funding must:

- Complete, execute, and comply with a Grant Contract Agreement with Minnesota Housing;
- Comply with the [Program Guide](#);
- Submit a report each year by December 1 containing the information requested by Minnesota Housing;
- Maintain financial records documenting the use of all grant funds for a minimum of six years after the Grant Contract Agreement has ended. Minnesota Housing, at its sole discretion, may request to review the accounting and documentation of such records at site visits or at other times;
- Comply with monitoring and financial reconciliation reviews, including site visits;
- Participate in evaluation and reporting required by Minnesota Housing;
- Have a 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; and
- Comply with [Minn. Stat. §201.162](#) by providing voter registration services for their employees and for the public served by the Grantee.

**NOTE:** This is not an exhaustive list. All contractual obligations will be outlined in the Grant Contract Agreement.

## Definitions

Term	Definition
Affordable Housing	<p>Housing where the household occupying the funded unit, or a household with characteristics typical of a household reasonably expected to occupy the funded unit, as of the date of initial occupancy, start of rehabilitation, the household’s application for assistance or most recent recertification, pays no more than either:</p> <p>(1) 30% of its gross monthly income for monthly rent (including any tenant-paid utility allowance) or monthly mortgage principal, interest, property taxes, property insurance, homeowners association dues, manufactured home park lot rent and community land trust ground lease fee combined; or,</p> <p>(2) For households occupying a funded unit that is both income-restricted and rent-restricted under another state or federal program, such as the federal Section 42 Low-Income Housing Tax Credit Program, HUD Section 8 and public housing, the amounts allowed under that program.</p>
Affordable Housing Development and Financing	<p>A Qualifying Project that is an Affordable Housing Development and Financing Project as defined in Section 2.02 of the Program Guide. Minnesota Housing presumes Affordable Housing Development and Financing Projects are affordable to the local work-force.</p>
AMI	<p>State or area median income (as determined by HUD), whichever is greater.</p>
Applicant	<p>The city identified as the applicant in the application for funds described in these Application Instructions.</p>
Application Instructions	<p>These Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program Request for Proposals (RFP) Application Instructions.</p>

Term	Definition
Cvent	Web-based software used by Minnesota Housing to collect Applicant responses to the application, as described in these Application Instructions.
Communities Most Impacted	The people more likely to be impacted by housing instability, including: lowest Income, people of color, Indigenous individuals, LGBTQ+, people experiencing homelessness, people with disabilities, immigrants, large families, seniors, children. This also includes people facing barriers and/or limited choices due to: poor credit, limited savings, criminal history, prior evictions, and transitioning out of foster care, prison, or other systems.
eNews	Email updates from Minnesota Housing’s Local Government Housing Programs team to subscribers of the Local Government Housing Programs topic. To subscribe to eNews, including the Local Government Housing Programs topic, or to modify subscriber preferences, visit <a href="#">Minnesota Housing’s website</a> .
Gap Financing	<p>Either:</p> <p>(1) the difference between the costs of the property, including acquisition, demolition, rehabilitation, and construction, and the market value of the property upon sale; or</p> <p>(2) the difference between the cost of the property and the amount the targeted household can afford for housing, based on industry standards and practices.</p>
Grant Contract Agreement	The agreement executed between the Minnesota Housing Finance Agency and the Grantee for the Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program.
Grantee	A city awarded funding under the Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program.
Greater Minnesota	An area of Minnesota that excludes the seven-county Twin Cities metropolitan area (Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington counties).

Term	Definition
LeapFILE	The software service powering Minnesota Housing’s Secure File Exchange, used to collect certain application materials as specified in these Application Instructions.
Low-Income Households	A household whose income does not exceed:  For homeownership projects, 80%of state or area median income (as determined by HUD), whichever is greater; and, for rental housing projects, 50% of state or area median income (as determined by HUD), whichever is greater.
Market-Rate Residential Rental Property	Property rented at market value, including new modular homes, new manufactured homes, and new manufactured homes on leased land or in a manufactured home park. This may include rental developments that have a portion of income-restricted units.
Most Recent Aid Year	For purposes of this RFP, this means the 2025 calendar year.
Primary Contact	The person or persons identified by the Applicant to field questions on its behalf from Minnesota Housing, and authorized to receive emails from Minnesota Housing, including eNews.
Principal	A public official, board member or staff (paid or volunteer) with authority to access funds or determine how funds are used.
Program	The Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program.
Program Guide	The Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program Guide available on <a href="#">Minnesota Housing’s website</a> . Minnesota Housing reserves the right to alter or waive any provision in the Program Guide.
Qualifying Project	A project that meets the requirements of the <a href="#">Program Guide</a> and <a href="#">Minn. Stat. 477A.36, subd. 4</a> .

Term	Definition
Tier II City	A Tier II City as defined in the <a href="#">Eligible Applicants</a> section of these Application Instructions. Also referred to as a Greater Minnesota Small City.
Tribal Nation	A federally recognized Indian Tribe in Minnesota or an entity thereof that meets the requirements defined by <a href="#">United States Code, title 25, section 4103(22)</a> .
Work Plan and Budget	The grant Work Plan and Budget first identified by the Applicant in its application for funds and later formalized by the Grantee and Minnesota Housing in the Grant Contract Agreement.

### Questions

Please direct questions to the designated contact for this RFP: Nick Boettcher, Policy and Programs Specialist, Local Government Housing Programs, via the Program’s dedicated email address: [Tier2cities.mhfa@state.mn.us](mailto:Tier2cities.mhfa@state.mn.us).

No other staff are authorized to respond to questions from potential applicants related to this RFP. All questions and answers will be posted to Minnesota Housing’s [Local Government Housing Programs webpage](#).

For updates about this RFP, [sign up to receive Local Government Housing Programs eNews](#).