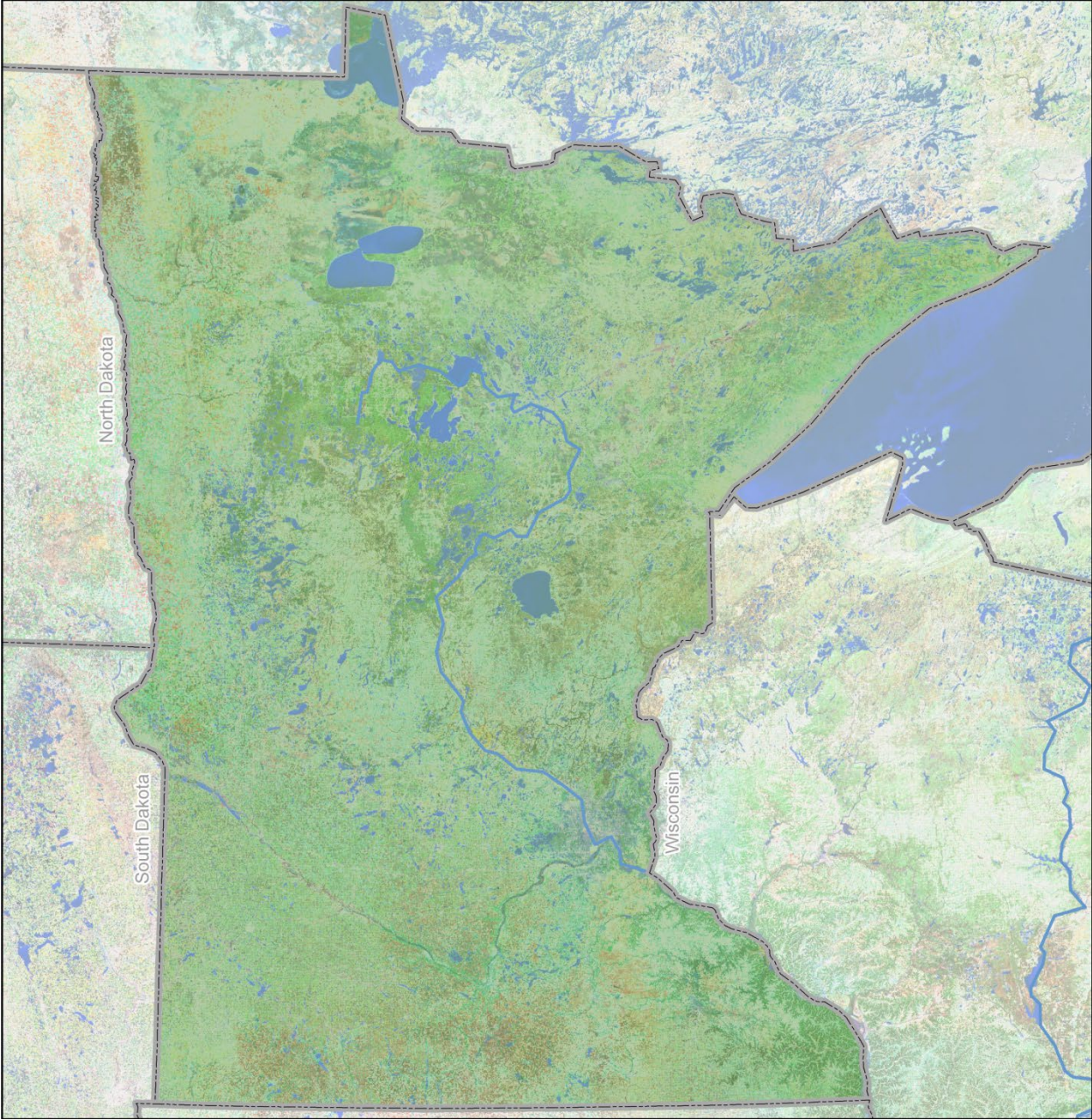


**MINNESOTA ANNUAL ACTION PLAN
FOR HOUSING AND COMMUNITY DEVELOPMENT
FINAL – JUNE 2025**



Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The U.S. Department of Housing and Urban Development (HUD) requires consolidated planning, application, reporting, and citizen participation processes, together called the Consolidated Plan, for the following formula grant programs: Community Development Block Grants (CDBG), Home Investment Partnerships Program (HOME), National Housing Trust Fund (NHTF), Emergency Solutions Grants (ESG), and Housing Opportunities for Persons with AIDS (HOPWA). The Consolidated Plan is designed to be a collaborative process whereby a community establishes a unified vision for housing and community development actions. It offers communities the opportunity to shape these housing and community development programs into effective, coordinated housing and community development strategies. It also allows for strategic planning and citizen participation to occur in a comprehensive context, thereby reducing duplication of effort. Guided by the Consolidated Plan, an Annual Action Plan is created to detail the proposed funded activities that will assist housing and community development initiatives throughout the State. As the lead agency for the Consolidated Plan for the State of Minnesota, the Minnesota Department of Employment and Economic Development (DEED), in coordination with the Minnesota Housing Finance Agency (Minnesota Housing), and the Department of Human Services (DHS), hereby follows HUD's guidelines for citizen and community involvement. Furthermore, these agencies are responsible for overseeing these citizen participation requirements, those that accompany the Consolidated Plan and the CDBG, HOME, HOPWA, NHTF, and ESG programs, as well as those that complement the DEED planning processes already at work in the state.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The strategies of the programs administered by the DEED, Minnesota Housing, and DHS are to provide decent housing, a suitable living environment, and expanded economic opportunities for the state's low- and moderate-income residents. The agencies strive to accomplish these strategies by maximizing and effectively utilizing all available funding resources to conduct housing and community development activities that will serve the economically disadvantaged residents of the state. By addressing needs and

creating opportunities at the individual and local government levels, the agencies hope to improve the quality of life for all residents of the state. These strategies are further explained as follows:

- Providing decent housing requires helping homeless persons obtain appropriate housing and assisting those susceptible to homelessness, preserving the affordable housing stock, increasing availability of permanent housing that is affordable to low- and moderate-income persons and increasing the supply of supportive housing.
- Providing a suitable living environment entails improving the safety and livability of neighborhoods, increasing access to quality facilities and services, and reducing the isolation of income groups within an area through integration of low-income housing opportunities.
- Expanding economic opportunities involves creating jobs that are accessible to low- and moderate-income persons, making mortgage financing available for low- and moderate-income persons at reasonable rates, providing credit opportunities for development activities that promote long-term economic and social viability of the community, and empowering low-income persons to achieve economic stability.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The State's evaluation of its past performance has been completed in a thorough Consolidated Annual Performance and Evaluation Report (CAPER). This document states the objectives and outcomes identified in the first year of the State's 2022-2026 Consolidated Plan and includes an evaluation of past performance through measurable goals and objectives compared to actual performance. The past year Consolidated Plan and CAPER can be found on the Small Cities Development Program (<https://mn.gov/deed/government/financial-assistance/community-funding/small-cities.jsp>) and Minnesota Housing (<http://www.mnhousing.gov>) websites.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

As part of the consolidated planning process, the lead agency must consult with a wide variety of organizations in order to gain understanding of the housing and community development stage. This Annual Action Plan represents a collective effort from a broad array of entities in Minnesota including private, non-profit, and public organizations, non-entitled communities, county governments, Continuum of Care organizations, and various other state agencies. The public participation process included focus groups, outreach committees, and public input sessions.

The public was notified of the availability of the draft Annual Action Plan in the State Register and through our state social media outlets, event agency calendar and eNews listservs, including to organizations that work directly with underserved populations, limited or non-English speaking persons and persons with disabilities. For example, per our Citizen Participation Plan, we reached out to a wide network of councils and coalitions focusing on specific populations, including the Council on Asian Pacific Minnesotans, Central Cultural Chicano, CLUES, Council for Minnesotans of African Heritage, Minnesota Council on Latino Affairs, and the Upper Midwest American Indian Center. In addition, our eNews distribution includes an extensive network of providers for persons with disabilities through the Olmstead Implementation Office currently located at Minnesota Housing. Public comment narratives are included as attachments in Citizens Participation Comments. A draft Citizen Participation Plan is included in the 2025 draft Annual Action Plan for public feedback.

Two hybrid (in-person and virtual attendance) public hearings were proposed to provide information on proposed activities and to receive public comments.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

Citizen input received during the first public hearing and comments received during the second public hearing are listed in the 2025 Annual Action Plan Comments and Responses documents in the Unique Appendices.

6. Summary of comments or views not accepted and the reasons for not accepting them

Two (2) comments out of the four (4) comments received were not accepted. The first comment suggested abolishing the Generational First-time Homebuyer program. This program is not funded with the resources outlined in this Plan. The second comment proposed the development of a secured, gated co-housing area. The federal dollars represented in this Plan (CDBG, HOME, NHTF, HOPWA, and ESG) can only be used for the purposes and eligible uses explicitly laid out in federal regulation.

7. Summary

The 2025 Action Plan has the following goals. These goals will use HOME, ESG, HOPWA, NHTF and CDBG funds.

- Provide Decent Affordable Housing - DEED

Fund housing rehabilitation activities for low- to moderate-income homeowner and rental households through CDBG funds, DEED

- Enhance Affordable Housing Opportunities - Minnesota Housing

Fund housing activities for low-to-moderate income households, including the rehabilitation and new construction of rental housing using HOME and NHTF funds. In addition to the income priority, Minnesota Housing also prioritizes funding for populations with the highest housing needs. HOME and National Housing Trust Fund funding are permanent supportive housing for "High Priority Homeless" and people with disabilities. High Priority Homeless means (i) households experiencing long-term homeless; (ii) households at significant risk of experiencing long-term homelessness; or (iii) households prioritized for permanent supportive housing by the Coordinated Entry System adopted by the local continuums of care. For persons with disabilities, the limitation or preference will be limited to the population of families (including individuals) with a member whose disability significantly interferes with their ability to obtain and maintain housing. In accordance with the regulatory requirements of HOME and the NHTF, any limitation or preference will not violate nondiscrimination requirements.

- Promote Economic Development - DEED

Encourage robust economic growth through the development and retention of businesses and jobs in non-entitlement (i.e., cities and counties that do not receive funding directly from HUD) areas of the State.

- Facilitate Housing and Service for the Homeless - Minnesota Housing and Department of Human Services

Provide funds for service providers to meet the various housing and service needs of the homeless population in Minnesota.

- Provide Funds for Special Needs Housing and Services - Minnesota Housing

Continue to fund programs that provide housing and services to residents with higher needs, including those with HIV/AIDS.

- Address Public Facility Needs - DEED

Address community needs through improvements to public facilities and streetscape.

PR-05 Lead & Responsible Agencies - 91.300(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
Lead Agency	MINNESOTA	Department of Employment and Economic Development
CDBG Administrator	MINNESOTA	Department of Employment and Economic Development
HOPWA Administrator	MINNESOTA	Minnesota Housing Finance Agency
HOME Administrator	MINNESOTA	Minnesota Housing Finance Agency
ESG Administrator	MINNESOTA	Department of Human Services
HTF Administrator	MINNESOTA	Minnesota Housing Finance Agency

Table 1 – Responsible Agencies

Narrative

Three state agencies administer HUD Community Planning and Development (CPD) programs, Minnesota Department of Employment and Economic Development, Minnesota Department of Human Services, and the Minnesota Housing Finance Agency.

Consolidated Plan Public Contact Information

Minnesota Department of Employment and Economic Development (DEED) is the lead agency and primary point of public contact on the consolidated plan.

AP-10 Consultation - 91.110, 91.300(b); 91.315(l)

1. Introduction

As part of the consolidated planning process, the lead Agency, DEED, along with Minnesota Housing and DHS, consulted with a wide variety of organizations in order to gain understanding of housing and community development needs.

Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies

This plan, as part of the 2022-2026 Consolidated Plan, represents a collective effort from a broad array of entities in Minnesota, ranging from advocacy groups for people with disabilities to economic development organizations. Private, nonprofit, and public organizations, including mayors, county supervisors, county commissioners, county managers, planning and development district administrators, councils of government, persons interested in the CDBG program, persons interested in the HOME or NHTF programs, persons associated with Continuum of Care organizations, and the Minnesota Department of Health were contacted through email correspondence, telephone interviews, virtual meetings, and face-to-face interactions. These persons were solicited to discuss housing and community development needs in Minnesota, including the ranking of those needs and activities that DEED, Minnesota Housing, and DHS might consider to better address needs throughout the state. Further, individuals were asked to provide additional insight into prospective barriers and constraints regarding housing and community development needs in Minnesota.

The State facilitates meetings with agencies and interested parties to discuss existing community needs and to brainstorm funding options to assist communities, creating a roadmap for future projects, specific actions and timelines to achieve these goals.

DEED holds application and implementation training sessions for CDBG grantees including representative from regional development commissions, economic development authority, housing and development authority, consultants, for-profit organizations, community action agencies and units of general local government (UGLG). During these trainings, staff discusses allowable activities based upon the Consolidated and Annual Action Plan. Participants are encouraged to provide their ideas as DEED begins the planning process for the 2025 Annual Action Plan. Refer to the Unique Appendices.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

Representatives from the Minnesota Interagency Council on Homelessness (MICH) subcommittee on Continuum of Care Planning send representatives to all Continuum of Care regional meetings. As part of the DHS and Minnesota Housing's participation in the MICH, staff are working with CoCs around the state to implement the State's Strategic Plan to address homelessness which includes five goals or "results." These goals focus on Collaboration with impacted communities, homelessness prevention, robust crisis responses, housing options, and health and public health. Each of the goals has strategies and action items to ensure the plan is action oriented.

Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

DHS conducts a statewide Request for Proposals which includes ESG funding, and provides an opportunity for each CoC to evaluate, score and provide feedback to DHS staff on the projects requesting funding within their region. Representatives from the Minnesota Interagency Council on Homelessness (MICH) subcommittee on Continuum of Care Planning also send representatives to all Continuum of Care regional meetings. Since April 2020, regular state provider webinars (focused on funding and COVID-response) have included over a hundred participants, including CoC coordinators, homeless providers and persons with lived experience. A bi-monthly statewide Coordinating Call with a broader focus has also been occurring, with broader participation than in similar, pre-pandemic efforts. Development of HMIS policies and procedures, as well as oversight of HMIS operations and administration, is the shared responsibility of Minnesota state agencies, Continuum of Care regions, local governments, tribal governments, and community-based organizations. This shared responsibility is facilitated through the HMIS Governing Board, consisting of representatives of state government, CoC regions, HMIS end users, Minnesota Tribal Collaborative, and other interested parties, as well as numerous sub-committees which report to the Governing Board.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the state's consultations with housing, social service agencies and other entities

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	Minnesota Housing
	Agency/Group/Organization Type	Housing Other government - State
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs HOPWA Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The state recipient of HOME, NHTF, and HOPWA allocates other housing resources for a range of affordable housing activities, supportive housing through homeownership. The agency coordinates the HUD CPD resources with state funding programs and Low-Income Housing Tax Credits.
2	Agency/Group/Organization	USDA-Rural Development
	Agency/Group/Organization Type	Housing Other government - Federal
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Minnesota Housing routinely consults with the USDA Rural Development local office to evaluate rental rehabilitation deferred loan projects, as well as homeownership lending activities to identify and address lending gaps in rural areas. Additionally, DEED communicates with USDA Rural Development on public facility projects to potentially assist in addressing funding gaps for critical infrastructure activities. Minnesota Housing, in partnership with USDA RD, continues a special program set aside for the preservation of Section 515 properties in rural Minnesota, utilizing the Rental Rehabilitation Deferred loan program (a state funded program).

3	Agency/Group/Organization	Greater MN Housing Fund (GMHF)
	Agency/Group/Organization Type	Housing Regional organization Community Development Financial Institution
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Through regional forums, Minnesota Housing and DEED participate with USDA Rural Development and the Greater Minnesota Housing Fund in gathering community inputs on housing needs across the state, particularly in rural communities. Minnesota Housing partners with GMHF in particular to preserve naturally occurring affordable housing by coordinating with and participating in the NOAH fund.
4	Agency/Group/Organization	MN Community Action Association
	Agency/Group/Organization Type	Housing Services - Housing Services-Education Services-Employment Regional organization
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Throughout the year, the umbrella community action group as well as individual community action agencies to coordinate with CAP programs such as housing construction, rehabilitation and assistance, energy assistance, and financial literacy education. Regular consultations with CAP agencies help state agencies direct resources in ways that are consistent with other CAP programming.

5	Agency/Group/Organization	Minnesota Department of Corrections
	Agency/Group/Organization Type	Other government - State
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Staff have been meeting with representatives from the Department of Corrections since fall of 2018 to discuss incidents of discharge from correctional facilities that result in homelessness. The initial goal is to develop a shared understanding of the roles and responsibilities of state corrections staff and homeless service providers in regard to Individual's re-entry. The overall goal is to facilitate access to shelter for those who were homeless before entering a correctional facility, and those who have exhausted all other housing and support options.
6	Agency/Group/Organization	Minnesota Coalition for the Homeless
	Agency/Group/Organization Type	Housing Planning organization
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Regional Expert Network (REN) is a group sponsored by the Coalition for the Homeless to amplify the voices of persons with lived experience in homelessness policy making. The REN group met with DHS staff in April 2021 to discuss key issues around housing, shelter and economic opportunity facing the communities in which they live (across Minnesota). Specifically, DHS sought suggestions for how to target and prioritize ESG and other state homeless resources (distributed through our April 2021 RFP process) to best meet these emerging needs.
7	Agency/Group/Organization	State of Minnesota Department of Employment and Economic Development Office of Broadband Development
	Agency/Group/Organization Type	Other government - State
	What section of the Plan was addressed by Consultation?	Broadband
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Minnesota Office of Broadband Development (OBD) is the state agency dedicated to expanding broadband infrastructure throughout the state. DEED staff routinely meets with OBD staff to discuss actions and programs to provide broadband infrastructure. Programs include the Border-to-Border Broadband Development Program and Low-density Pilot Broadband Development Program which are designed to extend broadband infrastructure to unserved or underserved areas of the State; and the Line Extension Connection Program which is to fund the extension of existing broadband infrastructure to unserved areas such as rural properties. OBD is also implementing the federal Broadband Equity Access and Deployment (BEAD) infrastructure program. OBD lead the facilitation and completion of the statewide digital opportunity plan to connect people to people, people to information and people to resources.
8	Agency/Group/Organization	Minnesota Department of Public Safety
	Agency/Group/Organization Type	Other government - State

	What section of the Plan was addressed by Consultation?	Emergency management
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Minnesota Homeland Security and Emergency Management (HSEM) Division of the Department of Public Safety (DPS) comprises of team of experts to help communities recover from disaster. DEED staff meets with HSEM staff on an as needed basis to discuss any historic and potential impacts natural hazards have had on communities. Flooding is a common hazard with high wind events becoming more common. Impacts from natural hazards and disasters appear to be more frequent; however, mitigation efforts have assisted in limiting impacts from flooding. HSEM chairs a committee which meets with other State agencies to coordinate funding and programs to assist communities impacted by disaster events.
9	Agency/Group/Organization	Housing Justice Center
	Agency/Group/Organization Type	Housing Services - Housing Service-Fair Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Fair Housing
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Housing Justice Center (HJC) is an organization that addresses fair housing and civil rights and provides legal assistance to ensure housing stability and prevent homelessness. Like with other valued stakeholders, Minnesota Housing frequently meets and consults with HJC throughout the year both on federal matters, such as discussing their priorities for the use of federal funds, and state matters. Regular consultation allows for improved coordination on our shared priorities.

10	Agency/Group/Organization	Southern Minnesota Regional Legal Services
	Agency/Group/Organization Type	Housing Services - Housing Service-Fair Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Fair Housing
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Southern Minnesota Regional Legal Services (SMRLS) is a civil legal service organization that addresses fair housing, civil rights and landlord/tenant issues. Additionally, SMRLS focuses on the needs of Southern Minnesota with a specialization on the unique needs of rural Minnesota. Minnesota Housing frequently meets and consults with SMRLS throughout the year both on federal matters, such as discussing their priorities for the use of federal funds, and state matters--for example, SMRLS specializes in assisting agricultural workers throughout the State. Regular consultation allows for improved coordination on our shared priorities.
11	Agency/Group/Organization	Mid-Minnesota Legal Aid
	Agency/Group/Organization Type	Housing Services - Housing Service-Fair Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Fair Housing

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Mid-Minnesota Legal Aid (Legal Aid) is a civil legal services organization that addresses fair housing and civil rights and provides legal assistance to ensure housing stability and prevent homelessness. Minnesota Housing frequently meets and consults with Legal Aid throughout the year both on federal matters, such as discussing their priorities for the use of federal funds, -- and state matters--for example, providing technical assistance on state legislation that sought expanded funding opportunities for cooperatively owned multifamily housing. Regular consultation allows for improved coordination on our shared priorities.
12	Agency/Group/Organization	MN NAHRO
	Agency/Group/Organization Type	Housing PHA
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs

	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>Minnesota Chapter of National Association of Housing and Redevelopment Officials (NAHRO) members include 150 Agency Members and 50 other organizations. Its members own and operate more than 21,000 public housing units across the state. Minnesota Housing consults with NAHRO and individual PHAs around the state on a regular basis to discuss how to make Minnesota Housing's Publicly Owned Housing funds (POHP) more streamlined (See the AP 60 for more info on the POHP program). These meetings identified several improvements including prompting Minnesota Housing to create a more extensive guide for PHAs on how to apply for POHP. Our frequent consultations with PHAs and NAHRO also include providing technical assistance on a regular basis for PHAs who apply for and receive POHP funding. Finally, consultation with PHAs help to identify high priority critical physical needs as well as opportunities to address climate resiliency in public housing. Feedback from the PHAs is used to determine how to best target funding to meet PHA needs across the state. DEED sponsors the NAHRO conferences to highlight the importance of housing and economic development through outreach efforts of the Small Cities program.</p>
13	<p>Agency/Group/Organization</p>	<p>Youth Services Network</p>
	<p>Agency/Group/Organization Type</p>	<p>Services - Housing Services-Children Services-homeless Planning organization</p>
	<p>What section of the Plan was addressed by Consultation?</p>	<p>Homelessness Needs - Unaccompanied youth Homelessness Strategy</p>

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The group is a statewide coalition of youth-serving agencies that coordinated services and advocates with policy makers on behalf of unaccompanied youth and their providers. State Department of Human Services staff regularly consult with this group to inform homeless youth policy.
14	Agency/Group/Organization	Minnesota Department of Health
	Agency/Group/Organization Type	Health Agency Other government - State
	What section of the Plan was addressed by Consultation?	Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Staff from the Department of Human Services routinely meet and consult with the states Infectious Disease response team to assess current outbreaks in emergency shelter or congregate living settings, and to discuss mitigation strategies for shelter and housing settings funded through state shelter capital funds.
15	Agency/Group/Organization	Minnesota HMIS Governing Board
	Agency/Group/Organization Type	Planning organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy

	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>A member of the Department of Human Services Homelessness, Housing, and Support Services Administration serves as a co-chair of the state's HMIS Governing Board. The Board is comprised of both State funders, Continuum of Care representatives, and persons with lived experience. The Board sets policy and makes funding decisions for the State Homeless Management Information System (HMIS) and oversees the administration of the system by Minnesota's statewide HMIS administrator. This regular participation in HMIS Governance and strategy informs the allocation and uses of ESG funds, reporting and training needs related to outcomes and performance measures, and other key components of the Plan.</p>
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Identify any Agency Types not consulted and provide rationale for not consulting

There are no agency types that are purposely not consulted.

Describe other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Minnesota Interagency Council on Homelessness	Minnesota has a statewide plan to end homelessness which includes all CoCs in the state. This plan is coordinated by the MICH, in which staff from 11 state agencies participate. The MN Plan to End Homelessness encompasses all of the affordable housing and suitable living environment goals of the Strategic Plan. In addition, DHS and other state agency staff regularly attend local and regional CoC and FHPAP planning meetings to give and receive input to inform the Strategic Plan.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Olmstead Plan	Olmstead Implementation Office	The Olmstead Plan is a broad series of key activities our state must accomplish to ensure people with disabilities are living, learning, working, and enjoying life in the most integrated setting. The Plan will help achieve a better Minnesota for all Minnesotans, because it will help Minnesotans with disabilities have the opportunity, both now and in the future to live close to family and friends, live more independently, and participate in community life.
Affordable Housing Plan	Minnesota Housing	Minnesota Housing has a suite of planning documents that guide the Agency’s work. The four-year Strategic Plan is the overarching document and currently covers 2024 through 2027. The Strategic Plan has 14 strategic objectives, which includes focusing on the people and places most impacted by housing instability, increasing the development of new housing that is affordable, and addressing constraints to homeownership. The Affordable Housing Plan (AHP) is the next plan in the suite, serves as Agency’s business plan for implementing the Strategic Plan, covers a two-year period, outlines the resources the Agency expects to be made available over the two years, and outlines key policy, program and operational initiatives. The current 2024-2025 AHP covers the implementation of the first two years of the 2024-2027 Strategic Plan. The 2026-2027 Affordable Housing Plan will cover the second two years.
Analysis of Impediments to Fair Housing	Minnesota Housing	Minnesota adopted a new statewide Analysis of Impediments to fair housing in Fall of 2018, and reports on annual action plan progress in each CAPER.
Small Cities Grantees	DEED	DEED and MN Housing have partnered to co-fund rental preservation projects. Public Facility projects with the highest grant need were funded in partnership with USDA Rural Development, Minnesota Public Facility Authority, MN Dept. of Health, MN Pollution Control, and Department of Energy. DEED conducted eight training/informational sessions to grantees and potential non-entitlement applicants. DEED also encourages grantees and potential applicants to conduct more purposeful outreach to minority populations in their communities to potentially increase these populations in participating in the Small Cities Development Program.

Table 3 - Other local / regional / federal planning efforts

Narrative

DHS works closely with other ESG jurisdictions within the State to ensure consistency and coordination wherever possible. The State periodically meets with local units of government who are also administering ESG funding, providing a venue for close coordination and communication, as well as peer to peer technical assistance. Local jurisdictions also participate in the State's ESG funding review process, and DHS staff provided training to these jurisdictions on best practices in preparing for a HUD on-site monitoring.

During April & May 2021, DHS held special meetings consulting with all 10 CoC Review Committees regarding ESG and other homeless assistance programs distributed through the April 2021 DHS Combined Request for Proposals. These meetings included a range of CoC members, including coordinators, providers, community members and representatives, and persons with lived experience. Similarly, CoC Coordinators and their review committees participated in the review process for the 2023 DHS Combined Request for Proposals. DHS will continue this same process going forward.

Minnesota Housing consults regularly with the Minnesota chapter of the National Association of Housing and Redevelopment Authorities in planning and implementing the state Publicly Owned Housing Program for capital needs funding as described in AP-60.

AP-12 Participation - 91.115, 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting.

The Consolidated Planning process has been designed to enumerate Minnesota's overall strategy for coordinating federal and other housing and community development resources to provide decent housing, establish and maintain a suitable living environment, and expand economic opportunities, particularly for low- and moderate-income persons. Interested groups and individuals have also been encouraged to provide input into all aspects of Minnesota's Consolidated Planning activities, from assessing needs to setting priorities through performance evaluation. The public involvement process was initiated with the Citizen Participation Plan (CPP). The objectives of the CPP are to ensure that the citizens of Minnesota, particularly persons of low- and moderate-income, persons living in slum and blight areas, units of local government, housing agencies, and other interested parties, are provided with the opportunity to participate in the planning process and preparation of the Consolidated Plan, including amendments to the Consolidated Plan and the Annual Performance Report. The CPP is attached in admin tab.

The State has aimed to broaden public participation through numerous opportunities for citizens and other interested parties to contribute information, ideas, and opinions about ways to improve Minnesota's neighborhoods, promote housing affordability and enhance the delivery of public services to local residents. These efforts include a broad-based, statewide survey pertaining to Minnesota's housing and community development needs; discussions with agency and community representatives during focus group sessions to address rental, homeowner, and homeless needs; and regional forums held across the state to gather input from Minnesota citizens and interested parties. Other steps the State took to encourage widespread participation in the planning process included publishing notices in a variety of media formats, and direct solicitation of input from community members, program participants, and their interest groups. In general, since the pandemic the State has found that offering virtual options—through the utilization of Teams, WebEx, Zoom, etc.—for citizens to engage has greatly increased participation by citizens.

The State of Minnesota continues to be committed to keeping all interested groups and persons informed of each phase of the Consolidated Planning process and of activities proposed or undertaken under HUD formula grant programs. DEED, Minnesota Housing, and DHS published the draft Annual Action Plan for public review in a manner that afforded citizens, public agencies, and other interested parties a reasonable

opportunity to examine its contents and submit comments. The draft Plan included the amount of assistance the state agencies expect to receive and the activities that may be undertaken, including the estimated amount that will benefit persons of low- and moderate-income.

Refer to the Unique Appendices attachment for additional information.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Meeting	Non-targeted/broad community	The first hybrid public hearing was held on Wednesday, March 26, 2025. Seventeen (17) attendees - 14 virtual attendance and 3 in-person participated and provided comments.	Comments received cover topics such as HUD's many restrictions limits the ability to assist chronically homeless individuals with opportunities to expand ownership opportunities and broaden the allowable uses of CDBG for homeownership programs, affordable housing units in new development not fully addressing the need of individuals earning 30% of less of the area median income, and new approaches or innovative ways to share and communicate RFPs.	Comments received regarding programs not associated with CDBG, HOME, HOPWA, ESG or NHTF funding were not accepted as other programs must adhere to their program or funding requirements.	

2	Public Meeting	Non-targeted/broad community	The second hybrid public hearing took place on Wednesday, May 28, 2025. There were twelve (12) virtual attendees, none of whom provided comments. DEED received four (4) email comments, and two (2) residents were provided paper copies of the draft Annual Action Plan.	Comments received during the public comment period are documented in the Action Plan Comments and Responses, located in the Unique Appendices.	Comments that were not are outlined in Narrative Response Item six (6) of the Action Plan - 05 Executive Summary Section, as well as in the Comments and Responses document located in the Unique Appendices.
3	Public Meeting	Non-targeted/broad community	On September 16, 2024, DEED participated at the NAHRO 2024 Fall Conference as an outreach effort for cities and counties to learn about the Small Cities Development Program. There were approximately 40 attendees.	None	None
4	Public Meeting	Non-targeted/broad community	On October 9, October 22 and December 3, 2024, DEED hosted Environmental Review training sessions to non-profit and for-profit organizations as part of an outreach effort to inform audiences about the federal requirements of the Small Cities Development Program. There were approximately 25 attendees.	None	None
5	Public Meeting	Non-targeted/broad community	On November 13, 2024, and May 1, 2025, DEED presented along with USDA RD, PFA, MDH and MPCA at the Minnesota Rural Water Association event as part of an outreach effort to promote the Small Cities Development Program's Public Facility Infrastructure activity. There were approximately 100 attendees.	None	None
6	Public Meeting	Non-targeted/broad community	On August 20, August 21 and September 26, 2024, DEED conducted implementation workshops on the CDBG Small Cities Development Program. There were approximately 60 attendees.	Refer to the Unique Appendices	None

Table 4 – Citizen Participation Outreach

Annual Action Plan
2025

Expected Resources

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

The following section describes the annual allocation the State of Minnesota expects to receive over the next five years based on the allocation

amounts for program years 2022-2026.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	19,090,913.00	0.00	6,660,686.71	25,751,599.71	18,939,470.00	Minnesota Department of Employment and Economic Development (DEED)

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	8,351,317.32	2,368,855.32	0.00	10,720,172.64	11,525,605.68	Minnesota Housing (MH) (acquisition, multifamily rental new construction and rehab only)

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	453,450.00	0.00	0.00	453,450.00	189,855.00	Minnesota Housing (MH) (Housing Opportunities for Persons With AIDS: Short Term Rental, Mortgage, Utility Assistance only)

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	2,260,283.00	0.00	0.00	2,260,283.00	4,381,656	Minnesota Department of Human Services (DHS)

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	3,134,373.20	0.00	0.00	3,134,373.20	14,715,205.80	Minnesota Housing (MH) (acquisition, multifamily rental new construction and rehab only)

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The CDBG match will be a mix of private, local, and state resources such as loans from local banks, weatherization funds, Minnesota Housing rehabilitation loans. United States Department of Agriculture Rural Development (USDA RD), Public Facilities Authority (PFA), Minnesota Department of Health (MDH), CDBG-Economic Development match is through local initiatives, local banks, owner equity. DEED’s CDBG prior year resources include the 15% set-aside for the federal Minnesota Investment Fund program from the previous allocation, which is roughly \$2.7 million. The additional funds include reverted grant funds from other small cities grant awards. Larger rehabilitation and construction projects will leverage state/local funding and other federal funds. Smaller project may also leverage other sources such as private, state/local and potentially federal funds. Grantees will retain documentation to show other funding sources have been expended on the project and will be

reported annually.

The HOME match requirement is met through tenant-based rental assistance from Minnesota Housing's Bridges program, which provides a rent subsidy for up to five years to persons with mental illness until they can obtain a permanent rent subsidy; and the State Housing Trust Fund program which also provides rental assistance targeted to individuals and families at-risk of homelessness.

The ESG match requirements are met a variety of ways, depending on the level of state resources available to the Department of Human Services in a particular biennial funding cycle. DHS expects that for FFY2025 and the remainder of the plan, sufficient state appropriations (under the Emergency Services Program) will be available, allowing DHS to provide a state-level match for the entire annual ESG allocation. To ensure compliance with the ESG match requirement, DHS has notified all ESP grantees in the current biennium (whose awards are being used as state-level ESG match) of the prohibition on using those funds to match other federal awards, and of DHS intent to administer these state matching funds in the ways required by ESG regulation.

Minnesota Housing's HOME and NHTF programs leverage other agency, state funded, and low-income housing tax credit investment. Minnesota Housing has an annual Consolidated RFP (Request for Proposal) process which is the agency's largest competitive funding round. It is the primary mechanism that the agency uses to award and allocate federal and state resources to develop and preserve rental homes that are affordable throughout the state of Minnesota. The Consolidated RFP provides a "one stop shop" by consolidating and coordinating multiple housing resources into one multifamily application process. Applicants request funding for a specific housing development and/or activities that meet a specific housing need and generally do not apply for specific programs. The Consolidated RFP deploys significant capital funds and includes federal (including low-income housing tax credits, HOME and NHTF) resources and state appropriated development programs. Minnesota Housing also often has deferred loan and project-based voucher resources available from our Public Funding partners. One of the key benefits of the Consolidated RFP is a consistent application and funding cycle that allows adequate planning time at the community level as well as a streamlined application review process. Minnesota Housing is able to review all applications at once and compare scoring, feasibility and other review considerations across all submittals in order to maximize the number of projects that get funded each year throughout the state.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan:

The State will not use state-owned land to address the needs identified in the plan, though CDBG recipients may use locally owned land.

Discussion

Annual Goals and Objectives

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Address Housing Rehabilitation Needs - DEED	2022	2026	Affordable Housing		Retain Decent Housing for LMI Renters/Owners	CDBG: \$6,851,446.00	Rental units rehabilitated: 64 Household Housing Unit Homeowner Housing Rehabilitated: 207 Household Housing Unit
2	Increase Affordable Housing Opportunities-MH	2022	2026	Affordable Housing		Unit Production for LMI Renter Households	HOME: 10,720,172.64 HTF: 3,134,373.20	Rental units constructed: 90 Household Housing Unit Rental units rehabilitated: 25 Household Housing Unit
3	Support Economic Development and Workforce Needs	2022	2026	Non-Housing Community Development		Economic Opportunities	CDBG: \$1,920,000.00	Facade treatment/business building rehabilitation: 38 Business Jobs created/retained: 0 Jobs Businesses assisted: 0 Businesses Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Facilitate Housing and Service for the Homeless	2022	2026	Homeless		Homelessness	ESG: \$2,235,077.00	Tenant-based rental assistance / Rapid Rehousing: 150 Households Assisted Homeless Person Overnight Shelter: 3750 Persons Assisted Homelessness Prevention: 70 Persons Assisted
5	Provide Funds for Special-Needs Housing & Services	2022	2026	Non-Homeless Special Needs		Community Services for Vulnerable People	HOPWA: \$453,450.00	Homelessness Prevention: 190 Persons Assisted
6	Improve Public Facilities & Infrastructure DEED	2022	2026	Non-Housing Community Development		Public Facilities and Infrastructure	CDBG: \$13,138,769.90	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 9397 Persons Assisted Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 16046 Households Assisted

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Address Housing Rehabilitation Needs - DEED
	Goal Description	Provide funding for housing rehabilitation activities for low- to moderate-income homeowner and rental households through CDBG funds, totaling an estimated \$6,851,446. The CDBG funding breakdown includes an estimated HUD allocation of \$19,090,913, additional funds from prior years totaling \$6,660,686.71, bringing the total to \$25,751,599.71.
2	Goal Name	Increase Affordable Housing Opportunities-MH
	Goal Description	Fund housing activities for low-to-moderate income rental households, including renovation and new construction, and operating subsidy. The total amount allocated from HUD for HOME is \$8,351,317.32 with an additional \$2,368,855.32 to be added in program income from the prior fiscal year, for a total of \$10,720,172.64. The total amount allocated for HTF \$3,134,373.20. For this goal, total resources amount to \$13,854,545.84.
3	Goal Name	Support Economic Development and Workforce Needs
	Goal Description	Encourage robust economic growth through commercial building rehabilitation activities, the development and retention of businesses and jobs through CDBG funds totaling an estimated \$1,920,000. The CDBG funding breakdown includes an estimated HUD allocation of \$19,090,913, additional funds from prior years totaling \$6,660,686.71, bringing the total to \$25,751,599.71.
4	Goal Name	Facilitate Housing and Service for the Homeless
	Goal Description	Provide funds for service providers to meet the various housing and service needs of the homeless population in Minnesota.
5	Goal Name	Provide Funds for Special-Needs Housing & Services
	Goal Description	Continue to fund programs that provide housing and services to special needs populations, including those with HIV/AIDS.

6	Goal Name	Improve Public Facilities & Infrastructure DEED
	Goal Description	Address community needs through improvements to public facilities and infrastructure through CDBG funds, totaling an estimated \$13,138,769.90. The CDBG funding breakdown includes an estimated HUD allocation of \$19,090,913, additional funds from prior years totaling \$6,660,686.71, bringing the total to \$25,751,599.71.

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME91.215(b)

Through the HOME and NHTF programs, an estimated 115 housing opportunities will be made available to extremely low-income, low-income, and moderate-income families. NHTF assisted units are required to serve extremely low-income households (30% AMI and below). HOME assisted units are required to be occupied by households with low incomes (80% AMI), but for projects with more than four HOME units (as typical for rental projects funded through Minnesota Housing), the requirement is for at least 20% of HOME units to be occupied by households with incomes at 50% AMI or lower.

Over the past several years, Minnesota Housing has been receiving more applications for new construction projects compared to rehabilitation projects. Accordingly, Minnesota Housing’s use of HOME and NHTF funds has shifted from smaller per-unit investment amounts to larger per-unit investment amounts in a smaller number of mostly new construction projects. Because of the larger number of applications for new construction projects Minnesota Housing has been able to focus its HOME and NHTF funds in new construction projects that have larger financing gaps that otherwise would not have moved forward. While this has allowed Minnesota Housing to complete these projects, it has also directly impacted the number of units that have been assisted with HOME and NHTF funds.

AP-25 Allocation Priorities – 91.320(d)

Introduction:

The following section describes the allocation priorities for FY 2025.

Funding Allocation Priorities

	Address Housing Rehabilitation Needs - DEED (%)	Increase Affordable Housing Opportunities-MH (%)	Support Economic Development and Workforce Needs (%)	Facilitate Housing and Service for the Homeless (%)	Provide Funds for Special-Needs Housing & Services (%)	Improve Public Facilities & Infrastructure DEED (%)	Total (%)
CDBG	31	0	9	0	0	60	100
HOME	0	100	0	0	0	0	100
HOPWA	0	0	0	0	100	0	100
ESG	0	0	0	100	0	0	100
HTF	0	100	0	0	0	0	100

Table 7 – Funding Allocation Priorities

Reason for Allocation Priorities

Percentages include administration costs. Allocation priorities are based on needs in market study, needs assessment, State directive, and public input.

CDBG: CDBG spending will be split between addressing housing rehabilitation needs, economic development and public facilities and infrastructure improvements. These spending priorities have been established through the planning process of where the most need is, as well as the capacity to make an impact on those in need in the State of Minnesota. The amount spent on each category is determined both by current application received, past performance and the current ability to meet housing and community development needs in the State. Funds allocated to addressing housing rehabilitation will benefit low- to moderate-income household while improving public facilities and infrastructure will benefit project areas that are predominately low- to moderate-income. Economic Development funds will be utilized to support the Minnesota Investment Fund Program by providing gap financing to businesses creating jobs that benefit low- to moderate-income

workers as well as rehabilitation of commercial buildings in small cities' downtowns and commercial areas.

HOPWA: Federal regulations dictate both the geography in which HOPWA funds may be used and the beneficiaries. Because only 15% of persons living with HIV/AIDS live in counties outside the seven-county Twin Cities metropolitan area and most are already housed, preventing homelessness is a more cost-effective approach than housing development or tenant-based rent assistance.

NHTF: National Housing Trust Funds will be directed towards efforts to enhance affordable housing opportunities through new construction and rehabilitation.

HOME: Many federally assisted and naturally affordable housing developments need rehabilitation to preserve their federal rent subsidy or affordability of their units. There is also a growing need for new affordable rental housing. All of the HOME funds will be directed toward enhancing the affordable housing opportunities for low to moderate income households throughout the State.

ESG: The total funds for ESG will be spent on services and housing, including rapid rehousing, homelessness prevention, and emergency shelter, for homeless households and households at-risk of homelessness in the State.

How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?

For CDBG, the distribution of funds addresses the high needs of low to moderate income households, economic opportunities, and public facilities and infrastructure improvements that can be addressed within the CDBG regulations. These needs impact small or rural cities and counties throughout the State which the loss of one may destabilize a community.

For HOME and NHTF, the Consolidated Plan ranks low to moderate income households as a high need. There is a high need for rental rehabilitation. Funds will be targeted to projects that will serve low to moderate income households in the State.

Minnesota uses its HOPWA resources to maintain persons with HIV/AIDS in their current housing by providing emergency assistance because that is the most pressing need identified for this population.

As outlined in the Consolidated Plan, ESG funds will be used to meet the priority needs of providing emergency shelter, prevention, and rapid re-

housing to persons at-risk of, and experiencing, homelessness.

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction:

Formula grant funds from the CDBG, HOME, NHTF, HOPWA, and ESG programs may be directed to their highest and best use and anticipated to be successful first, within each set of program guidelines, given the funding of all housing and community development programs throughout Minnesota. Distribution of funds are based allocations provided by HUD. If additional funding is received that exceeds the amount originally provided by HUD, additional funding will be awarded using the Distribution Method noted below or retained to be utilized in the next program year.

Still, the housing and community development needs statewide far exceed the available resources to address them. Therefore, it is necessary to consider needs by type of activity and geography in order to ensure the greatest impact with limited resources. Diversity across the state means that different areas have different housing and community development needs that are best addressed through different types of investment activities. Such activities are guided by selected ranking criteria. Minnesota's experience with these programs shows that these resources are indeed distributed throughout the state. The entire state will be served by HOME, NHTF and ESG funds, and non-entitlement areas will be served by CDBG and HOPWA funds.

Distribution Methods

Table 8 - Distribution Methods by State Program

1	State Program Name:	DEED: Small Cities Development Program and Economic Development
	Funding Sources:	CDBG

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>Of the amount available for awards, DEED intends to provide Small Cities Development Program (SCDP) funds in accordance with the following approximate allocations: 30 percent for Single Purpose Applications and 55 percent for Comprehensive Applications. The remaining 15 percent allocation is designated for DEED's federal economic development set-aside. If there is not a need from the unit administering federal economic set-aside funds, these funds will go towards SCDP projects, which would be approved by the Commissioner of DEED. Allocation percentages may be modified by the Commissioner of DEED if it is determined that there is a shortage of fundable applications in any category, as allowed in State Rules. DEED does not distribute funds based on specific geographic area. Applications are competitive in nature. Grant terms are typically 39 months but may longer depending on various factors including but not limited to timing of HUD release of funds and disasters affecting the project area.</p> <p>Method of Distribution calculation: The State subtracts from the annual CDBG Award the amount it sets aside for State Administration (\$100,000 + 3% of the CDBG Award (2% for Administration and 1% Administration for Technical Assistance which does not require a state match)) to determine the amount available for CDBG grants. The 1% Administration for Technical Assistance is to support state staff to provide technical assistance to grantees. This includes presenting at workshops on how to apply for and implement CDBG-funded activities and/or onsite technical assistance by state staff to grant recipients on improving some aspect of grant implementation. The State then allocates the amount available for CDBG grants to three categories based on State Rules. That is; 15% for Economic Development Set-Aside, 55% for SCDP Comprehensive Grants, and 30% for SCDP Single Purpose Grants. The Business Finance Unit administers the Economic Development Set-Aside Grant Program and the Community Finance Division administers the SCDP program.</p> <p>No more than 20% of a CDBG allocation can be spent towards general administration. This includes general administration funds expended by DEED along with funds awarded and expended by grantees.</p> <p>Lastly, SCDP funds reverted from grantees who did not spend their total awarded grants in the previous fiscal years would be added to the current year's available funding amount. Grantees</p>
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	<p>must bring forward any Program Income they have and spend it first before any new CDBG award funds will be released from DEED.</p> <p>Once DEED has determined the total CDBG allocation available to award to projects, DEED will allocate this total to the Comprehensive and Single Purpose grant budget based on the ratio of Comprehensive funds to Single Purpose funds which is 64.7% to 35.3%. Once DEED determines the grant awards for the year, the percentage of grants awarded for comprehensive projects will be calculated. If that percentage is less than 55%, DEED staff will seek approval from the DEED Commissioner for the lesser percentage. DEED allows a maximum of 15% of project costs to administer the grant payable to grantees.</p> <p>In the event of a disaster, the State of Minnesota reserves the right to use funds for any eligible CDBG activity to an eligible grantee. In addition, in the event a HUD Five-Year Consolidated Plan has not yet been approved by HUD, DEED may award funding to eligible activities with reverted fund and unallocated past funding. Awarded applicants who have Program Income must expend this funding before any new CDBG funds will be disbursed. The State reserves the right to determine what activities are appropriate uses of funds based on needs of the community.</p>
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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Projects are evaluated based on an assessment of need, impact and cost effectiveness of the applicant to complete the project in a timely manner.</p> <p>SCDP fund evaluation process: Up to 240 points will be awarded based on evaluation of the proposed project to serve low- and moderate-income persons in relation to housing, public facilities, alleviate slum and blight in commercial areas, and/or address urgent need activities. Up to 210 points will be awarded based on evaluation of need, impact, and capacity for the proposed project. Up to 30 points will be awarded based on an evaluation of State demographic information.</p> <p>Need: up to 90 points may be awarded for the following: benefit to low- to moderate-income (LMI) persons and project addresses either substandard conditions or pose a threat to the health or safety of the occupants; an inadequate supply of affordable housing for LMI persons; or other documented condition that gives evidence of the need for improvement or additional units to the housing stock serving LMI persons.</p> <p>Impact: up to 90 points may be awarded for the following: an evaluation of the extent to which the proposed project will eliminate housing deficiencies or improve public facilities services serving LMI persons and evaluation of administrative capacity to complete the activity in a timely manner. The application must include information documenting an applicant’s history in administering prior SCDP funds and/or other programs similar in nature, to determine whether the applicant can complete the proposed activity. Prior SCDP performance will be taken into consideration for future funding.</p> <p>Cost-Effectiveness: up to 30 points may be awarded for the following: an evaluation of the extent to which the proposed project will make cost-effective use of grant funds, including consideration with, and use of, funds from other public and private sources. per household benefit is reasonable; and project benefits existing, rather than future, population, unless growth is beyond applicant’s control.</p> <p>State Demographics: up to 30 points will be awarded based on: the number of poverty-persons and the percentage of persons residing in the area under the applicant’s jurisdiction. The per capita</p>
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	<p>assessed valuation of the area under the jurisdiction of the applicant, such that points are awarded in inverse relationship to the applicant’s per capita assessed valuation.</p> <p>Economic Development funds: Funds disbursed via the Minnesota Investment Fund (MIF) to support economic development activities are selected based upon potential job creation and retention, project financial viability and community need factors. In more detail, projects are scored based upon the proposed project’s ability to improve local economic stability, unemployment rate, median income ratios, projected job creation & retention, wage and tax base impact, financial feasibility, and public and private investment ratios.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Selection Criteria for the Minnesota Investment Fund is guided by Minnesota Statutes 116J.8731 which are available on the MN Office of the Revisor of Statutes web page. SCDP application information is available on the State of Minnesota Department of Employment and Economic Development’s Small Cities Development Program website (https://mn.gov/deed/government/financial-assistance/community-funding/small-cities.jsp).</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Not applicable.</p>

<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Not applicable.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>All funds must be used for economic development related activities undertaken by a Minnesota business. The State allocates the amount available for CDBG grants to three categories based on State Rules. 15% for Economic Development Set-Aside, 55% for SCDP Comprehensive Grants, and 30% for SCDP Single Purpose Grants. The Business Finance Unit administers the Economic Development Set-Aside Grant Program and the Community Finance Unit administers the Small Cities Development Program. No more than 20% of a CDBG allocation can be spent towards general administration. This includes general administration funds expended by DEED along with funds awarded and expended by grantees. The Commissioner of DEED has the authority to approve grants different from the above percentages. CDBG allocates a set of two rounds in funding. The first round of funding allocation is the use of reverted funds from past fiscal funding years with priorities for awarded public facility projects and owner-occupied/single-family projects. First round of funding allocation is released in early to mid-July. The second round of funding are new CDBG FY 2025 funding allocations that will be for all remaining awarded projects that are not in the round one funding pool. The release of the FY 2025 funding allocation is released once approval is received from HUD.</p>

	<p>Describe threshold factors and grant size limits.</p>	<p>SCDP funded Single Purpose Applications may only be awarded up to \$600,000. Single Purpose Applications are applications that are focus on one housing or community development activity (example: owner-occupied rehabilitation or public facility). Comprehensive Applications may be awarded up to \$1,400,000 with each activity not exceeding \$600,000. Comprehensive Applications are comprised of two different activities, one of which must be housing (example: owner-occupied housing and commercial building rehabilitation). The maximum MIF grant size is \$1,000,000 and is determined by financing need, project leverage capacity and number of jobs to be created or retained.</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>For SCDP projects, outcome measures will include number of assisted housing units, whether owner-occupied or rental, that are rehabilitated, number of commercial buildings rehabilitated in a designated slum/blight area, or number of residents, particularly LMI persons, who benefit from a new or no longer substandard public facility or infrastructure. For MIF project, the measurement will be based on the number of LMI jobs created or retained and private leverage achieved.</p>
<p>2</p>	<p>State Program Name:</p>	<p>Minnesota Emergency Solutions Grant Program</p>
	<p>Funding Sources:</p>	<p>ESG</p>
	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>Emergency Solutions Grant Program.</p>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Organization-wide Approaches (20 points)</p> <p>Including but not limited to:</p> <ul style="list-style-type: none"> • Participation in local and regional homeless response system • Experience providing services, or if new provider, preparation to provide services • Best practice approaches • Partnerships with local child welfare providers (<i>youth programs only</i>) <p>Emergency Shelter Program Services and Activities (20 points per activity. Applications with multiple activities scored separately.)</p> <ul style="list-style-type: none"> • Clear description of policies and procedures around eligibility, program access/admission, length of stay, involuntary discharge, etc. • Detailed information about Emergency Shelter model (Congregate Site, Host Home, Rotating Site, Hotel/Motel, and Emergency Apartments) • Description of services provided • Strategies for implementing low barrier shelter • Implementation of harm reduction approaches <p>Emergency Shelter Program Revenue and Budget (10 points, per activity)</p> <ul style="list-style-type: none"> • Cost effectiveness of program • Detailed information on revenue sources • Diverse and sustainable funding • Descriptive/complete budget narrative and reasonableness of budget <p>Scattered-Site Transitional Housing & Rapid Re-Housing Program Services and Activities (20 points per activity. Applications with multiple activities scored separately.)</p> <ul style="list-style-type: none"> • Detailed information about housing model • Clear description of policies and procedures around eligibility, program access/admission, length of stay, involuntary discharge, and rent/utility payments • Description of services provided
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	<ul style="list-style-type: none"> • Implementation of follow-up and after-care services • Clear plan to serve parents with their children, if applicable • Implementation of harm reduction approaches <p>Scattered-Site Transitional Housing & Rapid Re-Housing Program Revenue and Budget (10 points per activity.)</p> <ul style="list-style-type: none"> • Cost effectiveness of program • Detailed information on revenue sources • Diverse and sustainable funding • Descriptive/complete budget narrative and reasonableness of budget
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Announcement of the Request For Proposals for the ESG program are distributed to all Department of Human Services - HHSSA funded housing agencies, all Continuum of Care committees, all members of the Minnesota Interagency Council on Homelessness, and the Minnesota Coalition for the Homeless. The RFP will be posted on the Minnesota Department of Human Services website and published in the State Register.</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>FFY2025 ESG funds have been awarded through a competitive Request For Proposals. Eligible applicants included non-profit 501 (c) (3) organizations and local units of government. Many of the non-profits are community and/or faith based.</p> <p>For more detail, see "AP-30 ESG Methods of Distribution" attachment under AP-90 Attachments.</p>

<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Not Applicable.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>For FFY2025, the State of Minnesota will use the maximum amount of funding allowable for emergency shelter activities, which in FY2025 is 60 percent of the State's estimated allocation.</p> <p>The State of Minnesota and its sub-recipients will use the maximum allowed amount for ESG Administration. A portion of these funds are shared with sub-recipients to assist in administration of their ESG programs.</p> <p>Additional ESG funds above the allowable shelter and administration limits will be used exclusively for prevention and rapid re-housing activities.</p> <p>The State has historically used the maximum allowable amount of its ESG allocation to fund emergency shelter. However, the State will continue to monitor the levels of emergency shelter, homelessness prevention and rapid re-housing funds available to non-entitlement areas of the state in future plan years and adjust the allocation of funding among each category accordingly.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>The State of Minnesota does not have grant limits in awarding ESG funds. However, because DHS attempts to achieve statewide distribution with emergency shelter and re-housing funds, sizes of grant awards may be limited by available funds and the number of requests. There are no threshold factors for funding other than those identified in "AP-30 ESG Methods of Distribution" attachment under AP-90 Attachments, which is limited to the timely and complete submission of application materials by the deadline.</p>

<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>For the upcoming program year, we anticipate that 3,750 persons experiencing homelessness will receive adequate emergency shelter and that 220 persons who are either at-risk of, or currently experiencing homelessness, will be moved to permanent housing.</p> <p>By funding a continuum of activities with ESG, we address the needs of persons experiencing homelessness for both crisis and short or medium-term housing, including emergency shelter, prevention (re-housing those at-risk of homelessness) and rapid re-housing (for those already homeless by HUD's definition). We are the only State agency providing funding for emergency shelter activities, which meets a critical needs gap in rural parts of Minnesota.</p>
<p>3</p> <p>State Program Name:</p> <p>Funding Sources:</p> <p>Describe the state program addressed by the Method of Distribution.</p>	<p>Minnesota Housing National Housing Trust Fund (NHTF)</p> <p>HTF</p> <p>NHTF funds will be distributed directly to owner/developers of affordable housing via Minnesota Housing’s annual Multifamily Consolidated RFP. The Consolidated RFP is offered once per year and provides a means of “one stop shopping” by consolidating and coordinating multiple housing funding resources into one multifamily application process to maximize selections and efficiently allocate funds to the project with the best fit. Applicants request funding for a specific housing development proposal and generally do not apply for specific funding sources. The NHTF funds will be part of a deferred pool of resources, through Minnesota Housing, which are targeted to address specific and critical needs in rental housing markets, including but not limited to geographic priority areas: transit-oriented development, areas with strong job markets or job growth, areas that need more affordable housing, and tribal areas.</p> <p>Assistance will generally be in the form of a zero percent interest rate, 30-year deferred loan due and payable at the end of the term. Minnesota Housing provides the loans directly to the owners. Minnesota Housing retains the option to offer funds on a pipeline basis in the event qualified proposals are insufficient to use the entire NHTF grant.</p>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Applications must meet eligibility requirements and the project will be reviewed in accordance with the Multifamily RFP standards. Which can be found online here https://www.mnhousing.gov/rental-housing/housing-development-and-capital-programs/rfps/consolidated-rfp-htc.html</p> <p>The needs of very low-income renters, those with incomes below 50% of area median income (AMI), are a high priority for the State of Minnesota, with significant priority on extremely low-income renters (below 30% AMI). Applications will be evaluated in accordance with need and scoring criteria that emphasizes other State priorities. For the 2025 consolidated RFP, these strategic priorities include:</p> <ol style="list-style-type: none"> 1. Preservation of developments that contain existing federal assistance or other critical affordable units at risk of loss, 2. Address specific and critical rental housing needs, for example, serving the lowest income tenants, workforce housing, senior housing, housing for persons with disabilities, increasing opportunities for affordable housing in communities, and 3. Prevent and end homelessness, including through permanent supportive housing. <p>These priorities may change slightly from year to year. Minnesota Housing also gives priority in awarding funding to the proposals that best meet selection priorities in effect at the time of the RFP. These selection priorities are provided with each Consolidated RFP process, which can be found online.</p> <p>In general, NHTF projects should meet the categories listed below to be eligible for funding:</p> <ul style="list-style-type: none"> • Eligible Housing Types: <ul style="list-style-type: none"> ○ Permanent general occupancy rental housing ○ Senior housing ○ Permanent supportive housing • Eligible Projects:
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	<ul style="list-style-type: none"> ○ Have a minimum of four units ● Eligible Activities: <ul style="list-style-type: none"> ○ New Construction ○ Rehabilitation or preservation ○ Construction financing ○ Permanent financing ○ Operating assistance, if eligible for NHTF ● Funding and application review requirements include, but are not limited to: <ul style="list-style-type: none"> ○ Project feasibility ○ Financial and organizational capacity ○ Strategic priorities and selection criteria ○ Deferred loan funding priorities ○ Underwriting standards ○ Payment standards ○ Rent and income limits ○ Multifamily design standards ○ Site control ○ Prevailing wage ○ Tenant Selection Plan (TSP) guidelines ○ Prohibited tenant preference policy ○ Tenant relocation <p>Eligibility criteria are discussed at greater length in the NHTF Program Guide in the appendix.</p> <p>While rehabilitation is a priority for Minnesota Housing, most funds allocated will likely be used for rental new construction, depending on the types of applications received in response to the consolidated RFP, scoring, funding sources available, and the relative need for new construction or preservation.</p>
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<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Not Applicable.</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Not Applicable.</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Not applicable.</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>Minnesota Housing will allocate 10% of its grant to program planning and administration costs; up to one-third for operating cost assistance or funding operating cost assistance reserves; the balance of the grant will provide capital funding for new construction or rehabilitation of NHTF units.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Rental applications under the Consolidated RFP must meet the requirements specified in the Multifamily RFP Standards. Recent requirements were that the project had to meet the factors of project feasibility, and the applicant had to meet the factors of organizational capacity. Application processes and eligibility criteria for the 2025 Consolidated RFP and subsequent RFPs may be found at MHFA's website www.mnhousing.gov.</p> <p>There are no limits on assistance amounts other than those established in regulations. Amounts of assistance are sized to specific project needs.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Number of rental units rehabilitated and preserved or constructed or provided operating assistance.</p>

4	State Program Name:	Minnesota Housing-HOME
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	<p>Like NHTF, HOME funds will be distributed directly to owner/developers of affordable housing via Minnesota Housing’s annual Multifamily Consolidated RFP. HOME funds will be part of a deferred pool of resources through the Multifamily Consolidated RFP, which is offered once per year and provides a means of "one stop shopping" by consolidating and coordinating multiple housing funding resources into one multifamily application process to maximize selections and efficiently allocate funds to the project with the best fit. Applicants request funding for a specific housing development proposal and generally do not apply for specific funding sources.</p> <p>Assistance will generally be in the form of a zero percent interest rate, 30-year deferred loan due and payable at the end of the term. Minnesota Housing provides the loans directly to the owners.</p>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Applications must meet eligibility requirements and the project will be reviewed in accordance with the Multifamily RFP standards. Which can be found online here https://www.mnhousing.gov/rental-housing/housing-development-and-capital-programs/rfps/consolidated-rfp-htc.html</p> <p>The needs of very low-income renters, those with incomes below 50% of area median income (AMI), are a high priority for the State of Minnesota, with significant priority on extremely low-income renters (below 30% AMI). Applications will be evaluated in accordance with need and scoring criteria that emphasizes other State priorities. For the 2024 consolidated RFP, these strategic priorities include:</p> <ol style="list-style-type: none"> 1. Preservation of developments that contain existing federal assistance or other critical affordable units at risk of loss, 2. Address specific and critical rental housing needs, for example, serving the lowest income tenants, workforce housing, senior housing, housing for persons with disabilities, increasing opportunities for affordable housing in communities, and 3. Prevent and end homelessness, including through permanent supportive housing. <p>These priorities may change slightly from year to year. Minnesota Housing also gives priority in awarding funding to the proposals that best meet selection priorities in effect at the time of the RFP. These selection priorities are provided with each Consolidated RFP process. In general, HOME projects meet the categories listed below to be eligible for funding:</p> <ul style="list-style-type: none"> • Eligible Housing Types: <ul style="list-style-type: none"> ○ Permanent general occupancy rental housing ○ Senior housing ○ Permanent supportive housing • Eligible Projects: <ul style="list-style-type: none"> ○ Have a minimum of four units
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	<ul style="list-style-type: none"> • Eligible Activities: <ul style="list-style-type: none"> ○ New Construction ○ Rehabilitation or preservation ○ Construction financing ○ Permanent financing • Funding and application review requirements include, but are not limited to: <ul style="list-style-type: none"> ○ Project feasibility ○ Financial and organizational capacity ○ Strategic priorities and selection criteria ○ Deferred loan funding priorities ○ Underwriting standards ○ Payment standards ○ Rent and income limits ○ Multifamily design standards ○ Site control ○ Prevailing wage ○ Tenant Selection Plan (TSP) guidelines ○ Prohibited tenant preference policy ○ Tenant relocation <p>Eligibility criteria are discussed at greater length in the HOME Program Guide in the appendix.</p> <p>Consistent with Affirmative Fair Housing Marketing regulations, Minnesota Housing requires that each housing provider carry out an affirmative marketing program to attract prospective buyers or</p>
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	<p>tenants in the housing market area that are least likely to apply to the project, including persons with disabilities and households of color.</p> <p>While rehabilitation is a priority for Minnesota Housing, most funds allocated will likely be used for rental new construction, depending on the types of applications received in response to the consolidated RFP, scoring, funding sources available, and the relative need for new construction or preservation.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Not Applicable.</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Not Applicable.</p>

<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Not Applicable.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>Ninety percent of the program funds will be directed towards programs. Up to 10 percent will be used for administration.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>There are no limits on assistance amounts other than those established in HOME regulations. The amount of assistance is sized to meet project needs.</p> <p>Rental applications under the Multifamily Consolidated RFP must meet the requirements specified in the Multifamily RFP Standards. Recent requirements were that the project had to meet factors of project feasibility, and the applicant had to meet factors of organizational capacity. Application processes and eligibility criteria for the 2024 Consolidated RFP and other RFPs may be found at MHFA's website www.mnhousing.gov.</p>

	What are the outcome measures expected as a result of the method of distribution?	Number of rental units rehabilitated and preserved or constructed.
5	State Program Name:	Minnesota Housing-HOPWA
	Funding Sources:	HOPWA
	Describe the state program addressed by the Method of Distribution.	Minnesota Housing issued a Request for Proposals (RFP) in October 2023. Of the five applications received, two applicants - Rainbow Health Minnesota and Clare Housing - were selected for funding and have begun implementing programs that serve low-income households (at or below 80% of area median income) who are living with HIV/AIDS outside of the 15-county Eligible Metropolitan Statistical Area (EMSA) as of March 2024. One of those sponsors has since dissolved, and funding was rolled over to Clare Housing. Minnesota Housing is currently still under contract with Clare Housing.

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Minnesota Housing will allocate resources to the existing grantee and/or additional grantees that can provide emergency assistance for short-term rent, mortgage and utility payments (STRMU) and collaborates with diverse community partners.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Not Applicable.</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Not Applicable.</p>

<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>After engaging with community partners as well as the Minnesota HIV Housing Coalition and other HIV/AIDS program funders, the funds were made available through an RFP process for application to all eligible sponsors, including eligible grassroots faith-based and other community-based organizations. Eligible applicants were evaluated on the financial capacity along with the project design and program processes. Special emphasis was placed on identifying potential constraints in the proposed geographic areas and showcasing knowledge and experience in providing HOPWA assistance through collaborative models with other health and housing providers, focusing on achieving long-term and holistic outcomes.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>There is only one funding category and all resources are allocated to it.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Ninety-seven percent of the program funds will be directed towards programs. Minnesota Housing will retain 3% for the administration of the program.</p>

What are the outcome measures expected as a result of the method of distribution?	Assisted households remain in their homes.
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Discussion:

Minnesota Housing issued a competitive HOPWA RFP on October 30, 2023, with applications due on December 4, 2023. As a result, Clare Housing and Rainbow Health Minnesota were selected as Project Sponsors to provide emergency assistance for short-term rent, mortgage, and utility payments (STRMU). These Project Sponsors began their contract periods in March 2024. In July of 2024, Rainbow Health Minnesota ceased operations. Funds were rolled over to Clare Housing to continue to provide STRMU through the 2025 program year. Low-income individuals and families living with HIV/AIDS in Greater Minnesota, who are at or below 80% of the area median income, will be eligible to receive HOPWA assistance through this program.

AP-35 Projects – (Optional)

Introduction:

As allowable in State Consolidated Plan, projects will be entered after the submission of the 2025 Annual Action Plan.

#	Project Name
	No Projects have been added to this Annual Action Plan

Table 9 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

The allocation priorities outlined in this Annual Action Plan are guided by the Strategic Plan (SP-45), stakeholder engagement, needs assessments, and analysis of community development indicators across the state. Priority was given to activities that address:

- Housing Rehabilitation Needs
- Affordable Housing Opportunities
- Economic Development and Workforce Needs
- Facilitate Housing and Service for the Homeless
- Special Needs Housing & Services
- Improvement of Public Facilities & Infrastructure

The distribution of funds aligns with the Method of Distribution (MOD) by directing resources to local governments and other eligible applicants through competitive and/or formula-based applications, ensuring alignment with the state's strategic goals. This funding strategy ensures that the highest-need areas, communities and populations experiencing housing instability or limited access to public infrastructure, receive critical support.

Obstacles to Addressing Underserved Needs:

Despite strategic prioritization, several obstacles persist, including:

- Limited local capacity to apply for and manage CDBG funding in smaller jurisdictions
- Insufficient matching funds or leverage in high-need areas
- Rising construction and rehabilitation costs due to inflation, supply chain issues and domestic preference requirements
- Limited availability of affordable housing units, especially for extremely low-income households

To address these challenges, the state continues to provide technical assistance to applicants, streamline application processes, and explore partnerships to expand impact.

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?

No

Available Grant Amounts

Not applicable

Acceptance process of applications

Not applicable

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

No

State’s Process and Criteria for approving local government revitalization strategies

Not applicable

AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

Funds are available statewide to eligible entities as allowed by each program.

Geographic Distribution

Target Area	Percentage of Funds
Non-entitlement	100%
Statewide	100%

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

CDBG funds are available to units of local government that are within non-entitlement areas. Statewide - 100% and Non-Entitlement - 100%. HOME and NHTF funds are available statewide. HOPWA funds are available to eligible applicants living outside of the 15-county Eligible Metropolitan Statistical Area.

For ESG Shelter funding, the application is open to all areas of the state, but priority is given to applications from the balance of state areas (non-ESG entitlement areas). Within ESG entitlement areas, priority is given to those jurisdictions which have chosen to use their ESG resources for emergency shelter but still demonstrate significant unmet need. For funding allocated to the ESG Prevention and Rapid Re-Housing activities, funds will only be awarded to applications from non-ESG entitlement areas of the state.

Discussion

Affordable Housing

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction:

The term affordable housing that is used in 24 CFR 92.252 and 92.254 includes several elements that are not requirements of ESG, HOPWA and CDBG. Therefore, the only units that receive federal assistance that can be assured of meeting the standard of "affordable housing" and are described here are HOME and NHTF units.

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	115
Special-Needs	0
Total	115

Table 11 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	90
Rehab of Existing Units	25
Acquisition of Existing Units	0
Total	115

Table 12 - One Year Goals for Affordable Housing by Support Type

Discussion:

With HOME and NHTF combined, it is estimated that the state will support development or rehabilitation of a total 115 units of housing with FY 25 resources.

AP-60 Public Housing - 24 CFR 91.320(j)

Introduction:

The State does not own or manage public housing.

Actions planned during the next year to address the needs to public housing

The Publicly Owned Housing Program (POHP) is a competitive funding program that has historically used the proceeds of General Obligation Bonds (GO) to provide financing to public housing authorities and agencies (PHAs). PHAs use these loans to rehabilitate and preserve public housing in the state. During the 2023 Legislative Session, the State Legislature approved approximately \$41 million in general obligations bond proceeds, \$40 million in general fund appropriations for public housing rehabilitation and \$5 million specifically for Minneapolis PHA. In the first round of funding, Minnesota Housing received 42 applications from 27 PHAs requesting more than \$92 million impacting over 3,250 units. Selections included 18 proposals for 1,641 units and \$39.5 million. The second round of funding will close to applications on April 10. The agency received 58 initial responses, requests resources for over \$100 million in critical repairs. POHP funds are prioritized to address health and life safety issues and critical needs.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

The State does not own or manage public housing and, therefore, has no opportunities to access public housing tenants and has no actions planned.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

While the state does not operate any public housing authority, it does offer resources that may benefit troubled public housing authorities. The Publicly Owned Housing Program (POHP) is a state competitive funding program that uses the proceeds of General Obligation Bonds (GO) to provide financing to public housing authorities and agencies (PHAs). PHAs use these loans to rehabilitate and preserve public housing in the state. Troubled and other PHAs are invited to participate in the "Working Together" conference to receive training on topics relevant to their operations.

Discussion:

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Introduction

During FFY2025, the State of Minnesota plans on using ESG funds to address homeless needs throughout the State to help combat the rate of homelessness in the State. These efforts are coordinated through the Continuum of Care and strives to reduce the amount of homelessness in the State.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs:

The State of Minnesota provides funding to several street outreach, emergency shelters, and transitional housing programs across the state with the state and federal funding that has been made available to it. Some of these programs provide outreach to the unsheltered homeless population but many barriers to effective unsheltered outreach remain. These barriers include but are not limited to: the largely hidden nature of unsheltered homelessness outside of urban centers, large geographic distances and minimal staffing levels at providers, client mistrust of public systems or assistance, and daunting data collection recordkeeping. On-site community meals, support services, or community connect events can provide sources of contact with unsheltered persons and lead to additional services. The State of Minnesota continues to partner with regional Continuum of Care Committees to develop effective and low barrier Coordinated Entry systems in all areas of the state which can better serve as a focal point for assessing and prioritizing the individual needs of both unsheltered and sheltered persons.

Addressing the emergency shelter and transitional housing needs of homeless persons.

After many years of minimal state investment in emergency shelter, the 2021 Minnesota Legislature invested a record \$6.8M in on-going base funding. This investment reflected the growing recognition of the important safety net provided by Minnesota's emergency shelter providers and was used by providers to respond to the growing need for safe and secure shelter while strengthening the existing shelter infrastructure. On a given night, over 5,000 persons are staying in emergency shelters in Minnesota and almost 2,000 persons are staying in transitional housing. The goal for the 2025 year, if no new resources will become available, is to continue to support these capacities at current levels. While emergency shelter is not a stand-alone solution to homelessness, shelter facilities fill a critical safety gap for families in many communities. This is particularly true during harsh Minnesota winters and in communities where extremely low vacancies or difficult rental markets result in many families exhausting all informal housing options during long episodes waiting for permanent housing

In such communities, youth, and families in particular struggle to exit homelessness or emergency

shelter quickly as poor or minimal rental histories, high rents and rental deposits, low wages and other barriers make it difficult to obtain market-rate housing. Site-based transitional housing can provide an interim option for those unable to obtain their own lease (even with rapid-rehousing assistance), particularly in the growing number of Minnesota communities where private rental housing is increasingly unavailable for persons experiencing homelessness. For others, scattered-site transitional or rapid rehousing (funded with ESG and other sources) provides the rental assistance and supportive services that many individuals and families need to obtain and maintain private rental housing.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

Emergency Solutions Grant Program funds will be targeted to provide prevention and rehousing assistance and services to families, individuals, and youth, some of whom are veterans and some of whom are chronically homeless, to move these households from homelessness to housing. By targeting these funds to persons that currently reside in shelters (or who would be not for this assistance), the length of time these households are homeless will be reduced. With the provision of supportive services to the rapid rehousing participants, it is expected that permanent housing retention will be improved.

In addition to efforts with ESG funding, the State provides over \$10.2 million dollars per year in Family Homelessness Prevention and Assistance Program (FHPAP), a funding stream which is dedicated to moving homeless persons to stable housing and preventing persons who are at greatest risk from becoming homeless.

Similar efforts are well underway among state, county and nonprofit providers seeking to end veteran homelessness as part of the State's Heading Home plan, including maintaining a statewide veteran registry. These efforts have shown results as the numbers of homeless veterans have decreased in recent years, and at least 9 of Minnesota 10 CoC regions have effectively ended veteran homeless (as of October 2024).

In Minnesota, the state's Medical Assistance program (federal Medicaid program) recently expanded to include a new Housing Stabilization benefit. This expanded Medicaid-eligible service is increasingly an important component of Minnesota's efforts to support people in moving to permanent housing and

independent living.

The purpose of these services is to:

- Support an individual's move into housing,
- Increase long-term stability in housing in the community, and
- Avoid future periods of homelessness or institutionalization.

Housing Stabilization Services are services that pay for staff that support people to find and maintain housing, it does not pay for the cost of housing. There are currently roughly 18,302 Minnesotans enrolled in Housing Stabilization Services.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

Discharge planning for persons residing in institutions initially occurs through the services provided by that institution, many of whom are legally required to provide discharge planning to residents leaving their facilities. In addition, the State's 10 Continuum of Care planning groups have developed Plans to End Homelessness which address coordination with discharge planning processes, including the development Coordinated Entry systems. As a result, local housing providers provide outreach and assessment to persons who may need supportive housing when leaving an institution. Unfortunately, many persons leaving these institutions are not initially eligible for HUD-funded programs administered through the Continuum of Care if they were not literally homeless upon entry and residing in the institution for 90 days or less. In these cases, discharge referrals are made to other types of supportive housing for which the household may qualify. At the Department of Human Services, the Bridging Benefits project continues to improve access to mainstream and public benefits for persons nearing discharge from the state's correctional system, a key component to reducing housing instability among those recently incarcerated in Minnesota. The Department of Corrections (DOC) published a "Homelessness Mitigation Plan 2022 Legislative Report." This plan was a collaborative effort, led by the DOC, that involved collaborative efforts with many groups ranging from other state agencies to people with lived experience of homelessness.

As noted earlier, in Minnesota the Family Homeless Prevention and Assistance Program (FHPAP) program is funded at over \$10.2 million and a significant amount is used for homelessness prevention activities. These funds are available in all 87 Minnesota counties. These resources, as well as the State's Homeless Youth Act funding all assist unaccompanied youth leaving foster care and young parents to

become stably housed and avoid homelessness.

Discussion

AP-70 HOPWA Goals – 91.320(k)(4)

One year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	190
Tenant-based rental assistance	0
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
Total	190

AP-75 Barriers to affordable housing – 91.320(i)

Introduction:

In the 2022 Housing and Community Development Survey, respondents were then asked if they knew of any barriers to the development or preservation of housing in their communities. Respondents most identified community opposition, or “not in my backyard” mentality, as a barrier to the development or preservation of housing. Cost was also a commonly perceived impediment as building materials, fuel, and services continue to become more expensive in the market, with the costs of land, materials, or labor ranking as the highest barriers to the development or preservation of housing. Those who provided additional narrative commentary in response to this question tended to highlight these same concerns, with many calling for outreach and education to address NIMBYism and a range of strategies designed to decrease the costs of providing affordable housing, including redevelopment, updates to zoning codes, and additional funding.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment:

Containing the cost of developing affordable housing is a critical issue in Minnesota. To address the growing need for affordable housing, Minnesota Housing must build and preserve as many affordable units as possible with limited resources. Costs of land, materials and labor are outside of what Minnesota Housing can control; however, cost containment is a goal at Minnesota Housing. Costs are evaluated for each project and overall costs of production are also monitored and evaluated over time. At the same time, Minnesota Housing balances cost containment objectives with other policy goals, such as long-term operating costs.

Here are some additional examples of how Minnesota Housing reduces other barriers through our process:

We reduce the barrier of local land use and development policies by prioritizing developments that use land efficiently and minimize the loss of agricultural land and green space,

We reduce barriers of zoning by prioritizing developments that address the needs of the underserved populations of households of color, single-headed households with minor children, and people with disabilities; developments that are in opportunity areas.

We reduce barriers of local application and permit processes by prioritizing developments for which costs are reduced or avoided by regulatory changes, incentives, or waivers by the local governing body, including fast-track permitting and approvals, flexibility in site development standards and zoning

requirements, and waiver of permit or impact fees.

Discussion:

In May 2023, Governor Walz signed the \$1.065 billion housing omnibus bill, the largest single investment in housing in state history. Other legislation brought the total investment in housing to over \$1.3 billion.

The housing bill is an increase of \$950 million from the Agency's base budget of \$115 million for 2022-2023. An estimated \$625 million is allocated to existing programs and \$440 million will go to over 15 new programs or activities. This budget responds to the range of housing needs felt by Minnesotans in all regions of the state.

The use of approved legislative funds fits into the following categories:

- Capital Resources (50%)
- Housing Stability (25%)
- Homeownership Assistance (20%)
- Other (5%)

Divisions and teams across the agency are working to deploy these resources.

The 2024 legislative session resulted in \$10 million in supplemental budget funding for housing in Minnesota, with some adjustments in appropriations from the prior year to meet emerging needs across the state. New dollars were primarily directed to the Family Homelessness Prevention and Assistance Program (FHPAP).

The Agency also received \$50 million in additional Housing Infrastructure Bond authority to fund construction and preservation of housing throughout the state.

Policy updates included:

- Simplifying program eligibility requirements
- Expanding program uses to include new energy efficiency and decarbonization uses
- Clarifying Tribal eligibility for funding
- Including cooperatively owned housing in eligibility for Housing Infrastructure funding

The Legislature created three working groups or task forces to study challenges facing the housing ecosystem: Simplifying Supportive Housing Resources, Long-Term Sustainability of Affordable Housing, and Common Interest Communities and Homeowners Association.

A full summary of the 2025 State Legislative Session can be found in the Appendix to this Plan.

AP-85 Other Actions – 91.320(j)

Introduction:

The following sections discuss other actions the state will undertake in FY 2025.

Actions planned to address obstacles to meeting underserved needs

The State has found that the largest obstacle in meeting underserved needs is a lack of funding. The State will continue to fund projects within its scope of funding to serve residents in need in Minnesota and will continue to seek other funding sources to address additional needs in the State.

Actions planned to foster and maintain affordable housing

Minnesota Housing will continue to give selection points in its RFPs to projects that include funding commitments from local units of government. However, Minnesota Housing does not require local consent.

The Low-Income Housing Tax Credit Program (LIHTC) and additional state deferred financing are available to owners and investors of affordable rental housing for low-income households to help finance development. Selection points are also awarded for projects for which development-specific assessments or infrastructure costs are donated or waived or that have been approved for reduced setbacks, reduced parking requirements, decreased road widths, flexibility in site development standards and zoning code and other requirements, preservation of affordable housing, water and sewer access charge reductions.

Actions planned to reduce lead-based paint hazards

Exposure to lead-based paint is one of the most significant environmental and public health threats posed to homeowners and renters. Housing units built before 1940 are most likely to contain lead-based paint or coatings. Units built between 1960 and 1978 have a lesser risk in comparison to homes built before 1960. Lead was banned for use in household paint in 1978. In some cases, older units may have few if any lead hazards depending on construction methods, past renovation work, and other factors (HUD grants). CDBG housing rehabilitation activities require conformance with the Lead Safe Housing Rule at 24 CFR 35.1330.

The Environmental Health Division of MDH oversees a comprehensive lead program that includes state-wide medical monitoring, health care, elevated blood investigations, compliance assistance, compliance assurance, and environmental remediation of identified lead hazards. The program is largely funded by federal dollars (HUD and EPA), with additional funding provided by the state's general fund. For more

information see: <https://www.health.state.mn.us/communities/environment/lead/index.html>

Actions planned to reduce the number of poverty-level families

In Minnesota, there is a statewide network of Community Action Agencies (CAAs) and Tribal governments with a common purpose: fighting poverty and its effects in Minnesota communities. The goals of these agencies are to better focus available local, state, private, and federal resources to assist low-income individuals and families to acquire useful skills and knowledge, gain access to new opportunities, and achieve economic self-sufficiency. Each agency assesses needs, establishes priorities, determines strategies to respond to local poverty issues, and delivers a broad range of services and activities to strengthen self-reliance.

The specific programs delivered by the CAAs and tribal governments include:

- Energy Assistance: Provides financial assistance toward energy bills for low-income households;
- Weatherization: Offers weatherization of homes of low-income households to reduce heat loss and increase heating efficiency;
- Financial Literacy programming: Includes Family Assets for Independence in Minnesota, a program which matches low-income households' income with state, federal, and private funding for the purpose of buying a home, furthering education, or starting a business. Other forms of financial literacy programming include tax preparation assistance, budget counseling, and general financial education;
- Food Shelves and various nutrition programs: Provides food for households experiencing emergencies through the network of locally run food shelves;
- Head Start: Assists low-income families break the cycle of poverty by improving the health and social competence of children up to age 5 and pregnant women and by promoting economic self-sufficiency for parents;
- Homeless Programs: Provides assistance to households or individuals who are at-risk of being homeless, who are currently homeless, or who were previously homeless and are receiving follow-up services;
- Housing Construction, Rehabilitation, and Assistance: Develops long-term low-income housing, including the rehabilitation of unoccupied housing and the provision of rental housing assistance.

Actions planned to develop institutional structure

The delivery of affordable housing programs authorized by the federal government and Minnesota state legislature is centralized in Minnesota Housing. DEED is the primary administrator and provider of CDBG funds in non-entitlement areas of the state. Minnesota Housing and DHS share the delivery of supportive housing programs for persons experiencing homelessness. DHS is primarily responsible for the delivery of supportive services for persons with special needs because many persons DHS serves are experiencing homelessness.

The delivery of affordable housing programs authorized by the federal government and Minnesota state legislature is centralized in Minnesota Housing. DEED is the primary administrator and provider of CDBG funds in non-entitlement areas of the state. Minnesota Housing and DHS share the delivery of supportive housing programs for persons experiencing homelessness. DHS is primarily responsible for the delivery of supportive services for persons with special needs because many persons DHS serves are experiencing homelessness.

Affordable housing assistance in Minnesota depends upon a large network of local lenders, housing authorities, community action agencies, nonprofit and faith-based organizations, homeowner educators and counselors, and local governments throughout the state. The State relies on these entities to administer a number of affordable and supportive housing programs, to identify housing needs at the local level, and to encourage the development of affordable housing.

Recognizing the need to increase the effectiveness of assistance programs for low- and very low-income people, Minnesota Housing has worked to increase the participation of local nonprofits and other nontraditional lenders in delivering its programs. These participants provide a greater opportunity to coordinate the delivery of assistance and to better target funds to people with the greatest need. Using state funds, Minnesota Housing runs a Capacity Building Grant Program, which builds the capacity of new and existing partners to address root causes of housing constraints within the housing systems. This grant prioritizes work by and for communities disproportionately experiencing housing challenges.

The State does not have any plans for developing new institutional structures but will continue to participate in the various structures currently in place, supporting the Minnesota Chapter of the National Association of Housing and Redevelopment Officials' conferences and the Working Together conference. Minnesota Housing coordinates its RFP selections with other funding partners, including DEED. CDBG grantees coordinate CDBG funding with Minnesota Housing, Greater Minnesota Housing Fund, DHS, Rural Development, Department of Health, and Weatherization funding. DHS will continue to participate in the various structures currently in place. The State hosts the Minnesota Interagency Council on Homelessness (MICH), through which all state agencies involved in the provision of services to homeless persons meets monthly. Members of the MICH are assigned to all Continuum of Care committees and Family Homeless Prevention and Assistance Program advisory committees to provide technical assistance and attend meetings of these groups. The State also hosts the Interagency Stabilization Group as well as the Greater Minnesota Preservation Work Group and the Stewardship Council to ensure coordination of funding resources.

The State participates in several standing meetings with representatives from local government, nonprofit, and private providers of housing and homelessness services. For economic development CDBG activities, the state does not have any plans to develop new institutional structures but will continue to utilize collaborations already in place. DEED partners with communities, counties, non-profit agencies, the Economic Development Association of Minnesota, Minnesota Bankers Association, and the

Council of Development Finance Agencies to ensure that funds are accessible to businesses throughout the state. Working with these partner organizations enables the State of Minnesota to better access underserved communities and address financing needs for local companies throughout the region.

Actions planned to enhance coordination between public and private housing and social service agencies

The delivery of affordable housing programs authorized by the federal government and Minnesota state legislature is centralized in Minnesota Housing. DEED is the primary administrator and provider of CDBG funds in non-entitlement areas of the state. Minnesota Housing and DHS share the delivery of supportive housing programs for persons experiencing homelessness. DHS is primarily responsible for the delivery of supportive services for persons with special needs because many persons DHS serves are experiencing homelessness. Coordination between public and private housing and social services primarily occurs at the local or regional level and is supported by the Continuum of Care committees and other regional planning bodies funded, in part, by the State of Minnesota.

Affordable housing assistance in Minnesota depends upon a large network of local lenders, housing authorities, community action agencies, nonprofit and faith-based organizations, homeowner educators and counselors, and local governments throughout the state. The State relies on these entities to administer several affordable and supportive housing programs, to identify housing needs at the local level, and to encourage the development of affordable housing.

Recognizing the need to increase the effectiveness of assistance programs for low- and very low-income people, Minnesota Housing has worked to increase the participation of local nonprofits and other diverse lenders in delivering its programs. These diverse participants provide a greater opportunity to coordinate the delivery of assistance and to better target funds to people with the greatest need.

The State does not have any plans for developing new institutional structures but will continue to participate in the various structures currently in place, supporting the Minnesota Chapter of the National Association of Housing and Redevelopment Officials (NAHRO)'s conferences. Minnesota Housing coordinates its RFP selections with other funding partners, including DEED. DEED's CDBG grantees coordinate CDBG funding with Minnesota Housing, Greater Minnesota Housing Fund, DHS, Rural Development, Department of Health, and Weatherization funding. DHS will continue to participate in the structures currently in place. The State hosts the Minnesota Interagency Council on Homelessness (MICH), through which all state agencies involved in the provision of services to homeless persons meets monthly. Members of the MICH are assigned to all Continuum of Care committees and Family Homeless Prevention and Assistance Program advisory committees to provide technical assistance and attend meetings of these groups. The State hosts the Interagency Stabilization Group and the Greater Minnesota Preservation Work Group and the Stewardship Council to ensure coordination of funding resources. Finally, the State hosts the Olmstead Implementation Office, which is responsible for implementing the Olmstead Plan, a comprehensive plan to provide people with disabilities opportunities

to live, learn, work and enjoy life in integrated settings.

The state participates in several standing meetings with representatives from local government, nonprofit, and private providers of housing and homelessness services.

The state does not have plans to provide financial assistance to troubled PHAs. Troubled and other PHAs are invited to participate in the NAHRO conference to receive training on topics relevant to their operations. Because the state is not a public housing owner, it does not have plans to encourage residents to become more involved in management of public housing or have a specific outreach plan to public housing residents to encourage homeownership. Public housing residents are eligible to apply for homeownership assistance and receive the same outreach as other potential first-time homebuyers.

Discussion:

Together with Greater Minnesota Housing Fund and Minnesota Housing Partnership, Minnesota Housing hosts Regional Housing Forums in different parts of the state to bring together a variety of housing and community partners to highlight available resources, provide examples of affordable housing development and listen and share information. These events support connection and collaboration between the public and Minnesota Housing and create a forum for connections to be made among partners within the region.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

Introduction:

The following includes program specific details for CDBG, HOME, ESG, and HTF funding.

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	70.00%

HOME Investment Partnership Program (HOME) Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is

as follows:

None.

- 2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:**

Not applicable because Minnesota will not use HOME for homebuyer assistance.

- 3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:**

Not applicable because Minnesota will not use HOME for homebuyer assistance.

- 4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:**

There are no plans for using HOME to refinance existing debt.

- 5. If applicable to a planned HOME TBRA activity, a description of the preference for persons with special needs or disabilities. (See 24 CFR 92.209(c)(2)(i) and CFR 91.220(l)(2)(vii)).**

Not applicable.

- 6. If applicable to a planned HOME TBRA activity, a description of how the preference for a specific category of individuals with disabilities (e.g. persons with HIV/AIDS or chronic mental illness) will narrow the gap in benefits and the preference is needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2)(ii) and 91.220(l)(2)(vii)).**

Not applicable.

- 7. If applicable, a description of any preference or limitation for rental housing projects. (See 24 CFR 92.253(d)(3) and CFR 91.220(l)(2)(vii)). Note: Preferences cannot be administered in a manner that limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a).**

Minnesota Housing does not limit to segments of the HOME eligible population. Minnesota Housing makes an effort to integrate units targeted to households experiencing homelessness or those at

risk of homelessness across a variety of developments. Minnesota Housing solicits projects in the annual Multifamily Consolidated RFP. Within the scoring and selection criteria additional points are given to projects that propose to serve identified populations with a demonstrated need, including individuals experiencing homelessness and seniors. Therefore, Minnesota Housing may utilize HOME funds in units that are targeted to High Priority Homeless households and senior households. Minnesota Housing may also utilize HOME funds in units that are targeted to Persons with Disabilities. In the interest of furthering economic integration, High Priority Homeless and Persons with Disabilities units typically make up a small number of units in each development.

Emergency Solutions Grant (ESG) Reference 91.320(k)(3)

1. Include written standards for providing ESG assistance (may include as attachment)

All sub-recipients of ESG funding have been required by DHS to establish written standards for the provision of emergency shelter, homelessness prevention, and rapid rehousing assistance to persons experiencing homelessness. The State will not be developing statewide written standards due to the complex and varying needs and characteristics of the 87 counties in which ESG assistance is provided.

DHS has developed a monitoring tool based on the requirements found in 576.400(e)(3) and is conducting reviews of each sub-recipient's Written Standards during the annual monitoring cycle to ensure that they adequately include the elements broadly outlined in 576.400(e)(3).

DHS has provided guidance on required standards for prevention and rapid re-housing providers (evaluating eligibility, prioritizing assistance, determining type, amount and length of assistance) in completing their Written Standards in accordance with HUD's requirements.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

DHS funds ESG projects in seven of the ten Minnesota CoCs Each Continuum of Care region is in a different phase of implementation and evaluation of Coordinated Assessment. It is therefore impossible to summarize the characteristics or status of each CoC region of the state. However, DHS routinely reviews ESG sub-recipients' participation in their respective CoC region(s) Coordinated Entry system and seeks to address any potential barriers to active participation in that system.

In addition, the MN Interagency Council on Homelessness (MICH) has a working group to advise and

assist in the on-going development and improvement of coordinated assessment systems throughout the State.

The State works to ensure that its ESG sub-recipients are involved in this coordinated assessment to the maximum extent practicable, and that such participation requirements do not unintentionally prevent or discourage the most vulnerable people experiencing homelessness from receiving the outreach and emergency shelter they urgently need.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

ESG funds are awarded as part of a funding allocation process that combined the grant with available money from four state-funded programs: the Emergency Services Program (ESP), the Homeless Youth Act (HYA), the Transitional Housing Program (THP), Shelter-Linked mental health, and Safe Harbor Shelter and Housing.

The application process for ESG funding is open to programs from all areas of the state. Priority will be given to shelter applications from the balance of State areas (non-entitlement areas), and funds for homelessness prevention and rapid re-housing activities will only be awarded to balance of state areas who do not receive their own ESG allocation.

The allocation of funding to specific programs is based on the overall quality of responses to the evaluation criteria and in accordance with regional and local priorities, as established by each Continuum of Care (CoC) committee. Eligible organizations include local government, nonprofit, community, and faith-based organizations such as shelters, time-limited housing programs, and emergency service providers.

Requests For Proposals (RFPs) are sent to all current Homelessness, housing, and Support Services Administration (HHSSA) homeless programs grantees, all Continuum of Care Committees throughout the state, and all other interested parties who have contacted HHSSA during the year and expressed interest in the homeless program funding. DHS also publishes the RFP in the State Register and posts the RFP on the DHS website.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The recipient is a State and therefore not required to meet the homeless participation requirement in 24 CFR 576.405. However, all sub-recipients are expected to actively work to consult and involve homeless or formerly homeless individuals in their policy development and program operations and are monitored regularly on this topic. In addition, State staff are incentivizing shelter providers to

engage residents and former residents in an examination of shelter rules and policies by including questions related to this practice in its shelter funding Requests for Proposals (RFP) and monitoring tool ESG sub-recipients.

Over the past several years, the State has increased its consultation efforts with homeless and formerly homeless individuals. The State launched a Taskforce on Shelter to develop standards for shelter, and establish clearer oversight of the state's emergency shelters. Appointed representatives came from a wide range of backgrounds and groups and included significant representation from homeless and formerly homeless individuals.

Finally, the state's webinar series (begun to improve information and coordination during the COVID-19 pandemic) now features regular Speakers Bureau sessions for persons with lived experience to address policy makers and providers about their experiences of homelessness.

These and other contributions by persons with lived experience continue to increase DHS understanding of what homeless and formerly homeless individual experience when accessing the state's shelter and housing systems. DHS will continue to address these issues through its funding process, monitoring, and technical assistance for sub-recipients of ESG funding.

5. Describe performance standards for evaluating ESG.

The existing performance standards for ESG were developed in consultation with CoC representatives from around the state, and reflect the basic purpose of ESG shelter, prevention, and rapid re-housing funds to a) keep people safely sheltered, b) re-house persons who are homeless, and c) ensure persons are stably housed at program exit. ESG sub-recipient performance reports are available for each CoC Coordinator to review and include information on these goals and sub-recipient performance. This set of outcomes, as well as specific annual goals for these ESG-funded activities, are included in the Outcomes Measures and Performance Standards section of this Plan.

For the current Action Plan Year, the following performance standards will be used for evaluating each FY2024 ESG-funded activity:

Emergency Shelter:

of individuals in households receiving safe, adequate emergency shelter.

Prevention (Re-housing)/Rapid Re-housing:

of individuals in households who are stably re-housed.

In addition to these performance standards, on-going evaluation of ESG sub-recipient performance occurs through DHS Grantee Risk Assessment Tool and its bi-annual monitoring process. This monitoring process places a heavy emphasis on program performance and effectiveness as well as ensuring sub-recipients have the technical assistance, they need to be successful.

ESG Monitoring is described in more detail in the Unique Appendices, AP-90 ESG Monitoring Document. The State will continue to share the outcomes of its monitoring visits with Continuum of Care Coordinators when there are relevant performance issues identified and seek mutual problem-solving and assistance from CoC committees when appropriate.

**Housing Trust Fund (HTF)
Reference 24 CFR 91.320(k)(5)**

1. How will the grantee distribute its HTF funds? Select all that apply:

Applications submitted by eligible recipients

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A.

3. If distributing HTF funds by selecting applications submitted by eligible recipients,

a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Eligible entities for NHTF include owners or developers that must satisfy the definition of recipient and be either:

- A for profit entity,
- A 501(C)(3) nonprofit entity
- A government unit (excluding the federal government), or
- A religious organization

The owner must provide evidence of a qualifying interest in the property. Such interest must be recorded and appear in county records. The minimum qualifying interest is 100 percent fee simple interest that may also be subject to a mortgage.

The owners and development team must not be debarred or excluded from receiving federal assistance prior to selection, entering into a Written Agreement, or closing the loan.

Applicants and their development team must undergo an evaluation by Minnesota Housing of their capacity and pass Minnesota Housing underwriting before the applicant qualifies as an eligible recipient. Applicants must have demonstrated experience and capacity to implement an eligible NHTF activity as evidenced by its ability to own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development.

Minnesota Housing underwriting standards require that at least one sponsor must demonstrate acceptable performance (multifamily housing experience) and financial capacity for the scale for the proposed project regardless of guaranty provisions, if any. All loans require a full sponsor credit review for final approval.

Eligible recipients will certify that housing units assisted with the NHTF will comply with NHTF program requirements during the entire period that begins upon selection and ending upon the conclusion of all NHTF funded activities. Recipients must demonstrate the ability and financial capacity to undertake and manage the eligible activity. Recipients must also demonstrate familiarity with requirements of other Federal, State or local housing programs that may be used in conjunction with NHTF funds to ensure compliance with all applicable requirements and regulations of such programs.

b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Minnesota Housing's annual Multifamily Consolidated RFP coordinates multiple housing funding resources, including NHTF and HOME, into one multifamily application process to maximize the number of projects that can be selected and to allocate funds as efficiently as possible. The process allows multifamily affordable development sponsors to apply for resources from Minnesota Housing and two other public entity funding partners using a common application and procedure. The Consolidated RFP application materials are generally issued in April, applicants are required to submit an intent to apply by May, and final applications are due in July.

Applications are evaluated for eligibility as detailed in the Multifamily RFP Standards. Multifamily staff review applications in two phases: 1. initial scoring; and 2. feasibility review. The initial scoring consists of reviewing individual applications to help ensure projects meet Low Income Housing Tax Credit (HTC) Qualified Allocation Plan (QAP), self-scoring worksheet, and scoring guide requirements. Once the initial scoring of applications is complete, applications are ranked per the QAP and Multifamily RFP standards. Projects are evaluated based on project type, scoring, geographic distribution, and funding resources available. Projects prioritized will move forward to feasibility review. This review consists of a detailed

analysis of the application's project cost, funding structure, and financial capacity. The feasibility review is conducted by the internal development team, which consists of a program manager(s), underwriter, architect, housing management officer, and if applicable, a housing stability officer for the following:

- consistency with Minnesota Housing's mission and strategic priorities
- compliance with statutes and program rules, including geographic distribution of resources
- consistency with program requirement, eligible uses and priorities, and
- financial feasibility, market need, architectural quality and overall development team capacity

Once applications are considered feasible, they move on to a Selection Committee meeting, which includes underwriters, managers, and senior leadership. The Selection Committee deliberates on feasible applications compared with funding resources available, weighing appropriate uses of those funds and the agency's Strategic Priorities, feasibility, and organizational capacity and recommends a package of developments for selection. This recommendation is then brought before Minnesota Housing's Board of Directors for final review and approval.

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

There are three main components of the RFP review process

- **Initial Eligibility and Feasibility:** Applicants must satisfy project feasibility and financial and organizational capacity requirements to be considered for funding. Once applications are submitted to the agency, they undergo application and eligibility review to determine if they meet the basic eligibility requirements. The applications then undergo feasibility review by staff underwriters, including detailed analysis of applicant and organization capacity and priority housing need.
- **Strategic Priorities:** Seven strategic priorities reflect the Agency's policy goals for funding priorities. Every proposal must satisfy at least one strategic priority to be eligible for funding through the RFP. Minnesota Housing gives priority to proposals that best meet the greatest number of strategic priorities.
- **Selection Priorities:** Among proposals that satisfy the Agency's strategic priorities, the Agency gives priority in awarding funding to those proposals that best meet the greatest number of selection priorities.
- **Deferred Loan Funding Priorities:** For deferred funding, including NHTF, Minnesota Housing will evaluate proposals for best available funding source based on specific requirements for

programs.

d. Describe the grantee’s required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Minnesota Housing will accept and consider proposals for NHTF from across the state consistent with the state’s certification to affirmatively further fair housing. The needs of very low income and extremely low-income tenants across Minnesota are a high priority in the Consolidated Plan; however, geographic location of a project may be considered in the context of the project’s proximity to certain community features whose presence is a priority for Minnesota Housing.

Selection Priorities relate specifically to the geographic location of projects, including communities with a need for more affordable housing options, workforce housing communities, transit and walkability, metropolitan area, Greater Minnesota urbanized area, Greater Minnesota and small urban areas, and community revitalization areas such as rural and tribal areas, qualified census tracts, and opportunity zones. In sum, these geographic priority areas support a balanced and diverse distribution of resources across the state.

e. Describe the grantee’s required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Applicants should be capable of undertaking and completing NHTF funded activities in a timely manner, consistent with regulatory requirements to meet the two-year commitment and five-year expenditure deadlines. Applicants’ ability to secure all necessary project funds and within a reasonable time period is evaluated during the Consolidated RFP process. Capacity of the entire development team is evaluated, taking into consideration experience with similar projects, financial and staff capacity, status of other projects in the team’s development pipeline, and other factors relevant to the role of the entity.

- As described in the agency’s Multifamily RFP Standards, the following factors will be considered in determining whether an organization has demonstrated sufficient organizational capacity:
- The applicant’s related housing experience;
- Whether the applicant has successfully completed similar projects or is partnering with other organizations that have successfully completed similar projects;
- Whether the applicant has strong current and expected ongoing capacity to complete the proposed housing, and other proposals being developed by the organization including those previously selected by Minnesota Housing that have not yet been completed; and

- Whether the applicant has the capacity to operate and maintain the rental housing long term.

f. Describe the grantee’s required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Developments that provide fully executed commitments for project based rental assistance (standard or in conjunction with High Priority Homeless units) at the time of application are given selection priority.

g. Describe the grantee’s required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

New Construction, rehabilitation, and rehabilitation and acquisition rental projects with NHTF have a required affordability period of thirty years. Additional preference will be given to projects that have commit to affordability for more than 30 years. Operating cost assistance reserves may be funded for the amount estimated to be necessary for up to fifteen years from the start of the affordability period.

h. Describe the grantee’s required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Minnesota’s Consolidated Plan identifies priority housing needs among extremely low-income renters for all renter household types. NHTF resources will be used exclusively to support units affordable to extremely low-income renters (at or below 30% of area median income) and will prioritize new construction activities to expand the housing stock for this population.

In addition to helping to meet the substantial unmet need of extremely low-income renters,

Minnesota Housing has defined the following Strategic and Selection priorities. As described in the previous section, the Strategic Priority policies describe the main strategic focus and driving policy goals of Minnesota Housing in the current funding round and will be of primary importance in the evaluation of applications. The Selection Priorities capture other elements that are beneficial to a project. These priorities, described below, are communicated to potential applications through the “Strategic and Selections Priorities.”

- Access to Transit or Walkability
- Greater Minnesota Workforce Housing
- Rural or Tribal
- Planned Community Development
- Preservation (including federally assisted housing)
- Supportive Housing

Among proposals that best satisfy these Strategic Priorities, Minnesota Housing will give priority in awarding funding to the proposals that best meet the greatest number of selection priorities in effect at the time of the RFP.

Selection priorities include:

- Greatest Need Tenant Targeting
- Large Family Housing
- Senior Housing
- Permanent Supportive Housing for High Priority Homeless (HPH), consistent with Local

Homelessness, consistent with Local Continuum of Care Priorities

- People with Disabilities
- Serves Lowest Income for Long Durations
- Preservation
- Rental Assistance
- Serves Lowest Income Tenants/Rent Reduction
- Long Term Affordability
- Increasing Geographic Housing Choice
- Access to More Affordable Housing
- Workforce Housing Communities
- Transit and Walkability
- Supporting Community and Economic Development
- Community Development Initiative
- Equitable Development
- Rural/Tribal
- QCT/Community Revitalization Tribal Equivalent Areas
- Efficient Use of Scarce Resources and Leverage
- Other Contributions
- Intermediary Costs
- Building Characteristics
- Universal Design
- Innovative Construction Techniques

i. Describe the grantee’s required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Minnesota Housing’s NHTF funds will leverage other agency, private, and low-income housing tax credit investment. The NHTF funds will be made available through the agency’s Consolidated RFP, which consolidates and coordinates multiple housing resources into one application process, including funding from the Metropolitan Council. Financing opportunities that could be leveraged with NHTF funds include several nonfederal sources through the State of Minnesota:

- Amortizing first mortgages through the State of Minnesota’s Low- and Moderate-Income Rental Program
- Deferred loans through State of Minnesota funded Economic Development and Housing Challenge program
- Deferred loans through the State of Minnesota funded Preservation Affordable Rental

Investment Fund

- Housing Investment Bonds through the State of Minnesota

Two of the agency's selection priorities incorporate a projects ability to leverage other resources. These include federal, local, philanthropic, and employer contributions; and financial readiness to proceed.

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

6. Performance Goals and Benchmarks. The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds. Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a

description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

Minnesota Housing's Consolidated RFP (including HTF, HOME and Low-Income Housing Tax Credits) reviews project costs through the Predictive Cost Model. The Predictive Cost Model is a tool that Minnesota Housing uses to identify, from a statistical perspective, proposed rental developments with unusually high costs. The model predicts the reasonable and actual costs of a proposed development based on building characteristics and cost data from developments that the Agency has previously financed or to which it has awarded or allocated HTCs and is benchmarked against industry-wide construction data. The model predicts the reasonable and actual costs of a proposed development based on building characteristics and cost data from developments that the Agency has previously financed or to which it has awarded or allocated HTCs and is benchmarked against industry-wide data. While the model is statistically robust, explaining 64% to 79% of the variation in historical costs, it cannot capture all the components of every proposed project. As a result, if a project's proposed total development cost (TDC) is more than a certain percentage (currently 25%) over the predicted cost model, staff must conduct additional due diligence to determine that the costs are still reasonable before seeking a cost waiver from the board. In addition, the QAP includes other criteria that appropriately incentivizes affordable housing development while managing costs and leveraging resources, including examining financial readiness to proceed/leveraged funds, other contributions, intermediary costs.

Previously, Minnesota Housing established a per-unit development subsidy at the same level as per unit cost thresholds established in the cost containment methodology associated with the QAP. In addition to the per-unit subsidy limits, subsidies were further limited on individual projects based on the result of subsidy layering reviews and the financing needs of the project. Additionally, per unit subsidy limits were subject to change whenever a new QAP was adopted or modified. Minnesota Housing received public feedback that the cost containment standards should consider those factors that result in increased, but necessary development costs, such as geography, larger family projects, and long-term cost savings. The Agency removed the cost containment selection criteria and projects will not complete for points against other projects if they are below a per unit threshold. In addition, adjustments are made in response to cost trends. Any changes will continue to be reasonable, based on actual costs, and adjusted for the number of bedrooms and geographic location of the program. With these QAP updates to cost containment methodology and Minnesota Housing's continued reliance on the predictive cost model tool, the NHTF maximum per-unit development subsidy limit will rely on the maximum per-unit development subsidy limits in effect for the HOME program.

8. Rehabilitation Standards. The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee’s description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; Capital Needs Assessments (if applicable); and broadband infrastructure (if applicable).

All NHTF units must comply with Minnesota Housing’s Multifamily Rental Housing Design/Construction Standards, including Chapter 9, Design, Construction, and Property Standards for Federally Funded Projects. These standards are found on the agency’s website. Chapter 7 provides federal program requirements, while projects must achieve all requirements detailed in the guide.

9. Resale or Recapture Guidelines. Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

N/A.

10. HTF Affordable Homeownership Limits. If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

N/A

11. Grantee Limited Beneficiaries or Preferences. Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action

plan. If the grantee will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population, enter “N/A”.

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

Minnesota Housing does not limit to segments of the NHTF eligible population. Minnesota Housing makes an effort to integrate units targeted to households experiencing homelessness or those susceptible to of homelessness across a variety of developments. Minnesota Housing solicits projects in the annual Multifamily Consolidated RFP. Within the scoring and selection criteria additional points are given to projects that propose to serve identified populations with a demonstrated need, one of which is individuals experiencing homelessness. Therefore, Minnesota Housing may utilize NHTF funds in units that are targeted to High Priority Homeless households. In the interest of furthering economic integration, High Priority Homeless units typically make up a small number of units in each development.

12. Refinancing of Existing Debt. Enter or attach the grantee’s refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee’s refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter “N/A.”

Minnesota Housing will not use NHTF to refinance existing debt.

Discussion:

UNIQUE APPENDICES

2025



MINNESOTA STATE REGISTER

MONDAY, MARCH 10, 2025

VOLUME 49, NUMBER 37

PAGES 1033 - 1048

Minnesota State Register

Judicial Notice Shall Be Taken of Material Published in the Minnesota State Register

The Minnesota State Register is the official publication of the State of Minnesota's Executive Branch of government, published weekly to fulfill the legislative mandate set forth in Minnesota Statutes, Chapter 14, and Minnesota Rules, Chapter 1400. It contains:

- Proposed Rules
- Adopted Rules
- Exempt Rules
- Expedited Rules
- Withdrawn Rules
- Executive Orders of the Governor
- Appointments
- Proclamations
- Vetoed Rules
- Commissioners' Orders
- Revenue Notices
- Official Notices
- State Grants and Loans
- Contracts for Professional, Technical and Consulting Services
- Non-State Public Bids, Contracts and Grants

Printing Schedule and Submission Deadlines

Vol. 49 Issue Number	Publish Date	Deadline for: all Short Rules, Executive and Commissioner's Orders, Revenue and Official Notices, State Grants, Professional-Technical- Consulting Contracts, Non-State Bids and Public Contracts	Deadline for LONG, Complicated Rules (contact the editor to negotiate a deadline)
#38	Monday 17 March	Noon Tuesday 11 March	Noon Thursday 6 March
#39	Monday 24 March	Noon Tuesday 18 March	Noon Thursday 13 March
#40	Monday 31 March	Noon Tuesday 25 March	Noon Thursday 20 March
#41	Monday 7 April	Noon Tuesday 1 April	Noon Thursday 27 March

PUBLISHING NOTICES: We need to receive your submission ELECTRONICALLY in Microsoft WORD format. Submit ONE COPY of your notice via e-mail to: sean.plemmons@state.mn.us. State agency submissions must include a "State Register Printing Order" form, and, with contracts, a "Contract Certification" form. Non-State Agencies should submit ELECTRONICALLY in Microsoft WORD, with a letter on your letterhead stationery requesting publication and date to be published. Costs are \$13.50 per tenth of a page (columns are seven inches wide). One typewritten, double-spaced page = 6/10s of a page in the State Register, or \$81. About 1.5 pages typed, double-spaced, on 8-1/2"x11" paper = one typeset page in the State Register. Contact editor with questions (651) 201-3204, or e-mail: sean.plemmons@state.mn.us.

SUBSCRIPTION SERVICES: E-mail subscriptions are available by contacting the editor at sean.plemmons@state.mn.us. Send address changes to the editor or at the Minnesota State Register, 50 Sherburne Avenue, Suite 309, Saint Paul, MN 55155.

SEE THE Minnesota State Register free at website: <https://mn.gov/admin/government/data-info/register.jsp>

- Minnesota State Register: Online subscription – \$180, includes links, index, special section "CONTRACTS & GRANTS," with Sidebar Table of Contents, Early View after 4:00 pm Friday (instead of waiting for early Monday), and it's sent to you via E-mail.
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- "Affidavit of Publication" includes a notarized "Affidavit" and a copy of the issue: \$15.00.

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Senate Public Information Office
(651) 296-0504
State Capitol, Room 231, St. Paul, MN 55155
<https://www.senate.mn/>

Minnesota State Court System

Court Information Office (651) 296-6043
MN Judicial Center, Rm. 135,
25 Rev. Dr. Martin Luther King Jr Blvd., St. Paul, MN 55155
<http://www.mncourts.gov>

House Public Information Services

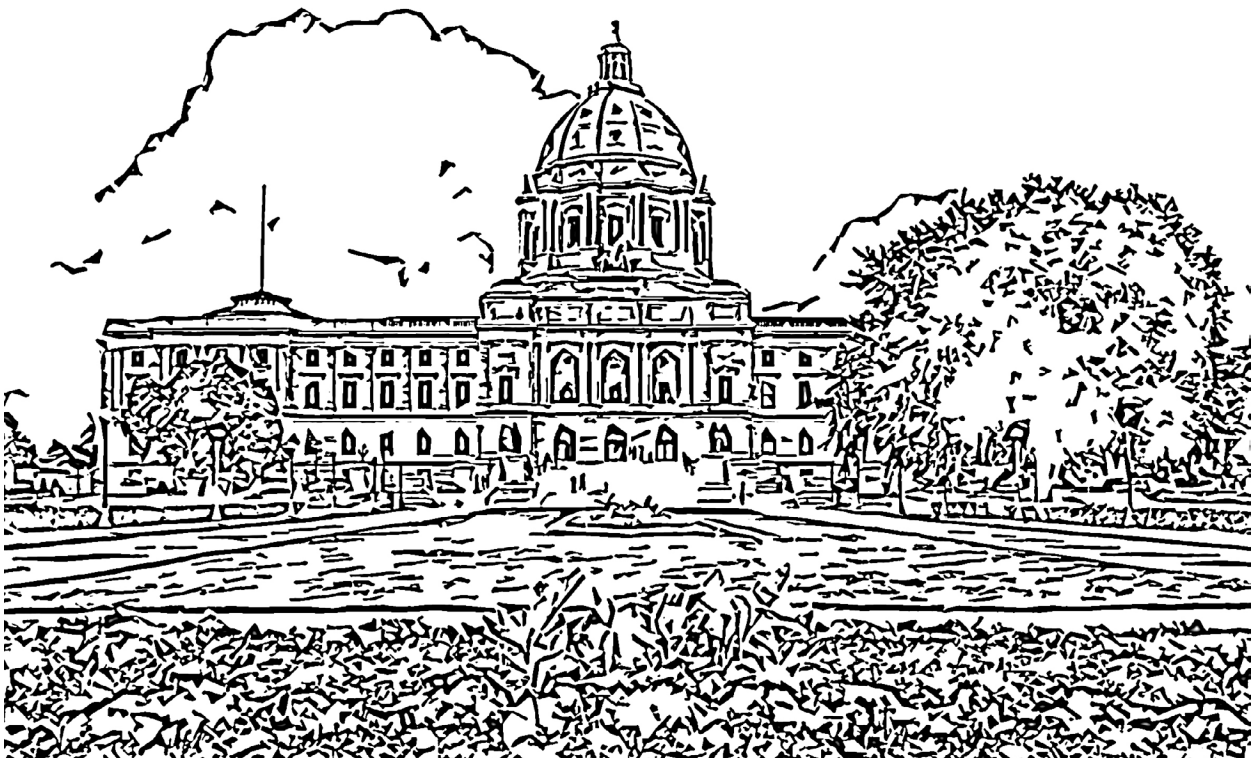
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<https://www.house.leg.state.mn.us/hinfo/hinfo.asp>

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*Front Cover Artwork: A red pine shows its frost-covered needles during a cold snap in Northern Minnesota in February.
Photo by Sean Plemmons*



Minnesota Rules: Amendments and Additions

NOTICE: How to Follow State Agency Rulemaking in the State Register

The State Register is the official source, and only complete listing, for all state agency rulemaking in its various stages. State agencies are required to publish notice of their rulemaking action in the State Register. Published every Monday, the State Register makes it easy to follow and participate in the important rulemaking process. Approximately 80 state agencies have the authority to issue rules. Each agency is assigned specific Minnesota Rule chapter numbers. Every odd-numbered year the Minnesota Rules are published. Supplements are published to update this set of rules. Generally speaking, proposed and adopted exempt rules do not appear in this set because of their short-term nature, but are published in the State Register.

An agency must first solicit Comments on Planned Rules or Comments on Planned Rule Amendments from the public on the subject matter of a possible rulemaking proposal under active consideration within the agency (Minnesota Statutes §§ 14.101). It does this by publishing a notice in the State Register at least 60 days before publication of a notice to adopt or a notice of hearing, or within 60 days of the effective date of any new statutory grant of required rulemaking.

When rules are first drafted, state agencies publish them as Proposed Rules, along with a notice of hearing, or a notice of intent to adopt rules without a hearing in the case of noncontroversial rules. This notice asks for comment on the rules as proposed. Proposed emergency rules, and withdrawn proposed rules, are also published in the State Register. After proposed rules have gone through the comment period, and have been rewritten into their final form, they again appear in the State Register as Adopted Rules. These final adopted rules are not printed in their entirety, but only the changes made since their publication as Proposed Rules. To see the full rule, as adopted and in effect, a person simply needs two issues of the State Register, the issue the rule appeared in as proposed, and later as adopted.

The State Register features partial and cumulative listings of rules in this section on the following schedule: issues #1-26 inclusive (issue #26 cumulative for issues #1-26); issues #27-52 inclusive (issue #52, cumulative for issues #27-52 or #53 in some years). A subject matter index is updated weekly and is available upon request from the editor. For copies or subscriptions to the State Register, contact the editor at 651-201-3204 or email at sean.plemmons@state.mn.us

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Executive Orders

The governor has the authority to issue written statements or orders, called Executive Orders, as well as Emergency Executive Orders. The governor's authority is specified in the Constitution of the State of Minnesota, Article V, and in *Minnesota Statutes* § 4.035. Emergency Executive Orders, for protection from an imminent threat to health and safety, become effective immediately, are filed with the secretary of state, and published in the *State Register* as soon as possible after they are issued. Other Executive Orders become effective 15 days after publication in the *State Register* and filing with the secretary of state. Unless otherwise specified, an executive order expires 90 days after the date the governor who issued the order vacates office.

Office of the Governor

Emergency Executive Order 25-03: Declaring a Peacetime Emergency and Providing National Guard Assistance in Response to a Severe Winter Storm

I, Tim Walz, Governor of the State of Minnesota, by the authority vested in me by the Constitution and applicable statutes, issue the following executive order:

Starting late on March 4, 2025, a powerful winter storm with heavy snowfall and strong winds created blizzard conditions in Minnesota, closing roads and threatening public safety. These dangerous driving conditions resulted in stranded vehicles, placing lives and property at risk. The resources of affected local and county governments are inadequate to meet the demands caused by these severe winter weather conditions.

Late last night, the Freeborn County Sheriff's Office requested assistance from the Minnesota National Guard. Based on my verbal order, the Minnesota National Guard activated to provide assistance in response to the severe weather and to rescue stranded motorists.

For these reasons, I declare a peacetime emergency pursuant to Minnesota Statutes 2024, section 12.31, and order as follows:

1. The Adjutant General is authorized to order to state active duty the personnel, equipment, facilities, and resources needed to provide assistance throughout Minnesota.
2. The Adjutant General is authorized to procure the goods and services needed to accomplish the mission.
3. The costs of this assistance shall be paid from the general fund as allowed by Minnesota Statutes 2024, section 192.52.

This Executive Order and declaration of peacetime emergency are effective immediately under Minnesota Statutes 2024, section 4.035, subdivision 2. The peacetime emergency declared in this Executive Order expires in accordance with Minnesota Statutes 2024, section 12.31, subdivision 2. The remainder of this Executive Order, including the activation of the Minnesota National Guard, remains in effect until the emergency conditions caused by the winter storm subside or March 9, 2025, whichever occurs first.

A determination that any provision of this Executive Order is invalid will not affect the enforceability of any other provision of this Executive Order. Rather, the invalid provision will be modified to the extent necessary so that it is enforceable.

Signed on March 5, 2025.

Tim Walz, GOVERNOR

Filed According to Law:

Steve Simon, SECRETARY OF STATE

Commissioner's Orders

Various agency commissioners are authorized to issue "commissioner's orders" on specified activities governed by their agency's enabling laws. See the *Minnesota Statutes* governing each agency to determine the specific applicable statutes. Commissioners' orders are approved by assistant attorneys general as to form and execution and published in the *State Register*. These commissioners orders are compiled in the year-end subject matter index for each volume of the *State Register*.

Minnesota Department of Natural Resources Commissioner's Order #1 ML 2025: Amend Lake Mille Lacs Yellow Perch Fishing Regulations

Date: March 10, 2025

Statutory authority: *Minnesota Statutes*, section 97C.005, subd. 3

Modifies the daily and possession restrictions for yellow perch on Lake Mille Lacs from the statewide regulations in Minn. R. 6262.0200, subp. 1.N. under authority in Minn. R. 6264.0400, subp. 4.D.

BACKGROUND

Each year a harvestable surplus is set for yellow perch in Lake Mille Lacs by a joint management process between the state and the eight Ojibwe Bands that are signatories to the Treaty of 1837. The harvestable surplus is the pounds of fish that can be taken safely from Lake Mille Lacs while ensuring enough remain in the lake to sustain a healthy population. The state's share of the harvestable surplus of yellow perch for the 2025 season was set at 36,500 pounds. The state has a daily and possession limit of 20 yellow perch for state-licensed anglers on Lake Mille Lacs under Minn. R. 6262.0200, subp. 1.N.

Harvest of yellow perch by state-licensed anglers has not exceeded 7,000 pounds per year since 2013 under the statewide limit of 20 yellow perch. However, the 2021 and 2022 year classes for yellow perch were strong and those fish have now grown to sizes that anglers seek to harvest. With quality perch fishing on Lake Mille Lacs in the winter of 2024-25, more anglers are traveling to the lake to fish for yellow perch. The results of the creel survey period that ended on February 23, 2025, revealed that the season-to-date harvest of yellow perch by state-licensed anglers was over 43,000 pounds, exceeding the state's agreed upon share of the yellow perch harvest.

The state is modifying the yellow perch angling regulation pursuant to Minn. Stat. § 97C.005, subd. 3. Beginning at 12:00 a.m. on March 11, 2025, the yellow perch daily and possession limit on Lake Mille Lacs will be five. This regulation will remain effective until 11:59 p.m. on November 30, 2025.

For all other species, the Expedited Emergency Rule adopted on May 6, 2024, remains the same.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to authority vested in me by law, including *Minnesota Statutes*, section 97C.005, subdivision 3, that, beginning at 12:00 a.m. on March 11, 2025, and continuing until 11:59 p.m. on November 30, 2025, while a person is on or fishing in Lake Mille Lacs or its associated tributaries to the posted boundaries, the daily and possession limit for yellow perch is five.

Fishing regulations for all other species on Lake Mille Lacs, including walleye, northern pike, largemouth and smallmouth bass, muskellunge, cisco, and panfish, are unaffected by this order.

Sarah Strommen, Commissioner

Date: March 4, 2025

AGENCY CONTACT. For additional information or to receive this document in an alternative format please contact: Bethany Bethke, Division of Fish and Wildlife, Department of Natural Resources, 500 Lafayette Rd, St. Paul, MN 55155, Phone: 651-259-5266, Email: bethany.bethke@state.mn.us.

Official Notices

Pursuant to *Minnesota Statutes* §§ 14.101, an agency must first solicit comments from the public on the subject matter of a possible rulemaking proposal under active consideration within the agency by publishing a notice in the *State Register* at least 60 days before publication of a notice to adopt or a notice of hearing, and within 60 days of the effective date of any new statutory grant of required rulemaking.

The *State Register* also publishes other official notices of state agencies and non-state agencies, including notices of meetings and matters of public interest.

Department of Employment and Economic Development, Minnesota Housing Finance Agency and Department of Human Services NOTICE OF PUBLIC HEARINGS for State of Minnesota 2025 Housing and Community Development Annual Action Plan (Action Plan) & Citizen Participation Plan Availability Public Comment Period

Background:

The state of Minnesota (State) is developing its Annual Action Plan (Action Plan) for 2025 and Citizen Participation Plan and is encouraging citizen and community participation in their development.

The State annually submits an Action Plan to the United States Department of Housing and Urban Development (HUD) to receive federal housing and community development funding through the Community Development Block Grant, HOME Investment Partnerships, Emergency Solutions Grants, Housing Opportunities for Persons with acquired immunodeficiency syndrome (AIDS) programs, and the National Housing Trust Fund. This Action Plan reflects year four (4) of the State's 2022-2026 Consolidated Plan which examines the housing and community development needs of the State and sets priorities for allocating HUD funds.

The Citizen Participation Plan establishes the processes by which citizens and local governments may be involved in the development of the State's Consolidated Plan, and evaluating and commenting on the State's performance, as reported in its Consolidated Annual Performance and Evaluation Report.

Public Hearings:

The State will be holding two (2) public hearings to gather citizen input on the Action Plan and the Citizen Participation Plan. The first public hearing will be held on Wednesday, March 26, 2025, to gather citizen input on housing and community development needs, how federal funding should be allocated in the State, and on the current draft of the Citizen Participation Plan. This hearing will be held at 3:45 p.m., in-person at the Minnesota Department of Employment and Economic Development's Brainerd Conference room located on the 12th floor at the Great Northern Building, 180 E 5th Street, St. Paul, MN 55101, and also remotely via **Microsoft Teams Meeting Link** or via-phone at **1-651-395-7448**, with **Phone Conference ID: 545572532#**

A second public hearing will be held on Wednesday, May 28, 2025, for review and comment on the drafts of the Action Plan and the Citizen Participation Plan based off revisions from the previous input. This hearing will be held at 3:45 pm, in-person at the Minnesota Department of Employment and Economic Development's Brainerd Conference room located on the 12th floor at the Great Northern Building, 180 E 5th Street, St. Paul, MN 55101, and also remotely via **Microsoft Teams Meeting Link** or via-phone at **1-651-395-7448**, with **Phone Conference ID: 455908275#**

Plan Documents:

The draft Citizen Participation Plan is currently available for viewing at <https://mn.gov/deed/government/financial-assistance/community-funding/small-cities.jsp>, <https://www.mnhousing.gov/policy-and-research/agency-plans.html>, and <https://mn.gov/dhs/partners-and-providers/news-initiatives-reports-workgroups/housing-and-homelessness/>. The draft Action Plan will be available for public review beginning April 28, 2025, at the same locations.

Contact Information:

Please contact Natasha Kukowski at the Minnesota Department of Employment and Economic Development; Great Northern Building; 180 E 5th Street, Suite 1200, St. Paul, MN 55101-1351; Attn: Small Cities Unit, via phone at (651)

Official Notices

259-7425 or (800) 657-3858, or by email to Natasha.Kukowski@state.mn.us for the following, if applicable:

1. A copy of the draft Citizen Participation Plan and draft Action Plan (once available);
2. Submission of written comments and/or input on the Action Plan and the Citizen Participation Plan available beginning April 28, 2025.
3. Accommodation(s) due to a disability, or required interpretation services at least three (3) business days prior to the public hearings.

Minnesota Department of Health

Notice of Revised List of Tests to Be Performed to Determine the Presence of a Heritable or Congenital Disorder in Newborn Infants in Minnesota – Addition of Duchenne Muscular Dystrophy (DMD) and Guanidinoacetate Methyltransferase (GAMT) Deficiency

Official notice of a revised list of tests to be performed for determining the presence of a heritable or congenital disorder in newborn infants in Minnesota.

This notice is given to meet requirements of Minnesota Statutes 144.125 “Test of infants for heritable and congenital disorders”. The statutes describe the mechanism for revising the list of tests as follows:

“The list of tests to be performed may be revised if the changes are recommended by the Advisory Committee stabilized under section 144.1255, approved by the Commissioner, and published in the State Register. The revision is exempt from the rulemaking requirements in chapter 14, and sections 14.385 and 14.386 do not apply.”

Notice is hereby given that the addition of DMD and GAMT deficiency to the newborn screening panel was recommended by the Advisory Committee on Heritable and Congenital Disorders and approved by the Commissioner of Health.

Minnesota Department of Health Newborn Screening Panel – listed alphabetically

2-Methyl-3-hydroxybutyric acidemia (2M3HBA)
2-Methylbutyryl-CoA dehydrogenase deficiency (2MBG, SBCAD)
3-Hydroxy-3-methylglutaryl-CoA lyase deficiency (HMG)
3-Methylcrotonyl-CoA carboxylase deficiency (3-MCC)
3-Methylglutaconyl-CoA hydratase deficiency (3MGA)
Argininemia (ARG)
Argininosuccinate acidemia (ASA)
Beta ketothiolase deficiency (BKT)
Biopterin cofactor defects (BIOPT-BS and BIOPT-REG)
Biotinidase deficiency (BIOT)
Carnitine acylcarnitine translocase deficiency (CACT)
Carnitine palmitoyltransferase deficiency I (CPT-I)
Carnitine palmitoyltransferase deficiency II (CPT-II)
Carnitine uptake defect (CUD)
Citrullinemia type I and II (CIT and CIT-II)
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Congenital cytomegalovirus (cCMV)
Congenital hypothyroidism (CH)
Critical congenital heart disease (CCHD)
Cystic fibrosis (CF)
Dienoyl-CoA reductase deficiency (DE-RED)
Duchenne muscular dystrophy (DMD)
Galactokinase deficiency (GALK)

Galactosepimerase deficiency (GALE)
Galactosemia (GALT)
Glutaric acidemia type I (GA-I)
Glutaric acidemia type II (GA-II)
Guanidinoacetate methyltransferase (GAMT)
Hearing loss
Homocystinuria (HCY)
Hypermethioninemia (MET)
Hyperphenylalaninemia (H-PHE)
Isobutyryl-CoA dehydrogenase deficiency (IBD, IBG)
Isovaleric acidemia (IVA)
Krabbe disease
Long-chain hydroxyacyl-CoA dehydrogenase deficiency (LCHAD)
Malonic acidemia (MAL)
Maple syrup urine disease (MSUD)
Medium-chain acyl-CoA dehydrogenase deficiency (MCAD)
Medium-chain hydroxy acyl-CoA dehydrogenase deficiency (MCHAD)
Medium-chain keto acyl-CoA thiolase deficiency (MCKAT)
Methylmalonic acidemia (methylmalonyl-CoA mutase deficiencies)
Methylmalonic acidemia (some adenosylcobalamin synthesis defects)
Methylmalonic acidemia (maternal vitamin B12 deficiency)
Mucopolysaccharidosis type I (MPS I)
Multiple CoA carboxylase deficiency (MCD)
Phenylketonuria (PKU)
Pompe disease
Primary T-cell lymphopenias
Propionic acidemia (PROP)
Severe combined immunodeficiency (SCID)
Short-chain acyl-CoA dehydrogenase deficiency (SCAD)
Short chain hydroxy acyl-CoA dehydrogenase deficiency (SCHAD)
Sickle- β thalassemia (Hb S/BTh)
Sickle-C disease (Hb S/C)
Sickle-S disease (Hb S/S)
Spinal muscular atrophy (SMA)
Trifunctional protein deficiency (TFP)
Tyrosinemia type I, II, and III (TYR-I, TYR-II, and TYR-III)
Variant hemoglobinopathies
Very long-chain acyl-CoA dehydrogenase deficiency (VLCAD)
X-Linked Adrenoleukodystrophy (X-ALD)

Information about Minnesota's Newborn Screening Program is posted on the website: www.health.state.mn.us/people/newbornscreening.

For additional information, please contact:

Carrie Wolf
Newborn Screening Manager
Public Health Laboratory Division
Minnesota Department of Health
601 Robert St North
P.O. Box 64899
St. Paul, MN 55164-0899

Phone: (651) 201-5458
E-mail: carrie.wolf@state.mn.us

State Grants & Loans

In addition to requests by state agencies for technical/professional services (published in the State Contracts Section), the *State Register* also publishes notices about grants and loans available through any agency or branch of state government. Although some grant and loan programs specifically require printing in a statewide publication such as the *State Register*, there is no requirement for publication in the *State Register* itself. Agencies are encouraged to publish grant and loan notices, and to provide financial estimates as well as sufficient time for interested parties to respond.

SEE ALSO: Office of Grants Management (OGM) at: <https://mn.gov/admin/citizen/grants/>

Minnesota Department of Children, Youth, and Families

Office of Economic Opportunity Division

Notice of Request for Proposals to Partner with State to Distribute Diapers and Wipes Statewide

The Minnesota Department of Children, Youth, and Families (DCYF or State) is requesting proposals to partner with the STATE to distribute diapers and wipes to the under-resourced families across the State of Minnesota.

DCYF is seeking proposals for the grant period July 1, 2025, through June 30, 2027.

For more information contact:

Amy Parker
Department of Children, Youth, and Families
Office of Economic Opportunity
Amy.Parker@state.mn.us

This is the only person designated to answer questions by potential responders regarding this request.

To obtain this information in a different format, please email Emily.Waymire@state.mn.us.

Proposals submitted in response to this Request for Proposals (RFP) must be received at the email address listed in the RFP on April 11, 2025 no later than 4:00 p.m., Central Time. Late proposals will not be considered. Proposals received via other methods will **not** be considered.

The RFP can be viewed by visiting the Minnesota Department of Human Services Grants, Requests for Proposals (RFP) and Requests for Information (RFI) web site: <https://mn.gov/dhs/partners-and-providers/grants-rfps/open-rfps/>.

This request does not obligate the State to complete the work contemplated in this notice. The State reserves the right to cancel this solicitation. All expenses incurred in responding to this notice are solely the responsibility of the responder.

Department of Commerce

Division of Energy Resources

Request for Proposals for Ultraefficient Vehicle Development Grant

The Minnesota Department of Commerce (“Commerce”) seeks proposals to provide financial assistance to developers and producers of ultraefficient vehicles that use proprietary technology for the further development or increased production of ultraefficient vehicles. An ultraefficient vehicle is defined as a fully closed compartment vehicle that is designed to carry at least one adult passenger and that achieves at least 75 miles per gallon or equivalent while operating with gasoline, electricity, or as a hybrid.

A total of \$232,500 will be available for a grant through this program. The grant can be awarded to Minnesota-based businesses and funding can cover costs that either allow further development of an ultraefficient vehicle or increase the production of ultraefficient vehicles. Production ready and electric ultraefficient vehicles will be prioritized.

State Grants & Loans

Beginning on **Monday, March 10, 2025, until Thursday, April 17, 2025, at 5pm CST**, a Request for Proposals (RFP) will be available for download on Commerce's RFP website at *Request for Proposals (RFP) / Minnesota Department of Commerce - Business (mn.gov)*.

All responses to this RFP need to be submitted through a single responder user account via the grant portal. Applications must be submitted by the deadline of each respective round. **Late proposals will not be considered.** Instructions and links for submitting bids are detailed in the RFP and attachments.

This request does not obligate the State to complete the work contemplated in this notice. The State reserves the right to cancel this solicitation. All expenses incurred in responding to this notice are solely the responsibility of the responder.

Department of Employment and Economic Development (DEED) Notice of Grant Opportunity

NOTICE IS HEREBY GIVEN that the Minnesota Department of Employment and Economic Development (DEED) places notice of any available grant opportunities online at <https://mn.gov/deed/about/contracts/open-rfp.jsp>

Minnesota Department of Human Services Notice of Grant Opportunities

NOTICE IS HEREBY GIVEN that the Minnesota Department of Human Services (DHS) places notice of any available grant opportunities on the DHS Grant Requests for Proposals website: <https://mn.gov/dhs/partners-and-providers/grants-rfps/open-rfps/>.

State Contracts

Informal Solicitations: Informal solicitations for professional/technical (consultant) contracts valued at over \$5,000 through \$50,000, may either be published in the *State Register* or posted on the Department of Administration, Office of State Procurement (OSP) Website. Interested vendors are encouraged to monitor the P/T Contract Section of the OSP Website at <https://mn.gov/admin/osp> for informal solicitation announcements.

Formal Solicitations: Department of Administration procedures require that formal solicitations (announcements for contracts with an estimated value over \$50,000) for professional/technical contracts must be published in the *State Register*. Certain quasi-state agency and Minnesota State College and University institutions are exempt from these requirements.

Requirements: There are no statutes or rules requiring contracts to be advertised for any specific length of time, but the Office of State Procurement strongly recommends meeting the following requirements: \$0 - \$5000 does not need to be advertised; \$5,000 - \$25,000 should be advertised in the *State Register* for a period of at least seven calendar days; \$25,000 - \$50,000 should be advertised in the *State Register* for a period of at least 14 calendar days; and anything above \$50,000 should be advertised in the *State Register* for a minimum of at least 21 calendar days.

Contact the Office of State Procurement at: (651) 296-2600

Minnesota State Colleges and Universities (Minnesota State) Notice of Bid and Contracting Opportunities

Minnesota State is now placing additional public notices for contract opportunities for goods and services on its Vendor and Supplier Opportunities website (<https://www.minnstate.edu/vendors/index.html>). Minnesota State may add new public notices to the website daily and post for the time indicated within the public notice.

State Contracts

If you have any questions regarding this notice or are having problems viewing the information on the Vendor and Supplier Opportunities website, please email the Minnesota State Procurement Unit at Sourcing@MinnState.edu.

Department of Commerce

Division of Energy Resources

Request for Proposals for Consultant to Evaluate Xcel Energy's Proposed Peak-Time Rebate Program

The Department of Commerce, Division of Energy Resources seeks requests proposals for a consultant to evaluate and respond to Xcel Energy's Proposed Peak-Time Rebate (PTR) Program. Specifically, consultant shall consider how Xcel's PTR proposal complies with Minnesota Rules and Statutes, impacts Minnesota State Greenhouse and Carbon Free Goals, and furthers the Commission's Advances Rate Design efforts in Docket No. E002/GR-320. The consultant shall compare the PTR proposal against alternative demand response and load flex programs. The Consultant shall also evaluate avenues for cost recovery of the PTR program, including possible incorporation into the current rate case proceeding before a final Order is issued.

On December 20, 2024, the Public Utilities Commission (The Commission) issued its Notice of and Order for Hearing in Docket No. E002/GR-24-320. The Commission delegated authority to the Executive Secretary to open a docket to evaluate a proposal for a peak-time rebate (PTR) program for Xcel Energy, which Xcel shall file by March 17, 2025. The docket shall also evaluate avenues for cost recovery of the PTR program, including possible incorporation into the current rate case proceeding before a final Order is issued.

On January 8, 2025, the Commission issued a Notice of Docket Opening *In the Matter of a Peak Time Rebate Program for Northern States Power Co. d/b/a Xcel Energy to Further the Commission's Advanced Rate Design efforts in Docket No. E002/GR-24-320*. The Commission gave notice to interested individuals that it opened docket E002/M-24-432 in accordance with Order Point 4 of the Commission's December 30, 2024 Order in Xcel Energy's current rate case filing, Docket No. E002/GR-24-320, and to further the efforts of the Commission's inquiry into Xcel Energy's Advanced Rate Design for Load Management, Docket No. E002/CI-24-115.

A Request for Proposals (RFP) is available for download on the Department's RFP website at [*Request for Proposals \(RFP\) / Minnesota Department of Commerce - Business \(mn.gov\)*](#).

All responses to this RFP need to be submitted as directed in Section 1 of the RFP. Applications must be submitted by the deadline. **Late proposals will not be considered.**

This request does not obligate the State to complete the work contemplated in this notice. The State reserves the right to cancel this solicitation. All expenses incurred in responding to this notice are solely the responsibility of the responder.

Department of Employment and Economic Development

Request for Proposals for Learning and Development Services

PROJECT NAME: Learning and Development Services

DETAILS: The Minnesota Department of Employment and Economic Development is requesting proposals for the purpose of providing learning and development services to support the implementation and continued development of the Paid Leave division Operations unit. The selected vendor will be responsible for designing, developing, and implementing a cohesive curriculum that aligns with DEED's organizational goals and objectives. The Request for Proposals (RFP) is available at: <https://mn.gov/deed/about/contracts/>

Work is anticipated to start after May 1, 2025.

All requirements and information, as well as proposal delivery instructions are contained in the RFP. Inquiries regarding the RFP may be directed by email to Kate Redden, Solicitation Administrator, at kate.reddent@state.mn.us. Deadline for inquiries is Wednesday, March 12, 2025, at 4:30 p.m. Other department personnel are NOT allowed to discuss the RFP with anyone, including responders, before the proposal submission deadline.

Proposals must be emailed to: Kate Redden, Solicitation Administrator, Minnesota Department of Employment and Economic Development at kate.redden@state.mn.us. Proposals must be received NO later than **4:30 PM, Monday, March 24, 2025. Late responses will not be considered.** Fax and mailed proposals will not be considered.

This request does not obligate the State of Minnesota to award a contract or complete the proposed program, and the State reserves the right to cancel this solicitation if it is considered in its best interest. All costs incurred in responding to this solicitation will be borne by the responder.

Minnesota Housing Finance Agency Request for Proposals for Homebuying Partnership Program Lender-Servicer

PROJECT NAME: Homebuying Partnership Program Lender-Servicer

DETAILS: Minnesota Housing Finance Agency (“Minnesota Housing”) is requesting proposals for the purpose of engaging a lender/servicer partner who is an existing Freddie Mac Seller/Servicer experienced in the making and servicing of non-interest-bearing first mortgages to originate, fund, pool, sell and service first mortgages and associated Minnesota Housing junior mortgages for downpayment and closing cost assistance under a new program with the working title “Homebuying Partnership Program.”

Work is anticipated to start no earlier than January 2026.

COPY REQUEST: To get a copy of the Request for Proposals, please send a written request, by email, to:

Elsa Hildebrandt
Project and Program Manager
Elsa.Hildebrandt@state.mn.us

PROPOSAL DEADLINE: Proposals submitted in response to the Request for Proposals in this advertisement must be received using Minnesota Housing’s Single Family Secure File Exchange (LeapFILE™), accessible on Minnesota Housing’s Partner Login page at www.mnhousing.gov, to homeownership@state.mn.us **no later than 12:00 p.m. Noon Central Time, May 20, 2025. Late proposals will not be considered.** Faxed and/or mailed proposals will not be considered.

This request does not obligate Minnesota Housing to complete the work contemplated in this notice. Minnesota Housing reserves the right to cancel this solicitation. All expenses incurred in responding to this notice are solely the responsibility of the responder.

State Contracts

Department of Military Affairs

Facilities Management Office, Camp Ripley, Little Falls, MN

Request for Proposals for Consultant Services for Mechanical, Electrical, Fire Suppression and Fire Alarm Upgrade at Army Aviation Support Facility (AASF) #1, St. Paul, Minnesota (Project No. 25125)

The State of Minnesota, Department of Military Affairs, is soliciting proposals from interested, qualified providers for Consultant Services for Mechanical, Electrical, Fire Suppression and Fire Alarm Upgrade at Army Aviation Support Facility (AASF) #1, St. Paul, Minnesota (Project No. 25125). Work is anticipated to start May 2025.

COPY REQUEST: A full Request for Proposals is available on the Minnesota Department of Military Affairs' website at <https://ngmnpublish.azurewebsites.us/requests-for-proposal/>.

A **MANDATORY** project site tour is scheduled for March 11, 2025 at 10:00 A.M. at Holman Field, 206 Airport Road, St. Paul, MN 55107.

Any questions should be directed to Mr. Russ Ekholm at russell.a.ekholm.nfg@army.mil. Project questions will be taken by this individual only. Questions regarding this RFP must be received by March 18, 2025, no later than 2:00 PM Central Time.

RFP responses must be received by Email to the Department of Military Affairs, Attn: Ms. Sara Seelen, Email: sara.l.seelen.nfg@army.mil, no later than **2:00 P.M. Central Time on March 25, 2025. Late responses will not be considered.**

The Department of Military Affairs is not obligated to complete the work contemplated in this notice and reserves the right to cancel the solicitation if it is considered to be in its best interest. All expenses incurred in responding to this notice are solely the responsibility of the responder.

Minnesota Department of Transportation (MnDOT)

Engineering Services Division

Notices Regarding Professional/Technical (P/T) Contracting

P/T Contracting Opportunities: MnDOT is now placing additional public notices for P/T contract opportunities on the MnDOT's Consultant Services website. New public notices may be added to the website on a daily basis and be available for the time period as indicated within the public notice.

Taxpayers' Transportation Accountability Act (TTAA) Notices: MnDOT is posting notices as required by the TTAA on the MnDOT Consultant Services website.

MnDOT's Prequalification Program: MnDOT maintains a Pre-Qualification Program in order to streamline the process of contracting for highway related P/T services. Program information, application requirements, application forms and contact information can be found on MnDOT's Consultant Services website. Applications may be submitted at any time for this Program.

MnDOT Consultant Services website: www.dot.state.mn.us/consult

If you have any questions regarding this notice, or are having problems viewing the information on the Consultant Services website, please call the Consultant Services Help Line at 651-366-4611, Monday – Friday, 9:00am – 4:00pm.

Non-State Public Bids, Contracts & Grants

The State Register also serves as a central marketplace for contracts let out on bid by the public sector. The *State Register* meets state and federal guidelines for statewide circulation of public notices. Any tax-supported institution or government jurisdiction may advertise contracts and requests for proposals from the private sector. It is recommended that contracts and RFPs include the following: 1) name of contact person; 2) institution name, address, and telephone number; 3) brief description of commodity, project or tasks; 4) cost estimate; and 5) final submission date of completed contract proposal. Allow at least three weeks from publication date (four weeks from the date article is submitted for publication). Surveys show that subscribers are interested in hearing about contracts for estimates as low as \$1,000. Contact editor for further details.

Besides the following listing, readers are advised to check: <https://mn.gov/admin/osp> as well as the Office of Grants Management (OGM) at: <https://mn.gov/admin/citizen/grants/>.

Metropolitan Airports Commission (MAC) Notice of Call for Bids for 2025 Tenant Parking Lot Reconstruction

Airport Location: Minneapolis-St. Paul International Airport
Project Name: 2025 Tenant Parking Lot Reconstruction
MAC Contract No.: 106-3-699
Bids Close At: 2:00 PM on March 19, 2025
Bid Opening Conference Call: 3:00 PM on March 19, 2025
Teleconference Dial In #: 1-612-405-6798
Conference ID #: 897 927 742#

Notice to Contractors: Electronic Bid Submission for the project listed above will be received by the MAC, a public corporation, via *QuestCDN's website* until the official time and date as displayed in QuestCDN Online.

Note: You can sign up on our web site (<https://metroairports.org/doing-business/solicitations>) to receive email notifications of new business opportunities.

Targeted Group Businesses (TGB): The goal of the MAC for the utilization of Targeted Group Businesses on this project is 14%.

Bid Security: Each bid shall be accompanied by a "Bid Security" in the form of a certified check made payable to the MAC in the amount of not less than five percent (5%) of the total bid, or a surety bond in the same amount, running to the MAC, with the surety company thereon duly authorized to do business in the State of Minnesota.

Availability of Bidding Documents: Bidding documents are on file for inspection at the office of Kimley-Horn and Associates, Inc.; at the QuestCDN Online indicated below and at the Minnesota Builders Exchange; Rochester Builders Exchange; Dodge Data and Analytics; and NAMC-UM Plan Room. Bidders desiring drawings and specifications for personal use may secure a complete digital set at the *QuestCDN website*. Bidders may download the complete set of digital documents for \$22.00, or other fee as determined by QuestCDN, by entering eBidDoc™ #9400400 in the "Search Projects" page. Contact Quest Construction Data Network at (952) 233-1632 or info@questcdn.com for assistance. Hard copy drawings and specifications will not be made available to Bidders. Bid documents for this project may be viewed for no cost at QuestCDN Online. For this project, bids will **ONLY** be received electronically. Contractors submitting an electronic bid will be charged an additional \$42.00, or other fee as determined by QuestCDN, at the time of bid submission via the online electronic bid service QuestCDN Online.

MAC Internet Access of Additional Information: A comprehensive Notice of Call for Bids for this project will be available on March 3, 2025, at MAC's web address of <https://metroairports.org/doing-business/solicitations> (construction bids).

Non-State Public Bids, Contracts & Grants ==

Metropolitan Airports Commission (MAC) Notice of Call for Bids for 2025 Air Handling Unit Replacement

Airport Location: Minneapolis-St. Paul International Airport
Project Name: 2025 Air Handling Unit Replacement
MAC Contract No.: 106-2-1085
Bids Close At: 2:00 PM on April 15, 2025
Bid Opening Conference Call: 3:00 PM on April 15, 2025
Teleconference Dial In #: 1-612-405-6798
Conference ID #: 897 927 742#

Notice to Contractors: Electronic Bid Submission for the project listed above will be received by the MAC, a public corporation, via *QuestCDN's website*, until the official time and date as displayed in QuestCDN Online.

Note: You can sign up on our web site (<https://metroairports.org/doing-business/solicitations>) to receive email notifications of new business opportunities.

Disadvantaged Business Enterprises (DBE): The goal of the MAC for the utilization of Disadvantaged Business Enterprises on this project is 5%.

Bid Security: Each bid shall be accompanied by a "Bid Security" in the form of a certified check made payable to the MAC in the amount of not less than five percent (5%) of the total bid, or a surety bond in the same amount, running to the MAC, with the surety company thereon duly authorized to do business in the State of Minnesota.

Project Labor Agreement: This project is subject to the MAC's Project Labor Agreement requirements. A copy of the Project Labor Agreement and Contract Riders are included in Appendix B.

Availability of Construction Documents: Plans and specifications are available at QuestCDN Online as indicated below and at the Minnesota Builders Exchange; Rochester Builders Exchange; Dodge Data and Analytics; and NAMC-UM Plan Room. Bidders desiring drawings and specifications for personal use may secure a complete digital set at the *QuestCDN website*. Bidders may download the complete set of digital documents for \$22.00, or other fee as determined by QuestCDN, by entering eBidDoc™ #9565464 in the "Search Projects" page. Contact Quest Construction Data Network at (952) 233-1632 or info@questcdn.com for assistance. Hard copy drawings and specifications will not be made available to Bidders. Bid documents for this project may be viewed for no cost at QuestCDN Online. For this project, bids will ONLY be received electronically. Contractors submitting an electronic bid will be charged an additional \$42.00, or other fee as determined by QuestCDN, at the time of bid submission via the online electronic bid service QuestCDN Online.

MAC Internet Access of Additional Information: A comprehensive Notice of Call for Bids for this project will be available on March 10, 2025, at MAC's web address of <https://metroairports.org/doing-business/solicitations> (construction bids).



**State of Minnesota Citizen Participation Plan
Consolidated Plan for Housing and Community Development**

Introduction

Under guidelines established by the U.S. Department of Housing and Urban Development (HUD), the Minnesota Department of Employment and Economic Development, Minnesota Housing Finance Agency and Minnesota Department of Human Services, hereinafter referred to as the “State”, must prepare a Consolidated Plan that addresses the housing, community development, and economic development activities that the State will undertake to assist its citizens through HUD’s formula grant programs.

DEED is the lead agency responsible for the Consolidated Planning process and the administration of the: Community Development Block Grant funds (CDBG). Minnesota Housing is the lead agency responsible for the Home Investment Partnerships (HOME), Housing Opportunities for Persons with AIDS (HOPWA), and the National Housing Trust Fund (NHTF). DHS is the lead agency responsible for the Emergency Shelter Grants (ESG).

The Consolidated Planning process is intended to more comprehensively fulfill three basic goals: to provide decent housing, to provide a suitable living environment and to expand economic opportunities.

Provision of decent housing may involve assisting homeless persons in obtaining appropriate housing, retaining the affordable housing stock, increasing the availability of permanent affordable housing for low-income households without discrimination or increasing supportive housing to assist persons with special needs. Providing a suitable living environment might entail improving the safety and livability of neighborhoods, including the provision of adequate public facilities; deconcentrating housing opportunities and revitalizing neighborhoods; restoring and preserving natural and physical features with historic, architectural, and aesthetic value; and conserving energy resources. Expanding economic opportunities can involve creation of accessible jobs, providing access resources for community development, and assisting low- income persons in achieving self-sufficiency.

The Consolidated Plan is a three-part planning process required by HUD. It comprises developing a five-year strategic plan, preparing annual action plans and submitting annual performance reports. These three parts are intended to furnish the framework whereby

Minnesota can identify its housing, homeless, community, and economic development needs, identify resources that will be tapped and actions to be taken that will address the needs, as well as

look back and evaluate the State's progress toward achieving its strategic goals. Completing these documents on time and in a manner that is acceptable to HUD ensures program funding.

The precursor to the Consolidated Plan is the Citizen Participation Plan (CPP). The objectives of the CPP are to ensure that the citizens of Minnesota, particularly persons of low and moderate income, persons living in slum and blight areas, units of local government, housing agencies and other interested parties, are provided with the opportunity to participate in the planning and preparation of the Consolidated Plan, including amendments to the Consolidated Plan and the Annual Performance Report. In doing so, the CPP sets forth general policies and procedures for implementing and carrying out the Consolidated Planning Process, such as how the Consolidated Plan will be developed, dates and milestones along which the process will proceed, and methods for citizens to offer the State assistance and guidance in the formulation of the Plan. Furthermore, the provisions of the CPP fulfill statutory and regulatory requirements for citizen participation specified in the U.S. Department of Housing and Urban Development's rules for the Consolidated Plan, the HOME, CDBG, ESG, NHTF and HOPWA programs and the Analysis of Impediments to Fair Housing¹. In Minnesota, the participation process will be developed and monitored by a Consolidated Plan Coordinating Committee consisting of representatives from the Department of Employment and Economic Development (DEED), the Minnesota Housing Finance Agency (Minnesota Housing), and the Minnesota Department of Human Services (DHS).

Purpose of the Citizen Participation Plan

In order to ensure maximum participation in the Consolidated Plan process among all populations and needs groups, and in order to ensure that their issues and concerns are adequately addressed, the State of Minnesota will follow the standards set forth in this Citizen Participation Plan during development of its Consolidated Plan.

The Citizen Participation Plan also provides citizens an opportunity to evaluate and comment on the State's performance, as reported in the Consolidated Annual Performance and Evaluation Report (CAPER).

Relevant Areas

The term "entitlement areas" refers to cities and counties that qualify to receive one or more formula grants. These areas must complete a Consolidated Plan separately from the State's to receive funding. For purposes of this Citizen Participation Plan, "non-entitlement" refers to cities

¹ See 24 CFR § 91.115

and towns that do not file Consolidated Plans individually or as part of a consortium and are not eligible to receive formula funding from HUD directly.

Entitlement areas for the CDBG program include: the cities of Bloomington, Coon Rapids, Duluth, Eden Prairie, Mankato, Minneapolis, Minnetonka, Fargo/Moorhead, North Mankato, Plymouth, Rochester, St. Cloud, St. Paul, Woodbury, and the counties of Hennepin, Anoka, Dakota, Ramsey, Washington, and St. Louis.

Entitlement areas for the HOME program include: the cities of Duluth, Minneapolis, and St. Paul, and the counties of Hennepin, Dakota, and St. Louis.

Entitlement areas for the ESG program include: the cities of Duluth, Minneapolis, St. Paul, and the counties of Hennepin, Dakota, Ramsey, and St. Louis.

Individuals wishing to contribute to the Consolidated Planning process in these areas should contact housing and community development specialists in these cities/counties.

Encouraging Citizen Involvement

Public Notice and Outreach

An informed citizenry is critical to effective and responsive housing and community development programs. Efforts to educate residents and empower participation are an ongoing element of the Consolidated Planning process.

As the fundamental means of notifying interested citizens about the Consolidated Plan and related activities, such as the Annual Action Plan or the Consolidated Annual Performance and Evaluation Report, the State will utilize multiple advertisement notices, which include but are not limited to social media, mass emailings, and/or website postings. Written notices will be published at least 14 calendar days prior to public hearings. All notices will be written in plain, simple language and direct efforts will be undertaken to publish and/or post information at locations that will elicit maximum low- and moderate-income and minority participation.

Public education and outreach will be facilitated through the use of public advertisements that describe the Consolidated Planning process, opportunities for citizen participation and available funding through the CDBG, ESG, HOME and HOPWA programs. The State's Consolidated Plan contact list will likely include social service organizations, local jurisdictions, low-income housing consumers, neighborhood groups, previous participants and commentators, and others expected to desire input on the Plan.

The Consolidated Plan will offer many other opportunities for citizen participation. The State will particularly encourage participation of persons with special needs and/or persons who are often underrepresented in public process (low-income, persons of color, non-English speaking persons, persons with disabilities, persons who are homeless). The State will also encourage the participation of statewide and regional institutions and organizations that are involved or affected by the formula grants in the process of developing and implementing the Consolidated Plan. Participation will be solicited and encouraged through the activities discussed below.

Communications sent and posted by the state will encourage input from these parties so they can provide input about priorities and strategies they wish to see as a result of the plan.

Public Hearings and Input Meetings

At least two public input meetings will be held before the publication of the final Consolidated Plan. The primary purpose of the first public hearing is to gather citizen input on housing and community development needs and the proposed Consolidated Plan before it is published for comment. The second public hearing will be held during the Consolidated Plan 30-day public comment period and will be for review and comment on the Consolidated Plan draft. The public hearings will be announced at least two weeks prior to being held. Announcements may be made through the DEED and Minnesota Housing websites and at least one additional method which may include social media or mass emails.

The public hearings will take place in locations identified in the announcement of the public hearings that are accessible to persons with disabilities. The dates, times and locations for public hearings will be convenient to potential and actual beneficiaries. Non-English speaking persons and those with disabilities will be encouraged to attend. Where a significant number of non- English speaking residents are expected to participate, the State will provide translators when notified of this need prior to the public meetings. Contact information will be provided in all public announcements.

Regional and Interest Area Forums and Focus Groups

In addition to the public hearings, DEED, Minnesota Housing, and DHS may solicit input on housing and community development issues and needs of the homeless population at regional or interest area forums, focus groups, or web-based meetings.

If these types of meetings are conducted, agencies, advocates, statewide and regional institution and organizations and community residents will be informed of the meetings through state agency websites, personal contact, mass emails, media releases, and other methods that the state believes may be productive. All sites selected for the forums or focus groups will be accessible to the physically disabled. The State will work with advocacy groups to determine the need for special accommodations (beyond physical accessibility) of special needs groups and non-English speaking attendees.

The forums will be conducted with the intention of providing Minnesota residents the opportunity to voice their opinions and provide insight into the issues prevalent in their communities. The forums will also provide an opportunity for citizens and interested parties to obtain information about state housing and community development programs, the administering agencies, and funding requirements.

Publication of Consolidated Plan Documents

The State will publish its draft Consolidated Plan documents for public review in a manner that affords residents, units of general local governments, public agencies, and other interested parties a reasonable opportunity to examine document's contents and to submit comments.

The draft Consolidated Plan documents will be available for viewing on Minnesota Housing's website <http://www.mnhousing.gov> and DEED's website <http://www.mn.gov/deed>, DHS' website <http://www.mn.gov/dhs>, or a centralized website or webpage dedicated to the State of Minnesota's Five-Year Consolidated Plan. Hard copies of the proposed Consolidated Plan will also be available upon request from DEED and Minnesota Housing during the public comment period.

Citizens or groups that have attended any of the forums or public hearings will be notified by mail or e-mail of the Consolidated Plan's availability for comment.

The draft Consolidated Plan will describe the amount of assistance the State expects to receive and the range of activities that may be undertaken, including the estimated amount that will benefit persons of low- and moderate-income and the plans to minimize displacement of persons and to assist any persons displaced.

The State will openly consider any comments of individuals or groups received verbally or in writing, including e-mail, during the Consolidated Planning process or at public hearings. A summary of the written and public hearing comments will be included in the final Consolidated Plan, along with the state's response to the comments.

Public Comment on the Consolidated Plan Documents

Prior to the adoption of the Consolidated Plan, the State will make available to interested parties the draft Consolidated Plan and Executive Summary for a comment period of no less than 30 days. Notification of the availability of the proposed Consolidated Plan will be provided in at least one media source which may include websites, social media, mass emailings, or postings.

Before the State submits a Consolidated Annual Performance and Evaluation Report (CAPER) to HUD, the State will make available to interested parties the proposed CAPER for a comment period of no less than 15 days. Citizens will be notified of the CAPER's availability through newspaper notification, website postings, and/or social media.

The CAPER will be available on Minnesota Housing's and DEED's websites for the full public comment period. Hard copies of the CAPER will be available upon request from DEED and Minnesota Housing during the public comment period. The State will consider any comments of individuals or groups received verbally at public hearings or in writing, including e-mails. A summary of the written and public hearing comments and the State's responses will be included in the final CAPER.

Public Access to Records

The State will provide all interested parties with access to information and records related to the State's Consolidated Plan and the State's use of assistance under all programs covered by the Consolidated Plan during the preceding five years. The public will be provided with reasonable access to housing assistance records, subject to laws regarding privacy and obligations of confidentiality.

Consultation with Organizations and State Agencies

When preparing the Consolidated Plan, the State will actively consult with public and private agencies that provide housing, health and social services in order to ensure that the interests and needs of all groups are being adequately addressed. This consultation may occur through regional and interest area forums, interviews conducted with such organizations (especially those that provide services to special needs populations), surveys, and incorporation of data and reports produced by such organizations into the Consolidated Plan.

Amendments to the Consolidated Plan

Pursuant to HUD regulations, an amendment to the Consolidated Plan is required whenever the jurisdiction determines to:

- Substantially change the allocation priorities or its method of distributing HUD formula grant funds;
- Utilize formula grant funds (including program income) to carry out an activity not previously described in the action plan; or
- Change the purpose, scope, location or beneficiaries of an activity.

Such changes, prior to their implementation, are reviewed under various federal or State requirements. Substantial amendments to the Consolidated Plan are, in addition, subject to a formal citizen participation process. Notice and the opportunity to comment will be given to citizens through public notices or other appropriate means, such as public meetings, social media, or website postings. A public comment period of not less than 30 days will be provided prior to implementing any substantial amendment to the Consolidated Plan. State staff will prepare a summary of all comments received in writing and, in cases where any citizens' views are not accepted, provide reasons for the decision. This documentation will be attached to the substantial amendment, which will be available to the public and submitted to HUD.

Substantial Amendments

Occasionally, public comments or events warrant an amendment to the Consolidated Plan. The criteria for whether to amend are referred to by HUD as Substantial Amendment Criteria. The following is the State's Substantial Amendment Criterion.

A change in the described method of distributing funds to local governments or nonprofit organization subrecipients to carry out activities. Elements of a "method of distribution" are:

- A. Application process for subrecipients;
- B. Criteria for selecting subrecipients.
- C. Change in the current method of distributing funds; for example, a significant increase or a decrease in HUD allocation.
- D. Change in the allocation priorities - a new need is identified as being urgent or crucial, necessitating a major allocation and displacing a previously identified need for which funding would be made available.
- E. a change in the State's priorities as identified in the 5-year Consolidated Plan
- F. substantial change in federal program rules or regulations for existing programs which add additional federal requirements, for example, an allocation of disaster funding or an economic stimulus package.

Citizen Participation in the Event of a Substantial Amendment

In the event of a substantial amendment to the Consolidated Plan, the State will comply with the following citizen participation process:

1. The State will notify citizens of the availability of the draft substantial amendments, a minimum 30-day comment period, and, if in the State's judgment a public hearing is desirable, the time and location of the public hearing through website, social media, or mass emailings.
2. Depending on which of the formula grant programs is affected, the substantially amended sections of the Consolidated Plan will be made available on either Minnesota Housing's website <http://www.mnhousing.gov>, DEED's website, <http://www.mn.gov/deed> or DHS's website, <http://www.mn.gov/dhs> and hard copies will also be available from the affected state department upon request for the full duration of the public comment period.

Consideration of Public Comments on the Substantially Amended Plan.

In the event of substantial amendments to the Consolidated Plan, the State will openly consider any comments on the substantially amended Consolidated Plan from individuals or groups. Comments must be received in writing, including e-mail, or at public hearings if hearings are conducted. A summary of the comments received on the substantial amendments will be included in the final substantially amended Consolidated Plan. Also included in the final substantially amended Consolidated Plan will be a summary of all comments not accepted and their reasons for dismissal.

Changes in Federal Funding Level

Any changes in federal funding level after the Consolidated Plan's draft comment period has expired and the resulting effect on the distribution of funds will not be considered an amendment

or a substantial amendment.

Standard Amendments

“Standard amendments” are those that are not considered substantial in nature and pertain chiefly to minor administrative modifications of the programs. Thus, they do not require in- depth citizen participation. Minor increase or decreases from HUD will be appropriated proportionally to Annual Action Plan activities or retained for future funding round.

Complaints and Grievances

Citizens, administering agencies and other interested parties may submit complaints regarding violations of this Citizen Participation Plan or federal regulations regarding the preparation of the consolidated plan, amendments to the consolidated plan, or performance reports.

Citizens may also present complaints and grievances orally or in writing at the community meetings and/or public hearing. All public comments, including complaints and grievances, made either orally or in writing within the 30-day public comment period, will be included in the final Consolidated Plan, subject to such limitations of the Minnesota Government Data Practices Act that may apply. Such complaints or grievances shall be directed to the Consolidated Plan representative, Ms. Natasha Kukowski of DEED at 180 East Fifth Street, 12th Floor, St. Paul, MN 55101, or her successor.

Timely Response to Complaints or Grievances

Within 15 calendar days of receiving the complaint, the program manager shall discuss the matter with the department manager, respond to the complainant in writing, and maintain a copy of all related correspondence, which will be subject to State review. A copy of the State's response from the Consolidated Plan representative will be transmitted, concurrently, to the complainant and to the DEED Director. If, due to unusual circumstances, the Consolidated Plan representative finds that it is unable to meet the prescribed time limit, the limit may be extended by written notice to the complainant. The Consolidated Plan representative's notice must include the reason for the extension and the date on which a response is expected to be generated, which may be based on the nature and complexity of the complaint.

Public review materials and performance reports will include data, as appropriate under confidentiality regulations, on any written complaints received and how each was resolved.

Citizen Participation Requirements for Local Governments Receiving CDBG (Small Cities Development Program) Funds from the State

Units of general local government must provide for and encourage citizen participation as prescribed at 24 CFR 570.486. All Small Cities Program applicants for CDBG funds are required to provide citizen notification and involvement in planning and implementation of the proposed projects through one or more public hearings and other informational efforts. Public hearings must be held at times and in places that are convenient to all community residents, particularly those who will be affected by implementation of the project(s). The needs of persons with disabilities and non-English speaking persons should be considered for the dissemination of information and the location of public hearings and meetings must be accessible to persons with disabilities. In addition, applicants are required to conduct a community development survey to allow for citizen input on the housing and community needs of the jurisdiction.

Availability of the Citizen Participation Plan

Copies of the CPP may be obtained at the Minnesota Housing website (<http://www.mnhousing.gov>), the DEED website at <http://www.mn.gov/deed>., or DHS website, <http://www.mn.gov/dhs>. The State will provide the Plan in a hard copy or an alternative format accessible to individuals with disabilities upon request.

State of Minnesota 2025 Annual Action Plan Sign-in Sheet

First Public Hearing | March 26, 2025 | 3:45 – 4:45pm | Brainerd Conference Room

Please Print

Name	Organization (if applicable)	Email (if you'd like plan updates)
TJ Hammerstrom	Hopewell 360	T.hammerstrom@hopewell360.com
Jeru Gobeze	Habitat for Humanity of MN	jeru.gobeze@habitatminnesota.org

Hybrid 2025 Annual Action Plan 1st Public Hearing

HOST	AGENCY	E-MAIL
Natasha Kukowski	DEED	Natasha.Kukowski@state.mn.us
Christian Nordeng	DEED	Christian.Nordeng@state.mn.us
Zachary Klehr	DEED	Zachary.Klehr@state.mn.us
Nellie Siers	MN Housing	Nellie.Siers@state.mn.us
Annie Wells	DHS	Annie.Wells@state.mn.us

IN PERSON PARTICIPANTS	AGENCY	E-MAILS
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Christine Hartert	DEED	Christine.Hartert@state.mn.us
Jeru Gobeze	Habitat for Humanity of MN	Jeru.gobeze@habitatminnesota.org

CALL IN PARTICIPANTS	AGENCY	E-MAILS
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Brian Fleming		Brian.Fleming@co.sherburne.mn.us
Kevn Kmetz	DHS	Kevin.Kmetz@state.mn.us
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Patti Walsh		
Sheila Hawthorne	Washington County CDA	SheilaH@washingtoncountycda.org
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Aaron Wittnebel		
Teri Lazaretti		Teri.Lazaretti@CO.DAKOTA.MN.US
Tanya Westra	Otter Tail HRA	twestra@ottertailcounty.gov
Grady Holtberg		
Cristen Incitti	Habitat for Humanity of MN	cristen.incitti@habitatminnesota.org

 DEPARTMENT OF
HUMAN SERVICES

 MINNESOTA
HOUSING

 EMPLOYMENT AND
ECONOMIC DEVELOPMENT

The State of Minnesota's 2025 Annual Action Plan and Draft Citizen Participation Plan to the US Department of Housing and Urban Development

March 26, 2025

1st Public Hearing

 MINNESOTA

Public hearing information

- This public hearing is being recorded.
- All attendees' video are disabled.
- All attendees' microphones will be disabled.
- Chat and “Raise Your Hand” feature (for call-in – Press *5)
- Closed captions can be accessed by clicking the ellipses (...) button, Language and Speech then clicking “Turn on Live Captions.”

- Introductions
- US Department of Housing and Urban Development (HUD) anticipated resources
- Location program funds can be used
- Anticipated activities
- Public hearing

- Minnesota Department of Employment and Economic Development
 - Natasha Kukowski
 - Zachary Klehr
 - Christian Nordeng
- Minnesota Housing and Finance Agency
 - Nellie Siers
 - Joshua Kirk
- Minnesota Department of Human Services
 - Annie Wells

HUD anticipated resources in the 2025 Action Plan

Program	Summary	Funding
Community Development Block Grant (CDBG)	DEED provides funding to small cities and counties through the Small Cities Development Program for housing, public infrastructure and commercial rehabilitation projects.	Estimated \$18.8 million
Emergency Solutions Grant (ESG)	DHS provides operating costs and essential services to shelter, and funding for rapid rehousing and prevention programs, through a competitive application process.	Estimated \$2.2 million
HOME Investment Partnerships Program (HOME)	Minnesota Housing makes funds available statewide through annual Request for Proposals. It provides deferred financing for affordable rental housing.	To Be Announced
National Housing Trust Funds (NHTF)	Minnesota Housing makes funds available through a Request for Proposals same as HOME but limited to support Extremely Low-Income households.	To Be Announced
Housing Opportunities for Persons with AIDS (HOPWA)	Minnesota Housing administers through a nonprofit in Greater Minnesota to provide short term rental and mortgage assistance.	To Be Announced

Location program funds can be used

Program	Locations within the state that use each program
Community Development Block Grant (CDBG)	<p>Cities with a population of less than 50,000 people or counties with a population less than 200,000 people.</p> <p>Funds cannot be used in the counties of Anoka, Dakota, Hennepin, Ramsey, St. Louis, or Washington; or the cities of Bloomington, Duluth, Eden Prairie, Mankato, Minneapolis, Minnetonka, Moorhead, Plymouth, Rochester, St. Cloud, St. Paul, or Woodbury.</p>
Emergency Solutions Grant (ESG)	<p>“Balance of State” – all areas of the state <i>except</i> Dakota County, Duluth, Hennepin County, Minneapolis, St. Louis County, and St. Paul.</p>
HOME Investment Partnerships (HOME)	Statewide
National Housing Trust Funds (NHTF)	Statewide
Housing Opportunities for Persons with AIDS (HOPWA)	Statewide outside the 13-county metro area

Anticipated activities in the 2025 Annual Action Plan

Program	Anticipated activities
Community Development Block Grant (CDBG)	Owner-occupied and residential rental rehabilitation for low-to-moderate income households, commercial building rehabilitation, public facility improvements/rehabilitation, and streetscape
Emergency Solutions Grant (ESG)	Emergency shelter, Rapid Rehousing and homelessness prevention
HOME Investment Partnerships Program (HOME)	Renovation and new construction of housing units for low-to-moderate income rental households
National Housing Trust Fund (NHTF)	Renovation and new construction of housing units for extremely low-income renters; prioritize new construction to expand the housing stock for this population
Housing Opportunities for Persons with AIDS (HOPWA)	Provide short term rental, mortgage or utility assistance, and services to people with HIV/AIDs

Public hearing

- We will now begin accepting input for the 2025 Annual Action Plan and the draft Citizen Participation Plan.
 - Joining via computer - You may enter your comment in the chat or use the “Raise Your Hand” feature. Host will enable your microphone so you can unmute yourself to verbally state the comment.
 - Joining via phone - Press *5 to use the “Raise Your Hand” feature. Host will enable your microphone and you can press *6 to unmute to verbally state the comment.
- Questions may be asked; however, please clearly state when you are providing an input.
- If you are representing an agency or group, please state the name of the agency or group.

Thank You!

The draft 2025 Annual Action Plan will be available online on April 24, 2025.

The draft Citizen Participation Plan is available online.

State of Minnesota 2025 Annual Action Plan

First Public Hearing Input

March 26, 2025 at 3:45 PM
Great Northern Building
Brainerd Room

Comments received at the hearing:

- HUD's many restrictions limits the ability to assist chronically homeless individuals or others who do not meet their criteria in accessing housing.
- Suggestions to expand ownership opportunities and broaden the allowable uses of CDBG for homeownership programs.
- Affordable housing units in new development are not fully addressing the needs of individuals earning 30% or less of the area's median income.
- New approaches or innovative ways to share and communicate RFPs.

State of Minnesota 2025 Annual Action Plan Sign-in Sheet

Second Public Hearing | May 28, 2025 | 3:45 – 4:45pm | Brainerd Conference Room

Please Print

Name	Organization (if applicable)	Email (if you'd like plan updates)
No in-person attendees		

Hybrid 2025 Annual Action Plan 2nd Public Hearing

HOST	AGENCY	E-MAIL
Natasha Kukowski	DEED	Natasha.Kukowski@state.mn.us
Christian Nordeng	DEED	Christian.Nordeng@state.mn.us
Zachary Klehr	DEED	Zachary.Klehr@state.mn.us
Christine Hartert	DEED	Christine.Hartert@state.mn.us
Nellie Siers	MN Housing	Nellie.Siers@state.mn.us
Annie Wells	DHS	Annie.Wells@state.mn.us

IN PERSON PARTICIPANTS	AGENCY	E-MAILS
None		

VIRTUAL PARTICIPANTS	AGENCY	E-MAILS
Joshua Kirk	MN Housing	Joshua.Kirk@state.mn.us
Kevn Kmetz	DHS	Kevin.Kmetz@state.mn.us
Tanya Battista		
Jessica Jungroth	Lakes & Prairies Community Action	jessicaj@caplp.org
Molly E Just		
Laura Heck		
Teri Lazaretti		Teri.Lazaretti@CO.DAKOTA.MN.US
Lecore Griffin		
Beatrice Laizer		
Shelli Bakken	LeadingAge MN	
TJ		
dfox		

 EMPLOYMENT AND
ECONOMIC DEVELOPMENT

 MINNESOTA
HOUSING

 DEPARTMENT OF
HUMAN SERVICES

The State of Minnesota's 2025 Annual Action Plan to the US Department of Housing and Urban Development

May 28, 2025

2nd Public Hearing

 MINNESOTA

- Introductions
- US Department of Housing and Urban Development (HUD) anticipated resources and activities
 - CDBG
 - ESG
 - HOME, HOPWA, HTF
- Public comment

HUD anticipated resources and activities in the 2025 Action Plan

Program	Summary	Funding
Community Development Block Grant (CDBG)	DEED provides funding to small cities and counties through the Small Cities Development Program for housing, public infrastructure and commercial rehabilitation projects.	\$19 million

Anticipated activities

Owner-occupied and residential rental rehabilitation for low-to-moderate income households, commercial building rehabilitation, public facility improvements/rehabilitation, and streetscape

HUD anticipated resources and activities in the 2025 Action Plan

Program	Summary	Funding
Emergency Solutions Grant (ESG)	DHS provides operating costs and essential services to shelter, and funding for rapid rehousing and prevention programs, through a competitive application process.	\$2.2 million

Anticipated activities

Emergency shelter, Rapid Rehousing and homelessness prevention

HUD anticipated resources and activities in the 2025 Action Plan

Program	Summary	Funding
HOME Investment Partnerships Program (HOME)	Minnesota Housing makes funds available statewide through annual Request for Proposals. It provides deferred financing for affordable rental housing.	\$8.3 million

Anticipated activities

Renovation and new construction of housing units for low-to-moderate income rental households

HUD anticipated resources and activities in the 2025 Action Plan

Program	Summary	Funding
National Housing Trust Funds (NHTF)	Minnesota Housing makes funds available through RFP same as HOME but limited to support Extremely Low-Income households.	\$3.1 million

Anticipated activities

Renovation and new construction of housing units for extremely low-income renters; prioritize new construction to expand the housing stock for this population

HUD anticipated resources and activities in the 2025 Action Plan

Program	Summary	Funding
Housing Opportunities for Persons with AIDS (HOPWA)	Minnesota Housing administers through a nonprofit in Greater Minnesota to provide short term rental and mortgage assistance.	\$453,450

Anticipated activities

Provide short term rental, mortgage or utility assistance, and services to people with HIV/AIDS

Public Comments

- We will now begin accepting verbal comments on the draft 2025 Annual Action Plan.
 - All comments provided at this hearing and were received during the public comment period, as well as responses to the comments, will be included in the final Annual Action Plan document.
- If you are commenting on behalf of an agency or group, please state the name of the agency or group.

Thank You!

All received comments and responses to the comments will be included in the Final 2025 Annual Action Plan. The Final Plan will be available online after it is approved by HUD.



DEPARTMENT OF
HUMAN SERVICES



MINNESOTA
HOUSING



EMPLOYMENT AND
ECONOMIC DEVELOPMENT

State of Minnesota
Notice of Public Hearing Comments

DATE: WEDNESDAY, MAY 28, 2025

TIME: 3:45PM- 4:45 PM

***LOCATION: DEED, Great Northern Building, 12th Floor,
Brainerd Room & Virtual Meeting***

Agency staff present: Annie Wells (DHS); Nellie Siers (MN Housing), Nellie Siers (MN Housing); Natasha Kukowski (DEED), Christian Nordeng (DEED), Zachary Klehr (DEED) & Christine Hartert (DEED).

Participants from the public: Refer to 2025 Annual Action Plan 2nd Public Hearing Sign-up Sheet

Summary of Comments/Discussion:

Resident's comment

Summary of comment: Requested a hard copy of the draft Action Plan

Response: Hardcopy was mailed to requesters.

Resident's comment

Summary of comment: In my opinion we need to abolish the Generational First-time homebuyer program in Minnesota ASAP. I believe this program contributes to higher real estate prices and it is subject to widespread fraud. Many applicants fraudulently claim this program. Many illegal immigrants or legal immigrants fraudulently claim this program because there is a lack of oversight. Tax payers money is spent on this fraud. There is a national first-time homebuyer program that helps homebuyers. We do not need another program in Minnesota at the expense of taxpayers. There is no lack of

homebuyers in Minnesota, and responsible homebuyers is what we need. We have a lack of new construction, not new homebuyers. This program should be stopped ASAP and money allocated for it returned to the general fund. We have high state sales tax and income tax. Giving free money to some people at the expense of other people is a bad idea. "Teach a person how to fish instead of giving him a fish."

Response: Thank you for your comment. The First-Generation Homebuyer Loan Program is not funded with the resources outlined in this Plan. It is funded through the Minnesota State Legislature and enshrined in Minnesota Statute 462A.41. As the State's Housing Finance Agency, Minnesota Housing is required to disburse these funds in the manner outlined in the above mentioned statute.

Resident's comment

Summary of comment: Please consider to develop a security & gated co-housing area. Shared space ideally with an indoor heated pool, hot tubs, work out room, a commercial kitchen, a stage (for performers) to socialize -- option to serve meals or snacks, watch movies, play cards, bingo, free library, dance, mini golf, make or sell crafts. Lots of housing like this are in Texas and Arizona -- single, double trailer homes, mini homes as an option. Owners & Guests must be cleared by Security prior to entering. Shared space bldg w/a parking lot near the entrance. Allows golf carts use.

Response: Thank you for your comment. The federal dollars represented in this Plan (CDBG, HOME, NHTF, HOPWA, and ESG) can only be used for the purposes and eligible uses explicitly laid out in federal regulation. While HOME and NHTF dollars are used for developing deeply affordable rental housing that may or may not have some shared community spaces, the amenities described in your comment are unfortunately not eligible uses for these two programs.

Resident's comment

Summary of comment: This city keeps building and building but nothing affordable for those workers who actually work. I live in low-income housing...\$1670.00 a month. This stupid! No one considers this low income. I work and work and can never get ahead thanks to this city's ridiculous love of money. When no one is left to do the caring for the sick and the old you will finally understand what yall have done. Yall are just greedy!

Response: Thank you for your comment. Minnesota Housing recognizes that tenants can still be cost-burdened even in publicly-financed affordable housing projects due to the way rents are required to be calculated by each funding source that goes into a building. While many affordable units are often required to be utilized only by tenants making 30 – 50% of the Area Median Income, we know there are families who make too much to qualify for units supported by tax credits and federal funding sources, but not enough to completely cover all bills and expenses. Minnesota Housing strongly believes that all Minnesotans deserve to have housing that does not leave households cost-burdened. Our strategic plan

and advocacy at the federal and state level prioritizes additional funding for deeply affordable housing so that households can find housing at rents that match their incomes.

Resident's comment

Summary of comment: We really need more low-income housing up here in Isanti County, I live in the last rural development housing apartment in the area and have been waiting for a housing voucher for years, so I can find better housing for my disability needs, please help more people up here, as they are moving out of the cities.

Response: Thank you for your comment. Minnesota Housing recognizes that there is a deep need for more affordable housing in all corners of the State. We do our best to encourage housing developers to prioritize building in more rural areas by including additional points in our funding application process for those who are willing to do so. Minnesota Housing also has repeatedly asked the state legislature for additional funds to be able to support new affordable construction in smaller communities statewide. We will continue to encourage developers to consider and apply for affordable projects in communities like yours.

State and Local Tax Policies

Minnesota's previous Consolidated Plan conceded that the state's rental property tax rate is often mentioned as a barrier to affordable rental housing, both for developers and for landlords who provide affordable rental units. The tax reportedly has adverse impacts on the maintenance of existing rental housing, the development of new housing, and the efficient use of the existing housing stock. Property tax rebates for lower-income households help to mitigate some of the taxes that are passed on to renters. While the State wishes to support policies that make affordable housing development more achievable, the difficulties of implementing these strategies may limit their viability for Minnesota in the near future.

However, the State has been able to begin to address this issue with its 4d affordable rental housing property tax, a special class tax rate for affordable housing developments that represents a class rate reduction of 75 percent for rent-restricted properties. Eligible properties are subject to rent and income restrictions of the section 8 program; the Low Income Housing Tax Credit (LIHTC) program; rural housing service rent assistance programs; or a financing program of the federal, state, or local government.

Structure and Delivery of Services

Over the program year, the State will continue its collaborative funding process of a consolidated request for proposals (RFP). Included in the RFP are the federal HOME Investment Partnerships and Housing Trust Fund programs alongside state resources, and project-based section 8 vouchers through the Metropolitan Council/Metro HRA.

Challenges

Lack of Sufficient Resources

Funding shortages create a challenge for Minnesota; however, there are steps its agencies can take to maximize available resources in the most efficient way. Over the program year, Minnesota Housing will continue to focus its efforts and major resources on preservation and new construction of affordable rental housing. Minnesota Housing attempts to reduce barriers that add costs to projects, including prioritizing developments that use land efficiently and minimizing loss of agricultural and green space, or reducing barriers of local application and permit processes by prioritizing development for which costs are reduced or avoided by regulatory changes, incentives, or waivers by the governing body. In addition, Minnesota Housing employs a cost containment strategy to incentivize lower development costs while balancing quality.

DEED will continue to focus efforts on rehabilitation of all housing, creation of jobs related to economic development, and improvement of public facility access to low- to moderate-income areas. The State supports all efforts to use resources most efficiently.

First-Time Homebuyers

While Minnesota Housing's HOME program does not currently include homebuyer activities, the agency remains strong in providing mortgage and down payment assistance to first time homebuyers through state resources. Minnesota Housing has a strategic priority to reduce Minnesota's racial and ethnicity homeownership disparity. Minnesota ranks among the top three states consistently of having the highest disparities in homeownership rate between white/non-Hispanic households and households of color. We emphasize homebuyer and financial counseling and coaching and continue to design and offer mortgage programs that support homeownership for households of color and Hispanic Ethnicity.

Over the program year, the State will continue to alleviate the challenges of first-time homebuyers by providing funding for homebuyer training and education, down payment assistance, and post purchase counseling for first time homebuyers.

Other Obstacles

NIMBYism

Community attitudes, often referred to as "Not in My Backyard," or NIMBYism, are frequently identified as an obstacle to increasing the availability of affordable housing. However, local government policies can also be described as creating a NIMBY atmosphere for affordable housing.

The State fully supports efforts to reduce NIMBYism, prejudice, and negative attitudes toward affordable and multifamily housing, and will encourage planning decisions by CDBG and HOME sub-recipient communities that work to decrease segregation and increase integration of populations. The State will also fully support civic leaders and developers who undertake education in communities statewide. Such education could be targeted, timely, and, in the context of a possible development, relevant to potentially affected citizens.

Sustainable housing

The Multifamily Division of Minnesota Housing encourages practices that promote sustainable housing in the development and rehabilitation of affordable rental housing. The agency policy states "Minnesota Housing encourages sustainable, healthy housing that optimizes the use of cost effective durable building materials and systems that minimizes the consumption of natural resources both during construction or rehabilitation and in the long term maintenance and operation. We encourage optimizing the use of renewable resources and energy, minimizing damages and impact to the environment, and maximizing the use of natural amenities such as solar, wind, climate, and orientation of the development.

All federal funds, and the majority of other capital improvement funding from Minnesota Housing must meet all requirements of the 2015 Enterprise Green Communities Criteria (EGCC) as amended by the agency's Overlay and Guide.

In its 2018 Multifamily common application, Minnesota Housing is asking for funding applicants to apply for energy efficiency incentives from utilities and other sources. The purpose of this requirement is to leverage

utility funds in order to increase energy efficiency in Minnesota's affordable housing.

For example, applicants to the Housing Tax Credit (HTC) program are awarded additional points for implementing green design criteria. Further, the Publicly Owned Housing Program (POHP) references sustainable building design standards in its manual, stating that "Minnesota Statutes Section 168.325 requires promulgation of & Sustainable Building Design Goals for new buildings. These goals are design standards that:

- Exceed the existing energy code standards,
- Achieve the lowest possible lifetime costs for new buildings,
- Ensure good indoor air quality,
- Create and maintain a healthy environment,
- Facilitate productivity improvements,
- Specify ways to reduce material costs, and
- Consider the long-term operating costs. of the building including the use of renewable and distributed electric energy generation that uses a renewable source of natural gas or a fuel that is as clean as or cleaner than natural gas."

For any SCDP rehabilitation project, DEED conducts an inspection that includes energy improvements to homes and commercial businesses with items such as windows, doors, insulation, and energy-efficient heating units.

**DEPARTMENT OF EMPLOYMENT AND ECONOMIC
DEVELOPMENT (DEED)**

AP-15: Expected Resources

The State of Minnesota DEED receives Community Development Block Grant (CDBG) funds annually from HUD with 85% of its annual allocation and award grants to local units of government for general community development projects such as housing and commercial rehabilitation and public facility activities. The remaining 15%, administered by the Office of Business Finance, is designated specifically for economic development projects known as the Minnesota Investment Fund (MIF) Revolving Loan Fund (RLF).

Upon submittal of an application by an eligible applicant, DEED awards the MIF grant to a local unit of government in an amount up to \$1,000,000 to assist with the start up or expansion of a qualified business. When repayment of the loan occurs, DEED allows the local government to retain the funds. All loan repayments are considered "Program Income" (PI) and since the local government is permitted to retain the PI, the loan payments must be placed in a separate Revolving Loan Fund (RLF) to fund the same activities that generated the PI. Therefore, the RLF must be used specifically for future economic development activities.

Whereas, the Small Cities Development Program (SCDP), Program Income (PI) is defined as income of \$35,000 or more generated in a federal fiscal year (October 1 – September 30) by SCDP funds from past and open grants. These should be accounted for and reported separately. Reporting is due October 15th each year.

If a grantee receives less than \$35,000 in a fiscal year, it is not considered Program Income but referred to as Local Income.

Program Income and Local Income funds generated could include:

- Loan repayments (with interest, if applicable).
- Proceeds from the sale of property in which SCDP funds were used.
- Interest earned on the Program Income itself.

Program Income from previous grants must be used before newly awarded grant funds can be disbursed. Program Income must be listed as leverage on applications and is expected to be drawn prior to drawing awarded funds.

Program Income and Local Income must be reused in a manner consistent with what was stated in the funding application, grant agreement, SCDP program requirements (national objective, environmental, labor standards and etc.) and their respective Program Income Reuse Plan. After closeout, if grantees wish to use Program Income or Local income generated for something other than the activities that generated the income, SCDP staff should be consulted. Additional details on Program Income can be found under "Program Specific CDBG".

As of September 30, 2024, in the recent report, the Small Cities Development Program, Program Income has a balance of **\$592,556.10**

Please refer to the table below:

Local Government	Balance as of 9/30/2024	Contact Information
Clay County	\$ 7,422.75	(218) 299-5011
Elbow Lake	\$ 36,585.00	(218) 731-7463
Foley	\$ 88,420.00	(320) 968-7260
Grand Rapids	\$ 51,649.00	(218) 326-7600
Hutchinson	\$ 51,874.00	(320) 587-5151
Ivanhoe	\$ 47,032.00	(507) 694-1552
Lafayette	\$ 51,832.00	(507) 228-8241
Lake Benton	\$ 88,359.00	(507) 368-4641
Marshall	\$ 37,978.00	(507) 537-6764
Pierz	\$ 1,900.00	(320) 468-6471
St. Joseph	\$ 43,812.00	(320) 363-7201
Sherburn	\$ 18,128.00	(507) 764-4491
Willmar	\$ 12,212.00	(320) 235-4913
Winona	\$ 15,352.35	(507) 457-8234
New London	\$ 40,000.00	(320) 235-4913
TOTAL	\$ 592,556.10	

As of September 30, 2024, in the recent report, UGLGs in the Greater MN have initiated a Revolving Loan Program with a balance of **\$777,147.00**

Please refer to the table below:

Local Government	Balance as of 9/30/2024	Contact Information
Foley	\$ 88,420.00	(320) 968-7260
Hutchinson	\$ 51,874.00	(320) 587-5151
Madelia	\$ 55,935.00	(507) 642-3245
New Prague	\$ 580,918.00	(952) 758-4401
TOTAL	\$ 777,147.00	

As of September 30, 2024, in the recent report, the Minnesota Investment Fund Revolving Loan has a balance of **\$7,145,226.82**

Please refer to the table below:

Local Government	Balance as of 9/30/2024	Contact Information
Backus	\$ 77,200.88	(218) 299-5011
Bagley	\$ 36,762.25	(218) 731-7463
Bemidji	\$ 238,402.25	(320) 968-7260
Cold Spring	\$ 432,084.86	(218) 326-7600
Deerwood	\$ 24,749.50	(320) 587-5151
Faribault	\$ 650,760.21	(507) 694-1552
Fosston	\$ 81,091.84	(507) 228-8241
Heron Lake	\$ 253,010.87	(507) 368-4641
Hutchinson	\$ 7,253.16	(507) 537-6764
Lake Crystal	\$ 219,291.49	(320) 468-6471
Marshall	\$ 50,401.55	(320) 363-7201
Meeker County	\$ 840,997.29	(507) 764-4491
Mountain Lake	\$ 514,330.90	(320) 235-4913
Murray County	\$ 393,657.72	(507) 457-8234
NCEDA (Motley)	\$ 105,896.25	(320) 968-7260
New Ulm	\$ 491,562.25	(218) 326-7600
North Branch	\$ 327,499.70	(320) 587-5151
Pine Island	\$ 296,556.60	(507) 694-1552
Pipestone	\$ 19,331.26	(507) 228-8241
Plato	\$ 220,715.81	(507) 368-4641
Prior Lake	\$ 143,522.12	(507) 537-6764
Rockford	\$ 313,433.35	(320) 468-6471
Sauk Rapids	\$ 3,648.00	(320) 363-7201
Stevens County EIC	\$ 217,556.30	(507) 764-4491
Swift County	\$ 674,606.93	(320) 235-4913
Winona	\$ 510,903.48	(507) 457-8234
TOTAL	\$ 7,145,226.82	

AP-30 Method of Distribution – 91.320(d)&(k) DEED Funding

DEED funding covered by this Action Plan is distributed in a competitive funding opportunity. The results of this funding process are reflected in the priorities and specific objectives outlined in the State's 2025 Annual Action Plan Table of Objectives and Outcomes.

Following are the criteria used for distributing DEED funding:

1. Funding allocation by percentages
 - A. DEED funding will be allocated on the following percentages and criteria:
 - i. 30% for Single Purpose
 - ii. 55% for Comprehensive Applications
 - iii. The remaining 15% allocation is designated for DEED's federal economic development set-aside.
 - iv. If there is not a need from the unit administering federal economic set-aside funds, these funds will go towards SCDP projects, which would be approved by the Commissioner of DEED.
 - v. Allocation percentages may be modified by the Commissioner of DEED if it is determined that there is a shortage of fundable applications in any category, as allowed in State Rules.
 - vi. DEED does not distribute funds based on specific geographic area.
2. Required statements review and Method of Distribution calculation
 - A. The Request for Proposal (RFP) include the electronic and hard copy versions of the application, fully completed and submitted by the deadline. The required documents will be evaluated on a competitive basis and criteria:
 - i. Grants are typically 39-month projects but may be longer depending on various factors including, but not limited to timing of HUD release of funds and disasters affecting the project area.
 - ii. 20% of funds are allocated towards administration with a maximum of 15% of project costs to grantees and 5% for state staff.
 - B. Method of Distribution calculation is based on the following criteria
 - i. The State subtracts from the CDBG award the amount it sets aside for State administration:
 - a. \$100,000 + 3% = Dollar amount of CDBG award
 - b. 2% = match (Administration)
 - c. 1% = no match (Administration for Technical Assistance)
3. Availability and determination of funds
 - A. The amount of available funds will include reverted funds, funds from grantees who did not spend their total grant awards in previous fiscal years, added to the current CDBG allocation.
 - B. In addition, grantees must bring forward any Program Income funds they have and spend it first before any new CDBG awarded funds will be released from DEED.

- i. Awarded applicants who have Program Income must expended those funds before any new CDBG funds will be disbursed as per the grantee's approved Program Income Reuse Plan.
- C. In the event of a disaster, the State of Minnesota reserves the right to use funds for any eligible CDBG activity available to an eligible grantee.
- D. Once the State has determined a total CDBG allocation to award, the State will allocate the total to Single Purpose and Comprehensive grants based on the funding allocation percentages noted earlier, unless modified by the Commissioner of DEED.

State of Minnesota DEED Method of Distribution 2025

Amount	Description
\$19,090,913.00	CDBG Allocation FY 2025
\$481,818.26	State Admin (\$100,000 + 2% of \$19,090,913)
\$190,909.13	Technical Assistance (1% of \$19,090,913)
\$18,418,185.61	Available for Grants
\$18,418,185.61	Available for Grants
\$2,762,727.84	Economic Development (15%)
\$10,130,002.09	SCDP Comprehensive (55%)
\$5,525,455.68	SCDP Single Purpose (30%)
\$0.00	Balance
\$10,130,002.09	SCDP Comprehensive
\$5,525,455.68	SCDP Single Purpose
\$15,655,457.77	2025 SCDP Funds Available for Competitive Grants
\$0.00	Program Income in 2025 SCDP Applications
\$3,650,811.67	Reverted SCDP- 2022 and prior
\$251,021.37	2024 Remaining funds
\$33,147.72	Recaptured
\$2,725,705.95	2024 Reverted Economic Development
\$6,660,686.71	NON 2025 Funds Available for Competitive Grants
\$15,655,457.77	2025 Funds Available for SCDP Competitive Grants
\$6,660,686.71	NON 2025 Funds Available for Competitive Grants
\$22,316,144.48	FUNDS AVAILABLE TO FUND 2025 COMPETITIVE GRANTS
\$21,910,226.90	SCDP FULL APPLICATION RECEIVED
\$405,917.58	REMAINING BALANCE OF 2025 SCDP ALLOCATION UNENCUMBERED

Program Specific-CDBG

SCDP Special Needs Activities

SCDP funds may be used for affordable housing development that assists special needs populations. The SCDP is flexible and can assist special needs populations in a variety of ways, including rehabilitation of homes, shelters, or community centers that serve these populations. These applicants will follow the regular SCDP process that is currently in place.

SCDP Disaster Response Activities

DEED may allocate reverted dollars from previous or current SCDP funds for use in a federal- and/or state-declared disaster response. The type of response will be determined based on the needs in the disaster area and the other resources that may be available. All other available resources must be accessed prior to the use of SCDP funds. All recipients of assistance will need to meet SCDP requirements. These applicants will follow the regular SCDP process that is currently in place.

Program Income

Program income is defined as any gross income of \$35,000 or more received by a unit of general local government (UGLG) in the federal fiscal year (October 1 to September 31) generated from the use of the Small Cities Development Program (SCDP) through the Community Development Block Grant (CDBG) funds, regardless of when the CDBG funds were awarded or whether the activity has been closed out.

Typical sources of program income may include:

- loan repayments (with interest, if applicable).
- proceeds from the sale of property in which SCDP funds were used.
- interest earned on the Program Income itself.
- Refer to HUD regulation 24 CFR 570.489 (e) for a full list of potential Program Income sources.

All communities that currently have PI on hand and intend on applying for a new SCDP grant must bring the current PI as leverage funds unless repayment agreements are already in place for use of these funds. All awarded grants with PI on hand will reduce draws based on distribution plans of those funds to the awarded projects.

Program Income (PI) – Idle Accounts

PI held in a Reuse Account cannot be held in perpetuity. If PI within these accounts is stagnant, it will meet the definition of an Idle Account. An Idle Account occurs when the UGLGs:

- did not identify an eligible project during a 12-month period or more.
- did not have any accomplishments during a 12-month period or more.

- funds have been awarded but not disbursed within 12 months of the award date. For example - a failed project.

Funds held in an Idle Account must be returned in a timely manner within 60 days after the federal fiscal year end. UGLGs are encouraged to consult with the SCDP Representative in regard to reasonable balances or the UGLG will not be considered in “good standing”, including ineligible to apply for future SCDP grants

If income received is more than \$35,000 in a federal fiscal year, the full amount received is considered PI and can be retained by the UGLG or returned to DEED.

Amending Reuse Plan

If UGLG determines a need to amend their PI Reuse plan, the SCDP Representative should be contacted with the proposed changes. The UGLG must submit an amendment request with the following items to DEED:

- Reason for the change of the PI Reuse plan,
- Certification of approval by the local governing body (meeting minutes)
- Copy of the proposed PI Reuse plan
- Expanded activities must include eligible CDBG activities and a national objective
- Subject to all cross-cutting federal requirements.

DEED will notify the UGLG of the results of the PI Reuse Plan amended request. Amended PI Reuse Plan must receive approval prior to implementation.

Options For Recaptured PI

UGLG has the following options for utilizing accumulated SCDP PI.

1. Retaining PI for SCDP eligible activities or
2. Establishing a revolving loan fund or
3. Returning PI funds to DEED

Internal SCDP Monitoring Procedures (2024)

All grants will be monitored to determine if the grant activities meet the following: national objective, eligible activities, grant and financial management, activity progress and compliance with CDBG and other federal requirements. It is the SCDP policy to conduct all monitoring activities in a positive, and helpful manner.

There are two types of monitoring conducted:

- A. On-site and Remote Monitoring
- B. On-going Desk Monitoring

A. Onsite and Remote Monitoring

Each grant will be monitored at least once during the term of the grant agreement for compliance with national objectives, eligibility and to review grantee performance and progress. The timing of this monitoring will depend largely on the complexity of each grant, as well as the initial time required by individual grantees to implement grant activities. The monitoring for each activity may be completed during one monitoring or addressed separately. The goal is to monitor each grantee early enough to prevent problems with objectives and eligibility, but late enough to review grantee performance and progress. SCDP Representatives will review grantee files for compliance with conditions in the grant agreement.

On-site monitoring is highly encouraged. When time permits, site visits are to be conducted.

Remote monitoring was introduced during the pandemic and is conducted on a case-by-case basis. The SCDP Representative will inform the SCDP Director the need to conduct a remote monitoring. Reasons may include but not limited to the need to complete a monitoring during the winter months or the need of sufficient time to review numerous certified payrolls reports. Personally Identifiable Information (PII) must be included as an internal control for managing federal funds. PII is information that can be used to distinguish or trace an individual's identity, either alone or when combined with other information that is linked or linkable to a specific individual. All e-mail correspondence with SCDP Representatives which includes PII must be encrypted. To accommodate grantees that do not possess up-to-date technology, grantees are given the option to use alternative communication means such as telephone calls, and US mail to deliver the pertinent documents necessary for a successful monitoring.

i) Intensive Monitoring

At least 3 projects must be monitored for each owner occupied, rental and commercial rehabilitation activities. Anything less would be classified as spot monitoring.

Monitoring will include the following areas, as applicable to each grant selected.

General Administration

- Applications
- Grant Agreements

- Approved Revisions, if applicable
- Procurement
- Administrative Contracts
- Plans/policies
 - Residential Anti-Displacement and Relocation
 - Drug Free Workplace
 - Excessive Force
 - Program Income Reuse
 - Section 3
 - Fair Housing

Financial Management

- Expenditure Review
- Administrative Cost
- Annual Reports and Program Income

Fair Housing and Equal Opportunity

Environmental Review

Owner Occupied Housing Rehabilitation

- Activity Eligibility and National Objective

Rental Rehabilitation

- Activity Eligibility and National Objective

Commercial Rehabilitation

- Activity Eligibility and National Objective

Public Facility

- Activity Eligibility and National Objective

Build America Buy America

Lead Hazard Reduction

Federal Labor Standards

A monitoring checklist which consists of a main compliance checklist and specific activity checklist will be completed for each project activity selected for the monitoring. Any previous compliance spot monitoring performed within a 12-month period will become part of the intensive monitoring.

ii) High Risk Monitoring

Activities which have been determined to be particularly susceptible to fraud, waste, or mismanagement including housing rehabilitation, commercial rehabilitation, or any other activity which is expected to generate a substantial amount of Program Income, should receive priority for monitoring. High risk activities may be monitored as part of an intensive monitoring visit, or on a spot basis.

iii) Spot Monitoring

The preliminary selection of Grantees for spot monitoring will be based upon several factors. These include:

- Annual and Quarterly Progress Report reviews,
- number of projects being implemented by a single entity,
- whether the Grantee has been monitored before,
- number of compliance and activity areas,
- change in administrative arrangement,
- previous experience in implementing SCDP,
- whether a single audit has been received and reviewed.

B. On-going Desk Monitoring

Desk monitoring consists of SCDP Representatives reviewing the items listed below at any time during the grant period:

- Environmental Review
- Annual and Quarterly Reports/Performance Measurements
- Disbursement Requests
- Labor Standards-Notice of Contract Awards, Additional Classification Request Restitutions and Final Reports
- Requested information and project status updates

Review of weekly disbursement requests, submitted during the year may be less formal.

i) Quarterly Progress Report

Grantees must complete and submit Quarterly Progress Reports to DEED Small Cities via SmallCities@state.mn.us as per the deadline listed below:

- 1st Quarter (Jan – Mar) Report due on April 5
- 2nd Quarter (Apr – June) Report due on July 5
- 3rd Quarter (July – Sept) Covered by the Annual Report
- 4th Quarter (Oct – Dec) Report due on January 5

A Quarterly Report will not be needed the quarter after the grant end date.

Grantees are to report on only completed projects each quarter and maintain the same report for the entire calendar year.

Quarterly Progress Reports are saved to DEED's OnBase database system.

ii) Annual/Final Report

Grantees must complete and submit Annual Report or Final Report to DEED Small Cities and submitted to DEED electronically.

The report covers the period October 1st through September 30th each year the grant is active and is due by October 15th of each year.

If the grant end date is December 31st, the closeout report should cover the period of October 1st through December 31st.

Program Income and Audit information must be updated in the respective program income and audit tracking sheets.

Internal Monitoring Process

Listed below are the monitoring steps:

1. Notification of visit: The grantee and grant administrator will be contacted a month in advance to schedule the monitoring appointment. A reminder will be sent out to the grantee along with the monitoring checklist ((main compliance and activity specific) in preparation of the monitoring.
2. Entrance Meeting: This meeting will describe the monitoring process will occur between the state, grantee, and grant administrator.
3. SCDP Representative will conduct the monitoring using the applicable monitoring checklists.
4. Exit Meeting: Provide positive feedback and discuss findings/concerns.
5. Prepare cover letter and monitoring report. SCDP Representative will create a cover letter and report on what was determined during the monitoring. A report with findings must be reviewed by the SCDP Director prior to release.
6. Notification of results to the grantee and grant administrator: The cover letter and monitoring report will be sent to the grantee within 30 days of the Exit Meeting.
7. Follow up to clear findings: The grantee will have 30 days or more if deemed necessary, from the monitoring report release date to adequately address any findings.

During the Exit Meeting, the SCDP Representative will discuss the conclusions such as Findings, Concerns or Discussion/Recommendations of the monitoring.

Finding – a specific noncompliance with federal or state regulatory requirements or SCDP policies and procedures. Findings must be addressed within 30 days, or more if deemed necessary, of receipt of the monitoring report. If a response is not received, the SCDP Unit will begin the process of suspending funds for all open grants. Consideration of funding of future applications may be impacted if these issues are not resolved in a timely manner.

Concerns - a potential problem that, if not addressed and corrected, may later result in a “finding.” The first violation of an SCDP policy or procedure will be considered a concern. If a concern was identified in a prior monitoring visits and the issue persists, it will result in a finding.

Discussion/Recommendations - a discussion point or recommendation made by an SCDP Representative to assist in the implementation of the program. Grantees may choose whether to follow the discussion point or recommendation.

If no corrective actions are required, the SCDP Representative will release the monitoring report to the grantee.

A monitoring cover letter and report is to be sent to the grantee within 30 days after the Exit Meeting. The grantee response time would be 30 days after receipt of the report unless otherwise specified. SCDP Representative must issue a letter to the grantee within 30 days of receipt of acceptable response, clearing deficiencies and findings.

If findings cannot be cleared after the grantee’s response, a letter must be sent within 15 days which outlines the necessary action required, along with a new required grantee response date.

The monitoring cover letter, report, checklists, grantee’s response, and any supporting documentation will be uploaded to DEED’s OnBase database system. The monitoring checklists may be used as a basis for recommending compliance spot monitoring.

Staff will complete the monitoring matrix spreadsheet for each grant. The matrix spreadsheet will serve as the monitoring plan and will indicate the number of occurrences for each area of compliance, assisting in highlighting opportunities for spot monitoring.

Follow-up Monitoring

A compliance area may be counted as monitored if sufficient grantee progress has been made to allow SCDP Representatives to complete the applicable monitoring checklists. If staff cannot complete the applicable monitoring checklists due to insufficient progress, the activity should not be identified on the monitoring matrix spreadsheet as having been monitored. However, follow-up monitoring may be scheduled in the future to allow staff to visit the Grantee and finish monitoring the compliance areas.

Follow-up monitoring of grantees may be necessary to assure that applicable legal and regulatory responsibilities are met. Reasons for follow-up monitoring include:

1. insufficient grantee progress which resulted in incomplete monitoring.
2. insufficient progress since the monitoring visit.
3. suspected grantee compliance or management problems.
4. grantee failure to clear findings or concerns identified in the monitoring visit.

Additional Responsibilities

SCDP Representatives are responsible for maintaining the grant monitoring matrix spreadsheet. The matrix spreadsheet serves as a recordkeeping system to track compliances areas for each grant, finding occurrences and clearances.

In addition to the grant monitoring matrix spreadsheet, a spreadsheet has been established to list all findings with the respective Code of Federal Regulation (CFR) to assist SCDP Representatives when developing monitoring reports.

2025 Annual Action Plan Input Results

Agency	Agency type (city or admin)	Housing priorities	Community development priorities	Agree most funds to housing/CD	If no, other eligible activities to be funded	Additional comments
Development Services Inc. (DSI)	Admin	LMI housing, affordable housing and commercial	Additional housing or townhomes	Yes	N/A	Some new construction of town homes would be nice.
Minnesota Valley Action Council (MVAC)	Admin	Affordable housing, ownership and not rental, homeless shelters & housing with supportive services	Better public transportation and food closets	Yes	N/A	N/A
Development Services Inc. (DSI)	Admin	Workforce housing & senior transitional housing	Obsolete and failing infrastructure, workforce availability and childcare provider deficits	Yes	N/A	N/A
Headwaters Regional Development Commission (HRDC)	Admin	Low income workforce housing	Transportation	Yes	N/A	N/A
Leech Lake Financial Services/ City of Cass Lake	Admin/City	Lack of housing and affordable housing	Empowerment, social justice and environmental justice	Yes	N/A	Great economic development in rural areas/small cities
Engineering Firm	Admin	Refer to city's need	Refer to city's need	No	Public facility impacts LMI population in a big way and should be prioritized also	N/A
Northwest Community Action	Admin	New construction (single family), owner occupied housing rehab & rental rehab	Housing rehab/development, commercial rehab and public facilities	Yes	N/A	N/A
Headwaters Regional Development Commission (HRDC)	Admin	More housing units	Updating small towns utilities without meter requirement	Yes	N/A	N/A
Headwaters Regional Development Commission (HRDC)	Admin	Workforce, supportive & single family affordability	N/A	Yes	N/A	N/A
Northwest Community Action	Admin	County wide housing rehab - rural	New housing - owner occupied rehab and commercial rehab	Yes	N/A	N/A
Central Minnesota Housing Partnership	Admin	Single family home rehab, both owner occupied & rental. As well as multi-family rentals in some communities and commercial in select communities	Home and rental properties. Commercial is also a focus, however our first application cycle did not request commercial funds and preliminary talks with new communities are not interested due to size.	Yes	N/A	N/A
Minnesota Valley Action Council (MVAC)	Admin	Affordable housing	Affordable housing and blight remediation	Yes	N/A	N/A
Minnesota Valley Action Council (MVAC)	Admin	Safe affordable housing - whether rental or owner occupied	N/A	N/A	N/A	N/A
Clay County HRA	Admin	Rental rehab - for smaller developments and maintaining affordable rentals	Assisting small businesses through covid times, developing new affordable housing and maintaining existing affordable housing	Yes	Demolition of dilapidated properties	N/A
Various small cities	Admin	Rehab and new construction	Infrastructure	Yes	N/A	N/A
City of Ivanhoe	City	Need all types of housing - city has not yet prioritized needs	Developing a project for additional lots (5-6) at this time	Yes	N/A	N/A
Southwest Minnesota Housing Partnership (SWMHP)	Admin	Single family, SCDP, Multifamily rehab and broadband projects	Multifamily, single and duplex, new homes and rehab	Yes	N/A	N/A
Kandiyohi County HRA	Admin	Single family new construction for 1st time buyers, single family rehab, affordable rental new construction in small communities and rental rehab	Infrastructure replacement and community center rehab	Yes	N/A	N/A
City of Winona	City	Preserve existing affordable housing and help 62+ age in place, increase middle housing options, encourage mixed use and mixed income neighborhoods & increase workforce affordable housing supply	N/A	Yes	N/A	N/A
City of Winona	City	Owner occupied and rental rehab & new construction for owner occupied and rental; both market rate and subsidized	Housing rehab and multi-use commercial	Yes	N/A	N/A
Heartland Lakes Development Commissions	Admin	Affordable housing for the workforce - not low income or income based	Housing - new and rehabilitation, multi-family & single family homes, daycare. Purchase land for additional industrial park lots	Yes	N/A	N/A
CEDA	Admin	Owner occupied and single family rehab	Single family housing and commercial rehab	Yes	N/A	N/A

Agency	Agency type (city or admin)	Housing priorities	Community development priorities	Agree most funds to housing/CD	If no, other eligible activities to be funded	Additional comments
City of LaCrescent	City	Need more affordable housing units	Need cityhall/library and new public safety building for police department	Yes	N/A	N/A
City of LaCrescent	City	More affordable housing	Affordable housing	Yes	N/A	N/A

SCDP Allowable Pre-Agreement Costs

200.458 Pre-award costs.

Pre-award costs are those incurred prior to the effective date of the Federal award directly pursuant to the negotiation and in anticipation of the Federal award where such costs are necessary for efficient and timely performance of the scope of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the Federal award and only with the written approval of the Federal awarding agency.

To minimize additional workload on grantees and the state, as established in 2 CFR 200.485 requirements, this plan includes implementation and incurring of pre-award costs if and when the grantees complete the following documentation in its local files.

The purpose of this communication is to advise grantees about eligible SCDP expenditures and allowable pre-agreement costs. The following expenses may be incurred prior to the executed grant agreement:

- Costs incurred to attend the Small Cities Development Program (SCDP) Implementation Workshop.
- Costs incurred to complete an environmental review.
- Grant start-up activities (i.e., Policies and Procedures).
- Costs incurred to accept applications and determine scope of work.

Grantee must document in file:

- The grantee documents that the costs incurred prior to grant award are necessary for efficient and timely performance of the activity in question.
- The grantee documents that the costs are for eligible activities under the regulations for the applicable funding program.
- The grantee documents that the grantee has complied with all other requirements for pre-award costs under the regulations for the applicable funding program.

We cannot reimburse you for allowable pre-agreement costs until you have the following:

- An executed grant agreement with us.
- Cleared the SCDP environmental review process.
- Cleared any special conditions necessary.
- Citizen participation process is complete.

MINNESOTA DEPARTMENT OF HUMAN SERVICES
(DHS)

AP-30 Method of Distribution - 91.320(d)&(k)

ESG Funding

ESG Funding for emergency shelter, prevention, and rapid re-housing activities covered by this Action Plan is distributed in a competitive funding opportunity. The results of this funding process are reflected in the priorities and objectives outlined in State's 2024 Annual Action Plan Table of Objectives and Outcomes.

Taken together, the ESG Shelter, Prevention and Rapid Re-Housing funding address three of the State's priority objectives for ESG funding:

SL-1.1 Provide safe, adequate emergency shelter for those not yet re-housed or diverted from shelter.

SL-1.1 Stably rehouse homeless persons and those at-risk of homelessness

SL-1.1 Ensure homeless families and individuals transition to stable, long-term housing situations.

Following are the criteria used for distributing FFY2025 ESG funding eligible activities:

Scoring Components: All Activities

Organization-wide Approaches (20 points) Including, but not limited to:

Participation in local and regional homeless response system

- Experience providing services, or if new provider, preparation to provide services
- Best practice approaches
- Partnerships with local child welfare providers (*youth programs only*)

Emergency Shelter Program Services and Activities (20 points per activity. Applications with multiple activities scored separately.)

- Clear description of policies and procedures around eligibility, program access/admission, length of stay, involuntary discharge, etc.
- Detailed information about Emergency Shelter model (Congregate Site, Host Home, Rotating Site, Hotel/Motel, and Emergency Apartments)
- Description of services provided
- Strategies for implementing low barrier shelter
- Implementation of harm reduction approaches

Emergency Shelter Program Revenue and Budget (10 points, per activity)

- Cost effectiveness of program
- Detailed information on revenue sources
- Diverse and sustainable funding
- Descriptive/complete budget narrative and reasonableness of budget

Scattered-Site Transitional Housing & Rapid Re-Housing Program Services and Activities (20 points per activity. Applications with multiple activities scored separately.)

- Detailed information about housing model
- Clear description of policies and procedures around eligibility, program access/admission, length of stay, involuntary discharge, and rent/utility payments
- Description of services provided
- Implementation of follow-up and after-care services
- Clear plan to serve parents with their children, if applicable
- Implementation of harm reduction approaches

Scattered-Site Transitional Housing & Rapid Re-Housing Program Revenue and Budget (10 points per activity.)

- Cost effectiveness of program
 - Detailed information on revenue sources
 - Diverse and sustainable funding
- Descriptive/complete budget narrative and reasonableness of budget

AP-90 PROGRAM SPECIFIC REQUIREMENTS: ESG MONITORING

Bi-annually, the DHS Homelessness, Housing, and Support Services (HHSSA) staff reviews all ESG grantees using a Grantee Risk Assessment Tool based on a HUD risk analysis tool. The tool has three broad areas of analysis:

General agency information, including such factors as Executive/Fiscal Director turnover, unresolved monitoring findings, agency systems and board function.

Program Operations, including compliance and reporting issues, partnerships and linkages and the quality of programming based on monitoring; and

Fiscal operations, including audit findings, unresolved fiscal problems, fiscal systems and procedures, program deficits, and accurate reporting.

The Grantee Risk Assessment Tool allows DHS to determine if a grantee needs immediate attention or can receive on-site monitoring as a part of the regular bi-annual rotation. In either case, the focus of the monitoring will include any risk areas highlighted by the risk analysis tool. The regular monitoring rotation ensures that grantees are monitored at least once during every grant cycle.

Grantee concerns, whether identified through the risk assessment process, risk analysis, or via a monitoring visit, are addressed in a timely manner. Some issues must be addressed immediately, while others are dealt with over time.

The on-site monitoring tool looks at the overall agency capacity and systems in place to deliver services determined through a guided discussion with program managers and direct service staff. This includes an overview of the strengths and challenges facing the community and participants, coordination and collaboration efforts, major staff or board changes, information systems, outcomes, fiscal systems, supportive service referral, and board function. A random selection of participant files is reviewed for specific documentation on homelessness, data privacy, case management, follow-up, and supportive services. There is a verification of timeliness of grant expenditures, homeless participation in policies and project development, and that the expected number of participants is being served.

Desk monitoring, including monthly fiscal reporting, is provided throughout the grant period and consists of open communication and joint problem solving with grantees, analysis of monthly fiscal reports, annual audits, and required program reports.

Grantees receive a written monitoring report after the visit. Issues such as late reporting must be corrected immediately. Capacity building occurs as the field representative provides assistance to the grantee during the year. Program staff work collaboratively with monitoring staff to develop the new monitoring instrument, which is reviewed and updated regularly.

DHS conducts a customer satisfaction survey to secure input for program improvement and development. Training and grantee meetings are held periodically as needed. The work plan, customer satisfaction survey, on-going open communication, and training events provide grantees with a variety of opportunities throughout the grant period to ask questions and provide feedback.

MINNESOTA HOUSING

2025 State Legislative Summary

(as of 5/21/2025)

Session Context

At the State Capitol, the odd-numbered year of the biennium typically focuses on establishing the two-year biennial budget, policy initiatives and a smaller capital investment bill. The session dynamics this year included a \$456 million budget surplus for the FY 2026-27 budget, but a projected shortfall of \$6 billion in FY 2028-29. The DFL and GOP split control of the House, 67-67, for only the second time in the state's history, and the Senate DFL held a one-seat majority in the Senate, 34-33. Both bodies had finance committees exclusively focused on housing finance, policy and homelessness prevention issues. The legislative session started on January 14 but officially got underway in early March after a special election in the House.

Proposals and Outcomes

Governor Walz and Lt. Gov. Flanagan released their biennial budget in January that included \$165.6 million in base funding for the agency's programs. The Governor did not have a recommendation on Housing Infrastructure Bonds. In May, the Legislature agreed to joint budget targets for housing that included a \$15 million one-time increase in FY 2026-27 and state debt service appropriations in FY 2028-29 to support a \$50 million new authorization for Housing Infrastructure Bonds.

On May 18, the Legislature passed the two-year housing bill with the votes of 108-26 in the House and 36-31 in the Senate. The bill appropriated \$183.9 million across all of the agency's state-appropriated programs and included \$50 million in new Housing Infrastructure Bond authority. As of the end of the regular session, the Legislature had not passed a Tax Bill or Capital Investment bill.

Budget Increases

The Legislature provided an additional \$18.4 million in increased appropriations to existing agency programs for FY 2026-27, with \$8.4 million to the Family Homeless Prevention and Assistance Program (FHPAP) and \$2 million for the following programs: Challenge, Workforce Homeownership, First-Time Homebuyer Downpayment Assistance, First-Generation Downpayment Assistance (administered through Community Development Financial Institutions) and Greater Minnesota Housing Infrastructure. All the increased appropriations are one-time except for FHPAP, which received a nearly \$1 million increase for FY 2028-29.

Policy Changes

The bill also included numerous policy provisions to advance the work of the agency's programs in the community to improve program operations and help meet the ongoing challenges faced by people, program administrators and property owners across the state.

Agencywide Policy Changes

- A requirement that the agency award an additional or points, not to exceed 5 percent of the total points in a given competitive development program, to proposals that meet specific criteria that reduce barriers to affordable housing development. The agency has discretion as to which competitive development programs this new requirement applies.

Policy Changes Impacting Multifamily

- Modifications to the High-Rise Sprinkler Grant program to increase eligibility and program effectiveness.
- Clarification that adaptive reuse is an eligible use of Housing Infrastructure.
- Requirements to promote materials on the rights and obligations of property owners and renters.

Policy Changes Impacting Single Family

- Modifications to Midwest Minnesota Community Development Corporation's (MMCDC) First-Generation Homebuyers Down Payment Assistance Program.

Policy Changes Impacting Local Government Housing Programs

- Authority to use a formula to award resources for the Bring It Home rental assistance program, as well as authority to redistribute unused or underutilized funds among eligible programs administrators.
- New requirements for the information provided to manufactured park owners if the agency is required to send out assessments for the Manufactured Home Relocation Trust Fund.
- Clarifications that grants from the Local Housing Trust Fund program must be spent by local units of government within five years.
- Clarification on the program income generated for Statewide and Local Affordable Housing Aid.

Reports/Framework

- Two reports from the Task Force on Long-term Sustainability of Affordable Housing:
 - Framework for Targeted Stabilization of Regulated Affordable Housing
 - Report for two years on the agency's asset management portfolio properties
- Report on the state's Olmstead Plan activities related to accessible housing

FY 2026-27 Budget by Program

Program	Description	FY 2026-2027
PRESERVE AND CREATE NEW HOMES		
Economic Development and Housing Challenge (Challenge)	Funds both multifamily rental and single-family homeownership new construction and redevelopment. Leverages federal, private and local government funds.	\$27.9 million <i>+\$2 million</i>
Workforce Homeownership Program	Provides development resources to increase the supply of homeownership opportunities.	\$2.5 million <i>+\$2 million</i>
Greater Minnesota Workforce Housing Program	Provides competitive financial assistance to build market-rate residential rental properties in Greater Minnesota.	\$4 million
Manufactured Home Community Infrastructure Grants	Provides grants for manufactured home community acquisition, improvements and infrastructure.	\$2 million
Rental Rehabilitation Loans	Rehabs federally subsidized rental housing in Greater Minnesota.	\$7.5 million
Preservation (PARIF)	Assists with repair, rehabilitation and stabilization of federally assisted rental housing that is at risk of aging out of federal assistance programs.	\$8.4 million
Rehab Loans (Single Family)	Helps low-income homeowners make basic health and safety improvements to their homes.	\$5.5 million
Greater Minnesota Housing Infrastructure	Grants to provide up to 50% of the cost of public infrastructure for housing development.	No base <i>+\$2 million</i>
INCREASE HOUSING STABILITY		
Bring It Home Rental Assistance	Provides statewide rental assistance to cost-burdened renters with a priority to families with children. Rental assistance in the metro area is also funded via a .25% metro-area sales tax.	\$46 million
Family Homeless Prevention and Assistance	Provides short-term assistance to families at risk of homelessness. Types of assistance may include one-time rental payments, assistance with first or last month's rent, or one-time mortgage payments.	\$28.9 million <i>+\$8.4 million</i>
Housing Trust Fund	Provides rental assistance for individuals and families, many of whom have previously experienced homelessness.	\$23.3 million

Homework Starts with Home	Provides rent and other housing assistance to families with children that lack housing stability.	\$5.5 million
Bridges	Provides rental assistance for families in which at least one adult household member has a serious mental illness.	\$10.7 million
SUPPORT AND STRENGTHEN HOMEOWNERSHIP		
Downpayment Assistance (DPA)	Provides funding for the Agency's downpayment and closing cost assistance loan program. Serves low- to moderate-income, first-time homebuyers across the state.	\$3.8 million <i>+\$2 million</i>
Homeownership Education, Counseling & Training (HECAT)	Provides both pre-purchase homebuyer counseling and foreclosure prevention counseling services.	\$1.7 million
Build Wealth	Direct appropriation to support capacity.	\$1 million
CDFI First Generation	Resources for downpayment assistance to first-generation homebuyers, as administered by CDFI organizations.	No base <i>+\$2 million</i>
BUILD AND SUPPORT ORGANIZATIONAL CAPACITY		
Capacity Building	Provides grants to organizations for regional coordination, housing planning and to build capacity.	\$1.3 million
TOTAL		\$183.9M