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## **Preservation Affordable Rental Investment Fund**

Program Guide

May 2025

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## **Values Statement**

All Minnesotans live and thrive in a stable, safe and accessible home they can afford in a community of their choice. To achieve the concept of One Minnesota where everyone thrives, we will reorient how we work and expand who has a voice at the table and who participates in and benefits from the housing economy.

We will:

- Center the people and places most impacted by housing instability at the heart of our decision making,
- Listen and share the power we have,
- Honor, respect and strengthen communities, and
- Be inclusive, equitable, just and antiracist in our action.

# Chapter 1 – Introduction

## 1.01 Program Purpose and Background

Minnesota Housing's authority to develop the Preservation Affordable Rental Investment Fund (PARIF) Program is granted in Minnesota Statute 462A.

The purpose of the PARIF Program is to provide funding to support the preservation of Federally Assisted, permanent rental housing where federal subsidies are at risk of being lost. The PARIF Program may also be used to preserve existing Supportive Housing properties. For this purpose, Supportive Housing means affordable rental housing with links to services necessary for individuals, youth, and families with children to maintain housing stability.

For the preservation of Federally Assisted properties, the risk of loss must be due to one of the following factors:

- Market conversion
- Critical physical needs
- Diminished organizational capacity or Owner commitment to federal assistance

Funds can be used for acquisition, rehabilitation, or debt restructuring. For Federally Assisted properties, funds may also be used for equity take-out loans.

Owners of Federally Assisted properties must agree to participate in the applicable federal assistance program and to extend the existing low-income, affordability restrictions for the maximum term permitted.

Owners of Federally Assisted properties receiving a PARIF loan that utilizes funding Appropriations from before State Fiscal Year 2022 must also enter into an agreement that gives local units of government, housing and redevelopment authorities, and nonprofit housing organizations the Right of First Refusal (ROFR) if the property is offered for sale. The ROFR allows these entities the opportunity to make an offer on the property at the same price as a current purchase offer.

## 1.02 Program Guide

This Program Guide, including subsequent changes and additions, will be incorporated into the Loan Agreement executed between the Borrower and Minnesota Housing. If there are any conflicts between the terms of this Program Guide and the Loan Agreement, the Loan Agreement will control.

## 1.03 Terms and Definitions

Appendix A (Terms and Definitions) of this document includes definitions of capitalized terms used in this Program Guide.

## **1.04 Legal Addendum**

Any Recipient of an award pursuant to the PARIF Program agrees to comply with the additional requirements and obligations as described in Appendix B (Legal Addendum), which is attached and incorporated into this Program Guide.

## Chapter 2 – Eligibility Criteria

### 2.01 Eligible Properties

Eligible Properties must provide permanent rental housing and have a minimum of four units.

Federally Assisted properties must meet a risk of loss. The risk of loss must be due to one of the following factors:

- Market conversion
- Critical physical needs
- Diminished organizational capacity or Owner commitment to federal assistance

Supportive Housing properties must offer links to services necessary for individuals, youth, and families with children to maintain housing stability.

### 2.02 Eligible Recipients

Eligible Recipients include:

- A nonprofit organization, as defined in [Minn. Stat. 462A.03, subdivision 22](#)
- A city, as defined in [Minn. Stat. 462A.03, subd. 21](#)
- A joint powers board established by two or more cities that own or will own the housing
- A public housing agency that owns or will own the housing
- An Indian Tribe or Tribal housing corporation that owns or will own the housing
- A natural person who owns or will own the housing
- A private developer, as defined in [Minnesota Rule 4900.3610, subpart 17](#)

Priority is given among comparable proposals to developments that are or will be owned by a local government unit, housing and redevelopment authority, or a nonprofit housing organization.

### 2.03 Federally Assisted Properties

Among comparable proposals for Federally Assisted properties, priority must be given to properties with the longest term under an agreement for federal assistance.

As a condition of this funding, the Owner will be required to enter into an agreement to participate in the applicable Federally Assisted housing program and to extend any existing low-income affordability restrictions on the housing for the term negotiated with Minnesota Housing, which is generally 30 years.

Except for good cause, existing subsidized tenants may not be evicted, and the Owner must continue to renew leases for those residents.

## **2.04 Supportive Housing Properties**

Among comparable proposals, priority must be given to Supportive Housing developments that exhibit the greatest need of funding and demonstrate a reliable source of service funding.

As a condition of this funding, the Owner will be required to enter into an agreement to continue to operate the development as Supportive Housing for the term of the loan.

## **2.05 Eligible Expenses**

PARIF Program funds may be used for the following purposes:

- Federally Assisted properties: acquisition, rehabilitation, equity take-out, and/or debt restructuring
- Supportive Housing properties: acquisition, rehabilitation, and/or debt restructuring

Minnesota Housing may approve, at its sole discretion, additional uses and reasonable expenses that support the eligible expenses listed above.

## Chapter 3 – Program Requirements

### 3.01 Rent and Income Requirements

#### Federally Assisted Projects

At the time of initial occupancy, Federally Assisted units are to be occupied by households with incomes that meet the requirement(s) of the federal program(s) the funds are preserving, which generally means up to 80% of the statewide median income, not adjusted by family size. Refer to Minnesota Housing's [Multifamily Rent and Income Limits](#) webpage for current income requirements.

Minnesota Housing will require income limits consistent with those specified in the Owner's application, provided that they are not higher than the statutory income limits.

#### Supportive Housing Projects

### 3.02 Utility Allowances

Tenant-paid utility allowance is included in gross rent. Generally, acceptable utility allowances are those provided by public housing authorities on a Section 8 utility allowance schedule. Utility allowances must be updated annually.

### 3.03 Voucher Acceptance

Rental properties that receive funds under the PARIF Program may not reject an applicant based solely on their status as a holder of a rental subsidy, including but not limited to vouchers under Section 8 of the United States Housing Act of 1937, as amended.

Units occupied by households benefited by project-based or tenant-based assistance, such as Section 8 or similar state or local government rental assistance program, or a housing support agreement are deemed to satisfy the rent and income restrictions.

### 3.04 Design and Construction Requirements

Minnesota Housing encourages sustainable, healthy housing that optimizes the use of cost-effective materials and systems that minimize the consumption of natural resources both during rehabilitation and for long-term maintenance and operations. Minnesota Housing encourages optimizing the use of renewable resources and energy, minimizing damages and impact to the environment, and maximizing the use of solar and wind.

All Borrowers are required to comply with both of the following:

- The most recently adopted edition of the Minnesota State Building Codes
- Other local, state, and national codes and standards in effect; the most restrictive codes and regulations will apply

Refer to the current [Multifamily Request for Proposals Standards](#) and Rental Housing Design/Construction Standards on the [Building Standards](#) webpage for more information.

### **3.05 Tenant Selection Plan**

Minnesota Housing is committed to creating equitable, affordable, and accessible housing for all Minnesotans. Tenant Selection Plans (TSP) and tenant screening criteria that reduce barriers to housing access are critical to these efforts. It is recommended that all Recipients selected for PARIF Program funds follow Minnesota Housing's [Tenant Selection Plan Guidelines](#).

## Chapter 4 – General Loan Characteristics

### 4.01 Funding Source

Funds for the PARIF Program are appropriated by the Minnesota Legislature.

### 4.02 Loan Terms

Loans will generally be provided in the form of a 0%, 30-year loan with principal (and interest, if any) due and payable at the end of the term. The interest rate may be adjusted in order to allow these funds to be utilized with other sources of funding, such as the Housing Tax Credit Program.

Minnesota Housing may, at its sole discretion, require a fixed payment, or amortizing payment, or 20% of cash flow in excess of \$50,000 to be repaid annually. The loan term may be adjusted based on requirements and conditions of the federal assistance or other funding sources.

Minnesota Housing allows non-recourse debt to single asset entities. Loans to multi-asset entities will be full recourse.

The income and occupancy conditions for the Federally Assisted units are in effect for the life of the loan and/or the covenant running with the land.

### 4.03 Loan Types

The loan commitment term and closing date are determined by the type of loan the Applicant requests:

- Construction Loan: The Construction Loan must close within 20 months from the initial Minnesota Housing board approval date.
- End Loan: The project must enter into a loan commitment for an End Loan within 20 months of Minnesota Housing board approval. The project must be completed, and the loan closed within 18 months once the loan commitment for an End Loan is executed.

Either loan type may be available with Minnesota Housing approval.

If an Applicant does not enter into a loan commitment for an End Loan or close the Construction Loan within the 20-month term, Minnesota Housing reserves the right to recapture funds or require a commitment extension.

## **4.04 Underwriting Standards**

Minnesota Housing underwriting for all developments will include analysis of financial feasibility, development costs, as well as a review of management, marketability, and architectural requirements. Refer to Minnesota Housing's [Multifamily Underwriting Standards](#) for more information.

## **4.05 Return on Equity**

Minnesota Housing statutes currently allow a maximum return of 15% based on actual developer equity (as determined by Minnesota Housing) for developments that use PARIF loan proceeds for acquisition, debt restructuring, and equity take-out loans. This restriction does not apply to developments that include the rehabilitation of existing housing.

## **4.06 Transfer of Ownership**

Sale of the property to another eligible Borrower and assumption of the loan must be pre-approved in writing by Minnesota Housing. Approval must be requested through the [Request for Action \(RFA\)](#) Process. Approval is at Minnesota Housing's sole discretion and will only be considered (but not guaranteed to be approved) if:

- The mortgagor is not in default of any of its agreements with Minnesota Housing, whether such agreements involve the PARIF loan or some other loan that is secured by the mortgaged property
- The new entity is creditworthy, in Minnesota Housing's sole opinion
- The new entity assumes all contractual obligations with Minnesota Housing
- Payment of an assumption fee equal to the approximate administrative costs of processing the sale and assumption

### **Right of First Refusal**

As a condition of funding Federally Assisted developments, the Owner must enter into an agreement running with the land that gives local units of government, housing and redevelopment authorities, and nonprofit housing organizations the Right of First Refusal (ROFR) if the rental property is subsequently offered for sale and a bona fide outside offer is received during the term of the agreement. This ROFR applies to each sale during the term of the agreement. The ROFR will apply to all projects that receive an Appropriation of PARIF funds dated prior to State Fiscal Year 2022. Contact Minnesota Housing to determine from what State Fiscal Year a project's PARIF funds will be allocated. Note that the allocation year of funds may not align with the Request for Proposals (RFP) year.

#### **4.07 Prepayment**

The mortgage may be prepaid in full at any time; however, covenants and conditions in the declaration(s) will remain in place for the remaining term of the declaration. Minnesota Housing will charge a prepayment fee in an amount equal to the approximate administrative costs incurred by Minnesota Housing in processing the prepayment.

## Chapter 5 – Application Process and Review Criteria

### 5.01 Apply for Funding

This funding is available on a statewide basis and is made available primarily through Minnesota Housing's annual Multifamily Consolidated Request for Proposals (RFP)/Housing Tax Credit (HTC) Round 1. Pipeline requests will be considered when funds are available. Applications submitted outside of the annual RFP must meet the requirements outlined in the [Multifamily Request for Proposals Standards](#) and are subject to funding availability. Minnesota Housing will review all proposals submitted and will attempt to make the best and most appropriate funding choices for each development selected.

### 5.02 Cost Reasonableness and Level of Funding

In determining the amount of the loan, Minnesota Housing will review cost reasonableness on a per-unit and total development cost basis. Minnesota Housing will also analyze the developmental and operational costs to help ensure that the amount of funding provided to the development is not more than is necessary to make the development financially and/or physically feasible.

### 5.03 Financial and Organizational Capacity

Applicants must submit the required qualification forms. The qualification forms, along with additional information and instructions for submittal, can be found on Minnesota Housing's [Development Team Qualification Forms](#) webpage.

Minnesota Housing will evaluate the Borrower's financial acceptability, considering assets, liquidity, length of time in operation, and previous housing experience.

For Supportive Housing properties, the Applicant must demonstrate that they have established networks and linkages necessary for residents to maintain housing stability.

### 5.04 Management and Operating Budget

The budget submitted with the application will be reviewed and compared to the property's operating history and budgets of comparable developments financed by Minnesota Housing. This data will be used in the underwriting of the loan and to project long-term operating costs that will protect the long-term investment being made by the Owner and lenders.

Minnesota Housing reserves the right to reject or adjust the operating and maintenance figures based on the information supplied, specific development type, rehabilitation scope of work, and circumstances and/or significant changes to the economics of the development's current marketplace.

Refer to the Minnesota Housing [Multifamily Underwriting Standards](#) for more information on Minnesota Housing's requirements and evaluation of management and operating expenses.

## **5.05 Relocation Plan**

All existing developments must submit a Relocation Plan that addresses both temporary relocation and permanent voluntary displacement. The Applicant must thoroughly assess the potential for displacement.

The plan must include each of the following:

- A description of the project
- A list of any other funding source(s) that will require compliance with the Uniform Relocation Act (URA) or a statement that no other funding source(s) will require compliance with the URA
- A description of any temporary relocation, if any, that will or may occur based on the scope of work
- A description of how tenants' needs will be accommodated while they are temporarily displaced
- A description of how tenants with disabilities will be accommodated
- A description of what the development team will do to help displaced tenants who have additional challenges when facing temporary or permanent voluntary displacement; for example, households with a large family size
- A description of the assistance and compensation that will be offered to tenants who will either be temporarily relocated or permanently and voluntarily displaced
- An estimated budget identifying relocation/displacement expenses and an identified funding source
- A Relocation Plan timeline

Minnesota Housing prohibits permanent involuntary displacement of residents from developments receiving Minnesota Housing funding.

## **5.06 Program Fees**

Please review the [Multifamily Loan Programs and Housing Tax Credit Fee Schedule](#) for applicable fees associated with the PARIF Program.

## Chapter 6 – Compliance Monitoring and Reporting

Minnesota Housing actively monitors each development's finances. This includes tenant incomes, rents, affirmative action and equal opportunity requirements, and year-end operating reports.

### 6.01 Compliance Monitoring Requirement

Minnesota Housing performs periodic inspections of the projects financed. The frequency of physical inspections is determined by several factors such as loan type, term, loan amount, etc. Borrowers will be notified in advance of any inspection.

### 6.02 Compliance Reporting Requirement

Borrowers are required to provide annual reporting in a form and manner directed by Minnesota Housing. Owners must submit an annual Certification of Compliance and occupancy data on all units in the property. Owners must maintain year-end operating (financial) reports and make them available upon request.

Federally Assisted units must be leased to qualified households who must disclose their annual household income at initial occupancy on an [Initial Occupancy Statement by Tenant Form](#) (other, more detailed income certification forms may be acceptable, and acceptance of such forms will be at Minnesota Housing's sole discretion). This form is used to help ensure households are qualified to occupy a Federally Assisted unit.

Owners must also request (but cannot require) that qualified households complete a [Head of Household Demographic Information Form](#), which will provide additional information for program evaluation.

Additionally, each adult member of a household occupying a Federally Assisted unit must sign and date a Minnesota Government Data Practices Act Disclosure Statement. This information informs the tenant that their annual household income and other information will be reported to Minnesota Housing and may be reviewed by other governmental agencies. This is required for the administration and management of state or federal programs that provide housing for low- and moderate-income families.

### 6.03 Compliance Term

All projects funded with PARIF Program loans are required to comply with affordability requirements and are subject to monitoring and reporting for the term of the Loan Agreement. Borrowers must retain files for six years after the expiration or termination of the Loan Agreement.

## **Chapter 7 – Program Contact**

Questions should be directed to Anne Heitlinger at [anne.heitlinger@state.mn.us](mailto:anne.heitlinger@state.mn.us).

## Appendix A – Terms and Definitions

Table 1: Terms and Definitions

Term	Definition
Agency	Minnesota Housing Finance Agency
Applicant	An individual or entity that applies for PARIF Program funds.
Appropriation	Direct legislative appropriation (cash) provided under the Housing Infrastructure Bonds (HIB) statute to fund loans for projects meeting HIB eligible uses.
Borrower	An entity who has received an amortizing or deferred loan.
Construction Loan	A construction/permanent long-term loan to finance rehabilitation and eligible soft costs. The loan funds are advanced incrementally during rehabilitation.
Eligible Property	A property that meets the criteria for PARIF funding.
Eligible Recipient	An Eligible Recipient pursuant to the PARIF Program as further described in section 2.02 (Eligible Recipients) of this Program Guide.
End Loan	A permanent long-term loan that is used to pay off a short-term rehabilitation loan or other form of interim financing.
Federally Assisted	An existing property with project-based federal rental assistance (for example, Section 8 or Rural Development Rental Assistance) or project-based tenant vouchers or an allocation of low-income Housing Tax Credits.
Housing Tax Credit (HTC)	A financing program for qualified residential rental properties. The HTC Program offers investors a 10-year reduction in tax liability in exchange for capital to build eligible affordable rental housing units that are new construction, rehabilitation, or acquisition with rehabilitation.
Loan Agreement	The Loan Agreement between Minnesota Housing and the Borrower and any related documents evidencing a loan pursuant to the PARIF Program.
Minnesota Housing	Minnesota Housing Finance Agency
Multifamily Consolidated Request for Proposals (RFP)/ Housing Tax Credit (HTC) Round 1	A competitive funding round offered once per year which consolidates and coordinates multiple housing resources into one application process, including deferred loans and amortizing first mortgages.
Multifamily Underwriting Standards	The standards and processes that Minnesota Housing will use to underwrite Multifamily rental properties.
One Minnesota	The <a href="#">One Minnesota Plan</a> is a vision for what our state can be and how we can make this vision a reality.
Owner	An entity or person who holds title to the real property upon which the development is located.
Program Guide	Preservation Affordable Rental Investment Fund Program Guide

Term	Definition
Relocation Plan	Minnesota Housing requires the Developer to submit a Relocation Plan for any temporary or permanent displacement of tenants. Developments that are U.S. Department of Housing and Urban Development (HUD) assisted are required to submit a Relocation Plan in compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA).
Request for Action (RFA) Process	The process which must be used for all servicing requests including, but not limited to, assumptions, ownership/management company changes, subordinations, and payoffs. Refer to Minnesota Housing's <a href="#">RFA and Change Notifications</a> webpage for information on how to complete this process.
Request for Proposals (RFP)	The competitive process of applying for PARIF Program funds.
Right of First Refusal (ROFR)	The ability of a nonprofit organization or governmental entity to match the offered purchase price for a property with a PARIF loan.
State Fiscal Year	The State of Minnesota fiscal year runs from July 1 to June 30.
Supportive Housing	Affordable housing linked with social services tailored to the needs of the population being housed. The goal of Supportive Housing is to provide affordable housing with access to an array of services designed to foster housing stability and improve health and quality of life for the population to be served.
Tenant Selection Plan (TSP)	The plan developed by the Recipient per all applicable guidelines, which is then used by prospective tenants to self-screen and determine their eligibility for a property prior to submitting an application for housing.
Tribally Designated Housing Entity	An entity as defined by U.S. Code, title 25, section 4103(22).
U.S. Department of Housing and Urban Development (HUD)	A cabinet department that administers programs that provide housing and community development assistance.
Workbook	The Microsoft Excel spreadsheet used to apply for Minnesota Housing Multifamily funding.

## **Appendix B – Legal Addendum**

### **1.01 Conflict and Control**

In the event of any conflict between the terms of this Addendum and the document to which it is attached, the terms of this Addendum will govern and control.

### **1.02 Fraud**

Fraud is any intentionally deceptive action, statement or omission made for personal gain or to damage another.

Any person or entity (including its employees and affiliates) that enters into a contract with Minnesota Housing and witnesses, discovers evidence of, receives a report from another source or has other reasonable basis to suspect that fraud or embezzlement has occurred must immediately make a report through one of the communication channels described in section 1.07.

### **1.03 Misuse of Funds**

A contracting party that receives funding from Minnesota Housing promises to use the funds to engage in certain activities or procure certain goods or services while Minnesota Housing agrees to provide funds to the recipient to pay for those activities, goods or services. Regardless of the Minnesota Housing program or funding source, the recipient must use Minnesota Housing funds as agreed, and the recipient must maintain appropriate documentation to prove that funds were used for the intended purpose(s).

A misuse of funds shall be deemed to have occurred when: (1) Minnesota Housing funds are not used as agreed by a recipient; or (2) a recipient cannot provide adequate documentation to establish that Minnesota Housing funds were used in accordance with the terms and conditions of the contract.

Any recipient (including its employees and affiliates) of Minnesota Housing funds that discovers evidence, receives a report from another source or has other reasonable basis to suspect that a misuse of funds has occurred must immediately make a report through one of the communication channels described in section 1.07.

### **1.04 Conflict of Interest**

A conflict of interest – Actual, Potential or Appearance of a Conflict of Interest – occurs when a person has an actual or apparent duty or loyalty to more than one organization and the competing duties or loyalties may result in actions which are adverse to one or both parties. A Potential Conflict of Interest or Appearance of a Conflict of Interest exists even if no unethical, improper or illegal act results from it.

- **Actual Conflict of Interest:** An Actual Conflict of Interest occurs when a person's decision or action would compromise a duty to a party without taking immediate appropriate action to eliminate the conflict.
- **Potential Conflict of Interest:** A Potential Conflict of Interest may exist if a person has a relationship, affiliation or other interest that could create an inappropriate influence if the person is called on to make a decision or recommendation that would affect one or more of those relationships, affiliations or interests.
- **Appearance of a Conflict of Interest:** The Appearance of a Conflict of Interest means any situation that would cause a reasonable person, with knowledge of the relevant facts, to question whether another person's personal interest, affiliation or relationship inappropriately influenced that person's action, even though there may be no Actual Conflict of Interest.

A conflict of interest includes any situation in which one's judgment, actions or non-action could be interpreted to be influenced by something that would benefit them directly or through indirect gain to a Partner, Family Member, Relative, Friend, Business or other Outside Interest with which they are involved. Such terms are defined below.

- **Business:** Any company, corporation, partnership, proprietorship, firm, enterprise, franchise, association, organization, self-employed individual or any other legal entity which engages either in nonprofit or profit-making activities.
- **Family Member:** A person's current and former spouse; children, parents, and siblings; current and former children-in-law, parents-in-law, and siblings-in-law; current and former stepchildren and stepparents; grandchildren and grandparents; and members of the person's household.
- **Friend:** A person with whom the individual has an ongoing personal social relationship. "Friend" does not generally include a person with whom the relationship is primarily professional or primarily based on the person being a current or former colleague. "Friend" does not include mere acquaintances (that is, interactions are coincidental or relatively superficial). Social media friendships, connections, or links, by themselves, do not constitute friendship.
- **Outside Interest:** An Outside Interest may occur when an individual, their Family Member or their Partner has a connection to an organization via employment (current or prospective), has a financial interest or is an active participant.
- **Partner:** A person's romantic and domestic partners and outside Business partners.
- **Relative:** Uncle or aunt; first or second cousin; godparent; godchild; other person related by blood, marriage or legal action with whom the individual has a close personal relationship.

Once made aware of a conflict of interest, Minnesota Housing will make a determination before disbursing any further funds or processing an award. Determinations could include

- Revising the contracting party's responsibilities to mitigate the conflict
- Allowing the contracting party to create firewalls that mitigate the conflict
- Asking the contracting party to submit an organizational conflict of interest mitigation plan

- Terminating the contracting party's participation

Any person or entity (including its employees and affiliates) that enters into a contract with Minnesota Housing must avoid and immediately disclose to Minnesota Housing any and all conflicts of interest through one of the communication channels described in section 1.07.

A contracting party should review its contract and request for proposals (RFP) material, if applicable, for further requirements.

## **1.05 Assistance to Employees and Affiliated Parties**

Any party entering into a contract with Minnesota Housing for the purpose of receiving an award or benefit in the form of a loan, grant, combination of loan and grant or other funding is restricted in issuing a loan, grant, combination of loan and grant or other funding to a recipient ("Affiliated Assistance") who is also: (1) a director, officer, agent, consultant, employee or Family Member of an employee of the contracting party; (2) an elected or appointed official of the State of Minnesota; or (3) an employee of Minnesota Housing, unless each of the following provisions are met:

- The recipient meets all eligibility criteria for the program;
- The assistance does not result in a violation of the contracting party's internal conflict of interest policy, if applicable;
- The assistance does not result in a conflict of interest as outlined in section 1.04;
- The assistance is awarded utilizing the same costs, terms and conditions as compared to a similarly situated unaffiliated recipient and the recipient receives no special consideration or access as compared to a similarly situated unaffiliated recipient; and
- The assistance is processed, underwritten and/or approved by staff/managers who are independent of the recipient and independent of any Family Member of the recipient. Family Member is defined in section 1.04.

A contracting party need not disclose Affiliated Assistance to Minnesota Housing. However, the contracting party must document and certify, prior to the award, that the Affiliated Assistance meets each of the provisions outlined above. This documentation must be included in the Affiliated Assistance file and must be made available to Minnesota Housing upon request. Affiliated Assistance that does not meet each of the provisions outlined above will be considered a violation of Minnesota Housing conflict of interest standards and must be reported by the contracting party through one of the communication channels outlined in section 1.07.

## **1.06 Suspension**

By entering into any contract with Minnesota Housing, a contracting party represents that the contracting party (including its employees or affiliates that will have direct control over the subject of the contract) has not been suspended from doing business with Minnesota Housing. Please refer to

Minnesota Housing's website for a list of [suspended individuals and organizations](#) (Go to [mnhousing.gov](#), scroll to the bottom of the screen and select Report Wrongdoing, then select Suspensions from the menu).

## **1.07 Disclosure and Reporting**

Minnesota Housing promotes a “speak-up, see something, say something” culture whereby internal staff must immediately report instances of fraud, misuse of funds, conflicts of interest or other concerns without fear of retaliation through one of the communication channels listed below. External business partners (for example, administrators, grantees or borrowers) and the general public are strongly encouraged to report instances of fraud, misuse of funds, conflicts of interest or other concerns without fear of retaliation using these same communication channels.

- Minnesota Housing's Chief Risk Officer at 651.296.7608 or 800.657.3769 or by email at [MHFA.ReportWrongdoing@state.mn.us](mailto:MHFA.ReportWrongdoing@state.mn.us);
- Any member Minnesota Housing's [Servant Leadership Team](#), as denoted on Minnesota Housing's current organizational chart (Go to [mnhousing.gov](#), scroll to the bottom of the screen and select About Us, select Servant Leadership Team); or
- [Report Wrongdoing or Concerns \(mnhousing.gov\)](#) (Go to [mnhousing.gov](#), scroll to the bottom of the screen and select Report Wrongdoing).

## **1.08 Electronic Signatures**

Minnesota Housing will use and accept e-signatures on eligible program documents subject to all requirements set forth by state and federal law and consistent with Minnesota Housing policies and procedures. The use of e-signatures for eligible program documents is voluntary. Questions regarding which documents Minnesota Housing permits to be e-signed should be directed to Minnesota Housing staff.

## **1.09 Fair Housing Policy**

It is the policy of Minnesota Housing to affirmatively further fair housing in all its programs so that individuals of similar income levels have equal access to Minnesota Housing programs, regardless of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, familial status, gender identity or sexual orientation.

Minnesota Housing's fair housing policy incorporates the requirements of Title VI of the Civil Rights Act of 1968; the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988; and the Minnesota Human Rights Act. Housing providers and other entities involved in real estate related transactions are expected to comply with the applicable statutes, regulations and related policy guidance. Housing providers should ensure that admissions, occupancy, marketing and operating procedures comply with non-discrimination requirements. Housing providers

and other entities involved in real-estate related transactions must comply with all non-discrimination requirements related to the provision of credit, as well as access to services.

In part, the Fair Housing Act and the Minnesota Human Rights Act make it unlawful, because of protected class status, to:

- Discriminate in the selection/acceptance of applicants in the rental of housing units;
- Discriminate in the making or purchasing of loans for purchasing, constructing or improving a dwelling, or in the terms and conditions of real-estate related transactions;
- Discriminate in the brokering or appraisal of residential property;
- Discriminate in terms, conditions or privileges of the rental of a dwelling unit or services or facilities;
- Discriminate in the extension of personal or commercial credit or in the requirements for obtaining credit;
- Engage in any conduct relating to the provision of housing that otherwise make unavailable or denies the rental of a dwelling unit;
- Make, print or publish (or cause to make, print or publish) notices, statements or advertisements that indicate preferences or limitations based on protected class status;
- Represent a dwelling is not available when it is in fact available;
- Refuse to grant a reasonable accommodation or a reasonable modification to a person with a disability;
- Deny access to, or membership or participation in, associations or other services organizations or facilities relating to the business of renting a dwelling or discriminate in the terms or conditions of membership or participation; or
- Engage in harassment or quid pro quo negotiations related to the rental of a dwelling unit.

Minnesota Housing has a commitment to affirmatively further fair housing for individuals with disabilities by promoting the accessibility requirements set out in the Fair Housing Act, which establish design and construction mandates for covered multifamily dwellings and requires those in the business of buying and selling dwellings to make reasonable accommodations and to allow persons with disabilities to make reasonable modifications.

Under certain circumstances, applicants will be required to submit an Affirmative Fair Housing Marketing Plan at the time of application, to update the plan regularly and to use affirmative fair housing marketing practices in soliciting renters, determining eligibility and concluding all transactions.

As a condition of funding through Minnesota Housing, housing providers are not permitted to refuse to lease a unit to, or discriminate against, a prospective resident solely because the prospective resident has a Housing Choice Voucher or other form of tenant-based rental assistance.

## **1.10 Minnesota Government Data Practices**

Minnesota Housing, and any party entering into a contract with Minnesota Housing, must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by Minnesota Housing under the contract, and as it applies to all data created, collected, received, stored, used, maintained or disseminated by the contracting party under the contract. The civil remedies of Minnesota Statutes Section 13.08 apply to the release of the data referred to in this section by either the contracting party or Minnesota Housing. If the contracting party receives a request to release the data referred to in this section, the contracting party must notify Minnesota Housing. Minnesota Housing will give the contracting party instructions concerning the release of the data to the requesting party before the data is released. The contracting party's response to the request shall comply with applicable law.

## **1.11 Prevailing Wage**

Under certain circumstances, awards of Minnesota Housing funds may trigger state prevailing wage requirements under [Minnesota Statutes Chapter 177](#) or [Minnesota Statutes Section 116J.871](#). In broad terms, Minnesota Statutes Chapter 177 applies to an award of \$25,000 or greater for housing that is publicly owned. Minnesota Statutes Section 116J.871 applies to awards for non-publicly owned housing that meet the following conditions: (1) new housing construction (not rehabilitation of existing housing); (2) a single entity receives from Minnesota Housing \$200,000 or more of grant proceeds or \$500,000 of loan proceeds; or (3) allocations or awards of low-income housing tax credits, for which tax credits are used for multifamily housing projects consisting of more than ten units.

Minnesota Statutes Section 116J.871 sets out several exceptions to the applicability of prevailing wage including (1) rehabilitation of existing housing; (2) new housing construction in which total financial assistance at a single project site is less than \$100,000; and (3) financial assistance for the new construction of fully detached single-family affordable homeownership units for which the financial assistance covers no more than ten fully detached single-family affordable homeownership units.

Entities receiving funding from Minnesota Housing as described in this section shall notify all employers on the project of the recordkeeping and reporting requirements in Minnesota Statutes Section 177.30, paragraph (a), clauses (6) and (7). Each employer shall submit the required information to Minnesota Housing.

Questions related to submission of required information to Minnesota Housing may be directed to: [mhfa.prevailingwage@state.mn.us](mailto:mhfa.prevailingwage@state.mn.us).

All questions regarding state prevailing wages and compliance requirements should be directed to the Minnesota Department of Labor and Industry as follows:

Division of Labor Standards and Apprenticeship  
State Program Administrator

443 Lafayette Road N, St. Paul, MN 55155  
651.284.5091 or [dli.prevwage@state.mn.us](mailto:dli.prevwage@state.mn.us)

If a contractor or subcontractor fails to adhere to prevailing wage laws, then that contractor or subcontractor could face civil and/or criminal liability.