MINNESOTA HOUSING

Board Agenda Item: 7.B
Date: 10/27/2022

Item: Approval, 2022 Capacity Building Program Grantee Selections

Staff Contact(s):
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Request Type:

☒ Approval
☒ Motion
☒ Resolution

☐ No Action Needed
☐ Discussion
☐ Information

Summary of Request:
Staff recommends approval of 27 Capacity Building Program proposals. The Capacity Building Program funds activities which create inclusive and thriving communities by building capacity to address root causes of housing challenges and disparities and building power in communities most impacted by housing challenges and disparities.

Pending Board approval, Minnesota Housing will enter into two-year grant terms with Grantees for one of the following uses:

- Organizational Capacity Building: Grantee will use the funds to build its *own* capacity to achieve the goals of the Capacity Building grant.
- Intermediary Capacity Building: Grantee will use the funds to build the capacity of *others* through pass-through grants and/or technical assistance.

Fiscal Impact:
The program will use $1,450,000 from Pool 3 under the Technical Assistance and Operating Support program. Individual awards are structured as grants, which do not earn interest for the Agency.

Meeting Agency Priorities:

☒ Improve the Housing System
☒ Preserve and Create Housing Opportunities
☒ Make Homeownership More Accessible
☒ Support People Needing Services
☒ Strengthen Communities

Attachment(s):

- Background
- Resolution

Background

On April 21, 2022, the Minnesota Housing Board approved 2022 Capacity Building Programs Request for Proposal ("RFP"). On June 8, 2022, Minnesota Housing launched the Capacity Building Program RFP and closed the application period on July 25, 2022.

Minnesota Housing's Capacity Building Program, authorized under Minnesota Statute 462A.07, subd. 2, funds activities that build capacity of organizations and communities to address root causes of housing challenges and create thriving and inclusive communities. Communities most impacted by housing challenges and disparities are experts and key partners in developing solutions to these challenges. Minnesota Housing trusts organizations and communities to use their knowledge and creativity to develop strategies that work for them.

The Capacity Building Program is an important tool for advancing Minnesota Housing's 2020-2022 strategic objectives of "Creating an Equitable and Inclusive Housing System" and "Strengthening Communities" by:

- "Strengthening Disinvested Communities" including:
  - Fostering the co-creation of solutions with communities
  - Addressing systemic barriers
  - Diversifying the partners we fund and with whom we work
  - Bolstering cross-sector community development work
- Supporting Tribal Nations and Indigenous communities:
  - Increasing Tribal access to program resources
  - Supporting tribes in building their program capacity

Minnesota Housing sought requests for both Organizational Capacity Building (approximately $950,000) and Intermediary Capacity Building (approximately $500,000). Organizational Capacity Building applicants were considered separately from Intermediary Capacity Building applicants at each step of the selection process. Over the course of a two-year grant period, selected grantees will utilize Capacity Building Program grant funds for one of the following two uses:

1. **Organizational Capacity Building:** Grantee will use the funds to build its own capacity to address root causes of housing challenges and housing disparities, build power in Communities Most Impacted by housing challenges and disparities, pilot innovative solutions to housing challenges and support inclusive and equitable communities.

2. **Intermediary Capacity Building:** Grantee will use the funds to build the capacity of *others* through pass-through grants and/or technical assistance (see definition of both terms below) in the Grantee's area of experience and expertise. The purpose of intermediary capacity building is to develop and strengthen the capacity of communities, stakeholders, and organizations operating in the areas of housing

planning, community and program development and community engagement. Funds are intended to support efforts to build the capacity of communities and/or organizations to meet community housing goals and needs. Funding should be used to provide direct technical assistance and/or pass-through grants support to communities and organizations.

Overview of Grant Review Selection Process:

Minnesota Housing received 76 applications for a total funding request of $3,828,296. Sixty-one applications with a total funding request $3,382,296 moved on to the selection process. Fifteen applications were incomplete or ineligible and did not move forward for review.

Selections consisted of a three-part process:

1. The grant review team scored and discussed the applications to select the organizations to be invited for an interview.
2. A subset of the grant review team served on the interview committee to interview finalists and assigned interview scores.
3. The grant review team reviewed and evaluated application scores and interview scores to finalize the list of recommended grantees.

Notably, as part of this grant selection process, Minnesota Housing piloted an initiative to recruit, train and pay community members that have experienced housing challenges to serve on the grant review team. The grant review team consisted of 13 Community Reviewers and 14 Minnesota Housing Reviewers from the Multifamily, Single Family and Policy and Community Development Divisions.

Twenty-seven reviewers reviewed and scored 61 applications to select 35 finalists for a virtual interview. Each grant application was reviewed by three people and five people attended each interview. Every application and interview were scored by a combination of Community Reviewers and Minnesota Housing Reviewers.

Of the 35 finalists interviewed, a total of 27 organizations are recommended for a total of $1,450,000 for this grant cycle. Nineteen organizations have been recommended for funding with awards totaling $950,000 under the Organizational Capacity use. Eight organizations have been recommended for funding with awards totaling $500,000 for the Intermediary Capacity use.

Funding amounts for some organizations were reduced based on a review of the budgets provided and to fund a maximum number of grantees without impacting their ability to perform the proposed scope of work.

Scoring Methodology:

Applications were scored according to the selection criteria and pointing allocation as described below.

Applications were scored on a 100-point scale according to the following criteria:

Scoring Phase 1: Application			
Section Criteria	**Weight**	**Scoring Criteria**	**Maximum Points**
Project Description	**40%**	• The extent to which the proposal is responsive to community needs and designed to address root causes of housing disparities and challenges.	40 Points
Outcomes	**25%**	• The extent to which increased capacity will address a gap in the housing system and result in outcomes that ultimately benefit Communities Most Impacted	25 Points
Qualifications	**15%**	• The applicant's ability to demonstrate why it is uniquely qualified to carry out the proposal activities. • An applicant's past performance as a Minnesota Housing grantee will be considered.	15 Points
Communities Most Impacted	**15%**	• The extent to which Communities Most Impacted by housing challenges and disparities are involved in the planning and implementation of the proposed project.	15 Points
Budget	**5%**	• The budget description is clear and shows how the requested funds will be used to support the proposal activities.	5 points
			100 Points Possible

Interviews were also scored on a 100-point scale according to the following criteria:

Scoring Phase 2: Interview			
Section Criteria	**Weight**	**Scoring Criteria**	**Maximum Points**
Project Description	**25%**	• The extent to which the proposal is responsive to community needs and designed to address	25 points

		root causes of housing disparities and challenges.	
Outcomes	**25%**	• The extent to which increased capacity will address a gap in the housing system and result in outcomes that ultimately benefit Communities Most Impacted.	25 points
Qualifications	**25%**	• The applicant's ability to demonstrate why it is uniquely qualified to carry out the proposal activities. • An applicant's past performance as a Minnesota Housing grantee will be considered.	25 points
Communities Most Impacted	**25%**	• The extent to which Communities Most Impacted by housing challenges and disparities are involved in the planning and implementation of the proposed project.	25 points
			100 Points Possible

Geographic Coverage of Recommended Grantees

Geography	Recommended Grantees
Statewide	5
Tribal Nation (One proposal covers six Tribal Nations)	3
Greater Minnesota	9
Metro	13*

*Some recommended grantees propose to serve more than one geography.

Grant agreements will be approved through the Agency's Legal Division. Under the grant agreement, each grantee must submit a final report that described the proposed and achieved project outcomes to receive final payment.

Please see attached resolution ("2022 Capacity Building Initiative Recommended Grantees") for the list of recommended organizations, recommended funding, project title, geography and population. The scope of work for the recommended grantees will cover a range of activities, communities, and project types, but the unifying factor is the focus on building power in communities most impacted and addressing root causes of housing challenges and disparities.

Disbursement Schedule:

Grantees are required to submit a narrative report, financial report and invoice approximately every six months and meet with the grant manager after the first year to discuss grant progress. Grant disbursements are anticipated to be structured as follows:

1. 40% provided upon contract execution
2. 20% upon receipt of six-month report and invoice
3. 15% upon receipt of one-year report and invoice
4. 15% upon receipt of 18-month report and invoice
5. 10% upon receipt of final report and invoice

Any unspent funds or funds spent on ineligible activities funds must be returned by the grantee.

Conflicts of Interest:

Marisa Myhre disclosed a conflict of interest with Clare Housing. Tal Anderson disclosed conflicts of interest with Clare Housing, Local Initiatives Support Corporation-Twin Cities, and Redesign, Inc. Neither reviewer was assigned to review any of the applications from organizations with whom they had a conflict and neither reviewer participated in selections meetings where these applications were discussed.

Financial Assessment:
A financial assessment was conducted of the organizations that submitted complete applications. Minnesota Engagement on Shelter and Housing, MoveFwd, Northcountry Cooperative Foundation and NRRC Financial, LLC were identified as needing risk mitigation to pass the financial review. Mitigation will consist of credit risk staff conducting a financial reconciliation after the six-month reporting period to determine if and how the remaining funds are to be allocated.

MINNESOTA HOUSING FINANCE AGENCY

400 Wabasha Street North, Suite 400
St. Paul, MN 55102

RESOLUTION NO. MHFA 22-076

RESOLUTION APPROVING SELECTION OF
2022 CAPACITY BUILDING PROGRAM GRANTEES

WHEREAS, the Minnesota Housing Finance Agency ("Agency") has received applications from entities for the Capacity Building Program to cover a range of activities to build organizational capacity to address housing disparities, build power in communities most impacted by housing challenges and disparities, pilot innovative solutions to housing challenges, and support inclusive and equitable communities; and

WHEREAS, Agency staff has reviewed applications and selected the applicants based on grant priorities as well as geographic coverage, a range of project types, and a diversity of grantees and populations served; and

WHEREAS, Agency staff has determined that the applications are in compliance under the Agency's rules, regulations and policies; and that the applications will assist in fulfilling its obligation under Minn. Stat. 462A to provide technical assistance and increase the capacity of entities to meet the housing needs of the state

NOW THEREFORE, BE IT RESOLVED:

THAT, the Board hereby authorizes Agency staff to enter into grant agreements with the following entities, using resources available pursuant to the grant, subject to the terms and conditions herein and in the respective grant agreements, subject to changes allowable under Agency and Board policies:

1. Agency staff shall review and approve the following grantees for up to the total recommended amount for the 24-month grant period to run from the date of contract execution (approximately from December 1, 2022 through November 30, 2024); and

Organizational Capacity Building Grantees				
Grantee	**Selection Amount**	**Proposal Title**	**Geography**	**Community/Population**
Beacon Interfaith	**$52,500**	Supportive Housing for Neurodivergent Youth	Metro	Youth ages 16-24 with neurodivergent conditions who are experiencing homelessness.

Center for Multicultural Mediation	**$52,000**	CMM Housing Mediation Services Program	Metro	Somali/East African individuals and households.
CloseKnit	**$52,500**	Chosen Family Justice Initiative	Statewide	Youth experiencing homelessness.
Conflict Resolution Center (CRC)	**$52,500**	Capacity Building for Increasing Effectiveness and Connectedness in Housing Stability Services.	Greater	Black, Indigenous, and People of Color; unhoused community members; community members in poverty in Twin Cities, Duluth, and St. Cloud metro areas.
Damascus Way Re-Entry Center, Inc	**$52,500**	Transformational Capacity Building to Address Housing Disparities and Build Community Power	Greater	Ex-offenders. Over 70% of the residents served are Black, Indigenous, People of Color.
Fathers Rise Together DBA Family Rise Together	**$49,800**	Mental Health and Housing Case Management	Greater	Black, Indigenous, People of Color at risk of homelessness, experiencing homelessness and have a mental illness.
Hammer Residences, Inc.	**$52,000**	2nd Century Frontline Worker Advancement Initiative	Metro	People living with disabilities, frontline workers who directly serve individuals living with disabilities in their home.
Inquilinxs Unidxs por Justicia	**$48,000**	Tenant Leaders as a Solution to the Housing Crisis	Metro	Low-income renters, who are predominantly Black and Latinx. The majority of tenant leaders are women, single parents, and have experienced housing instability for much of their lives. Many are LGBTQ+ and some have experienced homelessness
Isuroon	**$52,500**	Isuroon Predatory Lending Prevention Initiative	Metro	Somali/East African immigrants/refugees; Afghani refugees; Low-Income people of color.
Life House,Inc.	**$44,000**	Expanding Community Housing Program	Greater	Youth and young families ages 14 to 24 experiencing homelessness.
Little Earth Residents Association	**$52,000**	Apiichigin (Growing Sustainably): Housing Services Capacity-Building	Metro	1,200 Little Earth Residents
Local Initiatives Support Corporation (Duluth)	**$52,500**	Organization Capacity Building Support for Duluth Housing Trust Fund	Greater	Low-income individuals and families, people of color, Indigenous individuals and families

MoveFwd	**$49,500**	Upstream Hopkins	Metro	People ages 12-24 who attend school and/or reside in the western suburban communities. Primarily those who are at or below the federal poverty line, are at risk of or currently experiencing homelessness and lack access to mental health care.
New American Development Center	**$49,500**	Building New American Development Center's capacity to address housing disparities for the East African/Somali community.	Metro	Primarily East African immigrant community who are low-income, marginalized, and speak English as a second language.
Northcountry Cooperative Foundation	**$52,500**	Capacity Building for Low-Cost Multifamily Cooperative Housing	Statewide	Low-income, immigrant, limited savings, limited credit, seniors
NRRC Financial, LLC	**$34,100**	NRRC Fi Housing Program	Metro	North Minneapolis, West Broadway Cultural District.
The ANIKA Foundation	**$49,800**	Community Empowered! Fostering Housing Stability for Young Adults	Metro/ Greater	African American, People of Color, LGBTQ+, People Experiencing Homelessness, Immigrants, Large Families, Seniors, Children, People Facing Barriers and/or Limited Choices due to: Poor Credit, Limited Savings, Criminal History, Prior Evictions, Transitioning Out of Foster Care, Prison, Other Systems.
The Bridge for Youth	**$52,500**	Culturally Responsive Housing Options for Pregnant and Parenting Youth Experiencing Homelessness	Metro	Youth currently or at risk of experiencing homelessness ages 10-21 – including pregnant/parenting youth and their children.
United Community Action Partnership	**$49,300**	UCAP: Building Training Capacity to Improve Services and Produce Equitable Outcomes.	Greater/ Tribal Nation	Individuals and families experiencing homelessness and people experiencing housing instability in Cottonwood, Jackson, Kandiyohi, Lincoln, Lyon, McLeod, Meeker, Murray, Nobles, Pipestone, Redwood, Renville, and Rock Counties, as well as the Lower Sioux Indian Community

INTERMEDIARY CAPACITY BUILDING GRANTEES				
Grantee	**Selection Amount**	**Proposal Title**	**Geography**	**Community/ Population**
Community Mediation and Restorative Services	$75,000	Project HOPE	Metro	Low income, Black, West and East African, Southeast Asian, justice-involved, domestic-violence impacted, geographically located in low-income communities (<30% AMI)
Habitat for Humanity of Minnesota	$74,800	Sustainable Building Department	Statewide	Minnesota Habitat for Humanity affiliates and the communities they serve
Local Initiatives Support Corporation (Twin Cities)	$30,760	Expand Engagement in Communities of Color through Cultural Organizers, Art and Play for LISC Twin Cities' Metro Area Community Land Trust (CLT) Growth and Capacity-Building Initiative	Metro	Potential Community Land Trust (CLT) homebuyers across the seven-county metro. Emphasis will be on reaching households earning less than 80% AMI with emphasis on communities of color, immigrants and large families as first-time homebuyers
Minnesota Engagement on Shelter and Housing	$61,000	Minnesota Tribal Collaborative to Prevent and End Homelessness	6 Tribal Nations	Native American
Minnesota Engagement on Shelter and Housing	$50,000	Minnesota Training HUB	Statewide	This request seeks to garner input from the Minnesota Tribal Collaborative, the SHIP Collaborative, the SMAC Directors Council, and greater MN CoCs in order to improve cultural responsive programming across Minnesota.
Minnesota Housing Partnership	$75,000	Emerging Developer Initiative - Greater Minnesota	Greater and Tribal Nations	Potential and emerging housing developers interested in serving rural communities and Native Nations, including lowest income residents, Indigenous individuals, people of color, immigrants, and other Communities Most Impacted. Program is focused on emerging developers from Native Nations and Black, Indigenous, and people of color (BIPOC) and Immigrant communities.

Rise, Incorporated	$70,000	Breaking Down Barriers to Housing Stabilization Services in Central Minnesota	Greater	People with Disabilities, Lowest Income People, People with co-occurring substance abuse disorder and mental illness, People with criminal histories, LGBTQ+ (5%), People with Prior Evictions, Poor Credit, Limited Savings, People transitioning out of Adult Foster Care, In-patient Treatment, and Other Systems, People of Color, Immigrants, Seniors.
Urban Land Institute	$63,440	ULI Minnesota Advisory Services and Emerging Developer Support	Statewide	Local governments (cities/counties) experiencing affordable housing need (e.g., more than 25% of population is cost-burdened) and underrepresented developers (women and people of color) 2-7 years into their real estate careers who are seeking to pursue affordable housing projects

2. The issuance of grant contracts in form and substance acceptable to Agency staff, and the execution of the individual grant contracts shall occur no later than six months from the adoption date of this Resolution;
3. Agency staff may amend grant contracts to extend the grant period in six-month increments up to a maximum of one year; and
4. The sponsors and such other parties shall execute all such documents relating to said grant contracts as the Agency, in its sole discretion, deems necessary.

Adopted this 27th day of October 2022

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CHAIRMAN