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# Local and Statewide Affordable Housing Aid (LAHA and SAHA)

2025 Annual Reporting Instructions

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## Introduction

Local Affordable Housing Aid (LAHA) and Statewide Affordable Housing Aid (SAHA) are direct aid from the Department of Revenue to assist counties, cities and Tribal Nations for affordable housing purposes. Funds are distributed by the Department of Revenue, not by Minnesota Housing. Starting in 2025, Aid Recipients must report their use of these funds to Minnesota Housing each year by December 1. This document provides information on reporting requirements and instructions for submitting reports.

All Aid Recipients must report annually to Minnesota Housing regarding:

- Progress committing and expending aid funds for qualifying projects
- Locally funded housing expenditures

In some cases, Aid Recipients may also need to provide:

- Resolutions, employer support letters and other supporting documentation related to development of market rate residential rental property (Greater Minnesota SAHA recipients only)

More information about Minnesota Housing's role in administering Local and Statewide Affordable Housing Aid can be found on its [Local and Statewide Affordable Housing Aid webpage](#).

## Who is an Aid Recipient?

An Aid Recipient is a city, county or Tribal Nation that received or has been certified by the Minnesota Department of Revenue to receive SAHA under [Minnesota Statute 477A.36](#), LAHA under [Minn. Stat. 477A.35](#), or both. Visit the Minnesota Department of Revenue's [LAHA](#) and [SAHA](#) webpages to review aid certifications and more.

For more definitions of capitalized terms, refer to [Appendix A - Definitions](#). These definitions are used throughout these instructions and related forms, including the Annual Reporting Workbook.

## What is an Aid Year?

An Aid Year is the calendar year (January 1 through December 31) within which the Minnesota Department of Revenue paid, intends to pay or intended to pay LAHA or SAHA funds to the Aid Recipient. The first annual report, due by December 1, 2025, covers Aid Years 2023 (SAHA only), 2024 and 2025.

The Minnesota Department of Revenue generally certifies SAHA funds by August 1 prior to the Aid Year and the amount of LAHA funds during the first half of the Aid Year. Aid Recipients are to consult their own policies, procedures and legal counsel to determine the earliest date(s) they may commit and expend Aid Funds.

## What are the Aid Commitment and Expenditure Deadlines?

All Aid Recipients must commit Aid Funds to Qualifying Projects by December 31 in the third year following the year after the aid was received. This date is also referred to as the Commitment Deadline. This is a statutory requirement.

All Aid Recipients must also expend Aid Funds on Qualifying Projects by December 31 in the fourth year following the year after the aid was received. This date is also referred to as the Expenditure Deadline. This, too, is a statutory requirement.

Deadlines for the 2023 through 2026 Aid Years are shown in the table below.

Table 1: Fund Commitment and Expenditure Deadlines

Aid Year	Commitment Deadline	Expenditure Deadline
All	December 31, three years after receipt of the Aid Funds	December 31, four years after receipt of the Aid Funds
2023	December 31, 2026	December 31, 2027
2024	December 31, 2027	December 31, 2028
2025	December 31, 2028	December 31, 2029
2026	December 31, 2029	December 31, 2030

## What are Qualifying Projects?

Qualifying Projects are the activities for which Aid Recipients may commit and expend Aid Funds. They are as defined in [Minn. Stat. 477A.36](#), [477A.35](#), or both as applicable. The table below includes both short and full descriptions as used in these instructions and the Annual Reporting Workbook.

Table 2: Qualifying Projects

Short Description	Full Description
Emergency rental assistance	Emergency rental assistance for households earning less than 80 percent of AMI.
Financial support to nonprofit affordable housing providers	Financial support to nonprofit affordable housing providers in their mission to provide safe, dignified, affordable and supportive housing.
Market Rate Residential Rental Property development <i>(Greater Minnesota SAHA only)</i>	As described in the <a href="#">SAHA Market Rate Residential Rental Properties Requirements</a> section of these instructions.
Affordable Housing Development and Financing	Projects designed for the purpose of construction, acquisition, rehabilitation, demolition or removal of structures, construction financing, permanent financing, interest rate reduction,

Short Description	Full Description
	<p>refinancing and gap financing of housing to provide affordable housing to households whose income does not exceed: For homeownership projects, 115% of the greater of state or area median income (AMI) as determined by HUD; and, for rental housing projects, 80% of the greater of state or area median income (AMI) as determined by HUD. Gap financing is either: (1) the difference between the costs of the property, including acquisition, demolition, rehabilitation, and construction, and the market value of the property upon sale; or (2) the difference between the cost of the property and the amount the targeted household can afford for housing, based on industry standards and practices.</p>
<p>Distressed property operations and management <i>(Aid Years 2024 and later only)</i></p>	<p>Financing the operations and management of financially distressed residential properties.</p>
<p>Supportive services <i>(Aid Years 2024 and later only)</i></p>	<p>Funding of supportive services or staff of supportive services providers for supportive housing as defined in section <a href="#">462A.37, subdivision 1</a>. Financial support to nonprofit housing providers to finance supportive housing operations may be awarded as a capitalized reserve or as an award of ongoing funding.</p>
<p>Emergency shelter <i>(Aid Years 2024 and later only)</i></p>	<p>Costs of operating emergency shelter facilities, including the costs of providing services.</p>
<p>Other Qualifying Projects <i>(Aid Years 2024 and later only)</i></p>	<p>Other projects, subject to the approval of Minnesota Housing, that a) do not fit another Qualifying Project category and b) contribute to the creation and preservation of affordable and/or workforce housing, keep families and individuals from losing housing, or help those experiencing homelessness find housing.</p>

## The Annual Reporting Workbook

The Annual Reporting Workbook is the primary reporting component. All Aid Recipients must complete and submit this workbook to Minnesota Housing by December 1 of each year using the appropriate version posted to Minnesota Housing's [Local and Statewide Affordable Housing Aid webpage](#). There are two worksheets, or tabs, to complete:

1. The Aid Funds Worksheet, also referred to as the Aid Fund Expenditures and Commitments Worksheet.
2. The Locally Funded Housing Expenditures (LFHE) Worksheet.

### How to Complete the Workbook

**Step 1:** Download the latest version of the Annual Reporting Workbook available on Minnesota Housing's [Local and Statewide Affordable Housing Aid webpage](#).

**Step 2:** Familiarize yourself with the workbook, starting with the **"Overview"** tab.

**Step 3:** Complete the **Aid Funds Worksheet**.

1. **Start by selecting the name of the Aid Recipient** (the city, county or Tribal Nation submitting the report) from the dropdown at the top of the worksheet.
2. **Review "Section 1: Summary of Aid Certified to Date."** This section summarizes the amount and type of Aid Funds the Aid Recipient has been certified to receive from the Minnesota Department of Revenue, according to Minnesota Housing's records. If the Aid Recipient believes any of the information in this section is incorrect, it should email [localhousingaid.mhfa@state.mn.us](mailto:localhousingaid.mhfa@state.mn.us) and describe the error.
3. **Complete "Section 2: Aid Expenditures"** by entering expenditures based on the type of Qualifying Project and the year of the expenditure (not according to the year the Aid Recipient received the Aid Funds.) For description of Qualifying Projects, refer to the ["What are Qualifying Projects?"](#) section, above.
  - a. **Start by entering any Aid expended in calendar year 2023 in Column B** according to the corresponding Qualifying Project type on which it was expended. (Qualifying Project types are listed in Column A.) Do not exceed the amount in Cell B21.
  - b. **Enter any Aid expended in calendar year 2024 in Column C** according to the corresponding Qualifying Project type on which it was expended. (Qualifying Project types are listed in Column A.) Do not exceed the amount in Cell C21.
  - c. **Enter any Aid *confirmed* expended in calendar year 2025 through December 1, 2025 in Column D** according to the corresponding Qualifying Project type on which it was expended. (Qualifying Project types are listed in Column A.) Do not exceed the

amount in Cell D21. **Aid Recipients should include only confirmed expenditures, which may be through a date earlier than December 1, 2025.**

- d. **Finally, review totals in Column E.** In particular, review **“Total Expenditures on Qualifying Projects”** and **“Aid Funds Not yet Expended.”** The latter amounts will inform the total available to commit in Section 3 of the Aid Funds Worksheet and are subject to recapture if not spent by the Expenditure Deadline(s). If Cell E33 (“Aid Funds Not yet Expended”) reads “Error, Expenditures Exceed Certified Aid,” please return to Step 3.1 and check that the correct name of the Aid Recipient is selected. Then, double-check all totals in this Section 2.

*Completion Tip: Keep a record of calendar year 2025 expenditures, whether confirmed, pending or planned, and which are and are not included in the 2025 annual report, to assist with completing next year’s (2026) annual report.*

*Completion Tip: No cell in Section 2 or 3 is meant to be left blank. It must contain a value, even if the value is zero, for the worksheet to work as intended. The sheet contains conditional formatting to alert users to blank cells. If at any point you observe a blank cell or highlighting in Section 2 or Section 3, enter “0” or the appropriate value in the blank/highlighted cell. Or, click the “Clear Highlighting” button, which automatically enters 0 in any blank cell. This ensures that data validation will work correctly and help prevent errors.*

4. **Complete “Section 3: Commitments of Unexpended Aid”** by entering commitments of unspent Aid Funds based on the type of Qualifying Project and date the Aid Recipient committed the unspent Aid Funds to the project. **Enter only commitments of unspent funds in this section.** (Spent Aid Funds are presumed to have first been committed and do not need to be re-entered here.) For description of Qualifying Projects, refer to the [“What are Qualifying Projects?”](#) section, above.
  - a. **Start by entering any unexpended Aid committed in calendar year 2023 in Column B** according to the corresponding Qualifying Project type on which it was expended. (Qualifying Project types are listed in Column A.) Do not exceed the amount in Cell B38.
  - b. **Enter any unexpended Aid committed in calendar year 2024 in Column C** according to the corresponding Qualifying Project type on which it was expended. (Qualifying Project types are listed in Column A.) Do not exceed the amount in Cell C38.
  - c. **Enter any unexpended Aid committed in calendar year 2025 in Column D** according to the corresponding Qualifying Project type on which it was expended. (Qualifying Project types are listed in Column A.) Do not exceed the amount in Cell D38.
  - d. **Finally, review totals in Column E.** In particular, review **“Total Active Commitments”** and **“Total Expenditures Plus Active Commitments.”** Aid that is not yet spent or committed is subject to recapture if not committed by the Commitment

Deadline(s) and spent by the Expenditure Deadline(s). Totals in this section are referred to as “Active Commitments” since amounts that are both committed and spent do not need to be reported as commitments. Only *active* commitments of *unspent* Aid Funds as of the date the report is submitted must be reported in this Section 3.

*Completion Tip: Keep a record of calendar year 2025 commitments, whether confirmed, pending or planned, and which are and are not included in the 2025 annual report, to assist with completing next year’s (2026) annual report.*

*Completion Tip: No cell in Section 2 or 3 is meant to be left blank. It must contain a value, even if the value is zero, for the worksheet to work as intended. The sheet contains conditional formatting to alert users to blank cells. If at any point you observe a blank cell or highlighting in Section 2 or Section 3, enter “0” or the appropriate value in the blank/highlighted cell. Or, click the “Clear Highlighting” button, which automatically enters 0 in any blank cell. This ensures that data validation will work correctly and help prevent errors.*

5. **Review “Section 4: Aid Potentially Subject to Recapture.”** This section compares the amount of aid certified to date from Section 1 to the commitments and expenditures entered in Sections 2 and 3. It then notes the amounts subject to recapture if not committed and expended by the Commitment Deadline and Expenditure Deadline, respectively. If the Aid Recipient believes any of the information in this section is incorrect, it should email [localhousingaid.mhfa@state.mn.us](mailto:localhousingaid.mhfa@state.mn.us) and describe the error.
6. **Complete “Section 5: Narrative and Certification.”**
  - a. Enter the contact information for the person submitting the form.
  - b. In Section 5A, if in the section header the answer to “Is description required” is “Yes,” review the instructions in Column A and provide a response in Column B.
  - c. In Section 5A, if in the section header the answer to “Is explanation required” is “Yes,” review the instructions in Column A and provide a response in Column B.
  - d. (Section 5C is included in the workbook only for reference and is not applicable to 2025 annual reports.)
  - e. Finally, review “Section 5D: Certification.”
7. Finally, **review the completed Aid Funds Worksheet** for accuracy, correct any errors and **proceed to the Locally Funded Housing Expenditures Worksheet.**

**Step 4: Complete the LFHE Worksheet.**

To fulfill statutory requirements, the LFHE Worksheet requests a report of the Aid Recipient’s Locally Funded Housing Expenditures – **not its Aid expenditures** – in each of its two prior fiscal years. For the first report due by December 1, 2025, this means the Aid Recipient’s 2023 and 2024 fiscal years.

Locally Funded Housing Expenditures (LFHE), which must include all expenditures by the aid recipient, including expenditures by a public corporation or legal entity created by the aid recipient, as defined in statute, are:

- (1) funded from the Aid Recipient's general fund, a property tax levy of the Aid Recipient or its housing and redevelopment authority, or unrestricted money available to the Aid Recipient, but not including tax increments; and
- (2) expended on one of the following qualifying activities:
  - (i) financial assistance to residents in arrears on rent, mortgage, utilities, or property tax payments;
  - (ii) support services, case management services, and legal services for residents in arrears on rent, mortgage, utilities, or property tax payments;
  - (iii) down payment assistance or homeownership education, counseling, and training;
  - (iv) acquisition, construction, rehabilitation, adaptive reuse, improvement, financing, and infrastructure of residential dwellings;
  - (v) costs of operating emergency shelter, transitional housing, supportive housing, or publicly owned housing, including costs of providing case management services and support services; and
  - (vi) rental assistance.

The expenses reported on the LFHE Worksheet must not be duplicative of any expenses of Aid Funds reported on the Aid Funds Worksheet.

To complete the LFHE Worksheet:

1. **Start by ensuring the name of the Aid Recipient is correct.** If incorrect, select the name of the Aid Recipient from the “Aid Funds Worksheet” tab, double-check the Aid Funds Worksheet for accuracy, and return to the “LFHE Worksheet.”
2. **Enter the Aid Recipient’s Locally Funded Housing Expenditures made in its 2023 fiscal year.** Do not include Aid Funds.
3. **Enter the Aid Recipient’s Locally Funded Housing Expenditures made in its 2024 fiscal year.** Do not include Aid Funds.
4. **Review and complete “Section 2: Explanation of Year-to-Year Reduction.”**
  - a. If in the section header the answer to “Is explanation required” is “Yes,” review the instructions in Column A and provide a response in Column B.

5. **Review the completed Aid Funds Worksheet** for accuracy, correct any errors, save and submit the Workbook to Minnesota Housing according to the “Submittal Instructions” in the Workbook and the “[How to Submit the Annual Reporting Workbook](#)” section of these reporting instructions, below.

**Step 5: Review, save and submit the Annual Reporting Workbook.**

1. Review all tabs of the Workbook for accuracy and correct any errors.
2. Save a local copy of the Annual Reporting Workbook in Excel format using the naming convention “[Name of Aid Recipient]\_[Year] Annual Reporting Workbook.”
3. Submit the completed Annual Reporting Workbook to Minnesota Housing according to the “Submittal Instructions” in the Workbook and the “How to Submit the Annual Reporting Workbook” section of these reporting instructions, below.

## **How to Submit the Annual Reporting Workbook**

Please save the Annual Reporting Workbook in Excel format using the naming convention “[Name of Aid Recipient]\_[Year] Annual Reporting Workbook” and upload with any required supporting documentation (as described in the [Supporting Documentation](#) section of these instructions, below) to the Box.com folder(s) specified by Minnesota Housing staff for this purpose.

To ensure Aid Recipient staff receive reporting updates from Minnesota Housing and access to the specified Box.com folder(s), provide Minnesota Housing with their contact information [using this link](#). The contact information form is also available on Minnesota Housing’s [Local and Statewide Affordable Housing Aid webpage](#). These staff contacts will be granted permission in Box.com to share access with others in their organization.

Please direct any questions or concerns about these instructions or reporting forms to [localhousingaid.mhfa@state.mn.us](mailto:localhousingaid.mhfa@state.mn.us).

## **Supporting Documentation**

Except in the case of SAHA recipients funding Market Rate Residential Rental Properties, Minnesota Housing does not require supporting documentation in connection with annual reports. For more on limited documentation requirements, refer to the “[SAHA Market Rate Residential Rental Properties Requirements](#)” section of these reporting instructions. Please upload any required supporting documentation in the same manner as the Annual Reporting Workbook, as described above.

## **More Tips for Completing the Annual Reporting Workbook**

- Minnesota Housing cannot provide legal, financial or tax advice. Aid Recipients should refer to their own policies and procedures and legal, financial and tax advisors for assistance

determining whether and how to classify a given expense as an expenditure on a Qualifying Project.

- The worksheet automatically deducts expenses and commitments from the oldest Aid Funds first. (For the 2025 annual report, this generally means 2023 SAHA and 2024 LAHA funds.)
- There are more Qualifying Projects allowed in connection with Aid Funds certified for the 2024 and later Aid Years than for funds from the 2023 Aid Year. Refer to the [“What are Qualifying Projects?”](#) section, above, for details.
- Funds from any Aid Year can be carried forward to future calendar years, subject to the Expenditure Deadline and Commitment Deadline.
- The worksheets will not allow the user to input expenses before the Aid Year or to run a negative balance. If the Aid Recipient incurred an expense or made a commitment based on Aid Funds it anticipated receiving in the following year, enter the expense in the year the Aid Funds are available.

### **Expenditure of Funds by Transfer to Local Housing Trust Funds; Related Demonstration**

**An Aid Recipient that is a city or county** may expend Aid Funds by transferring them to a Local Housing Trust Fund if:

- The Aid Recipient has committed the Aid Funds to a Qualifying Project by December 31<sup>st</sup> in the third year following when the Aid was received (the Commitment Deadline); and,
- The Aid Recipient is otherwise unable to expend the funds on a Qualifying Project by the Expenditure Deadline due to factors outside their control; and,
- The transfer of unexpended Aid Funds to a Local Housing Trust Fund has taken place before, but no earlier than 12 months prior to, the Expenditure Deadline:
  - For example, Aid Funds from Aid Year 2023 are subject to a December 31, 2027 Expenditure Deadline. Therefore, these Aid Funds may be transferred only between January 1, 2027 and December 31, 2027; and,
- The Aid Recipient explains in the narrative section of the Annual Reporting Workbook the circumstances outside of the Aid Recipient’s control that preceded the transfer.
  - Note: The ability to expend Aid Funds by transfer to a Local Housing Trust Fund is generally available only to cities and counties but is not available to any Aid Recipient in 2025. Minnesota Housing may start accepting demonstrations from Aid Recipients that are cities or counties as soon as late 2026, though at first only in connection with Aid Funds certified for Aid Year 2023 that the Aid Recipient committed to (a) Qualifying Project(s) by December 31, 2026. Section 5C of the 2025 Annual Reporting Workbook is relevant and is included for reference only.

## SAHA Market Rate Residential Rental Properties Requirements

**Development of Market Rate Residential Rental Property is considered a Qualifying Project only in Greater Minnesota and only with SAHA funds.**

Development of Market Rate Residential Rental Property with SAHA is eligible only if:

- The Market Rate Residential Rental Property is outside the seven-county metropolitan area;
- The Aid Recipient has submitted the governing body resolution detailed below and any supporting documentation; and
- The Aid Recipient has collected Employer Support Letter(s) (see instructions below).

### Governing Body Resolution Instructions

If using Aid Funds to finance development of Market Rate Residential Rental Property, the Aid Recipient must also submit a copy of a resolution or resolutions from its governing body certifying that each market rate project location meets the requirements of Minn. Stat. 462A.39, subd. 4. Specifically, that the project location meets all three of the following requirements:

- The average vacancy rate for rental housing located in the area surrounding the market rate project location(s), and in any other city located within 15 miles or less of the boundaries of the area surrounding the market rate project location(s) or the eligible market rate project area, has been 5% or less for at least the prior two-year period;
- One or more businesses located in the eligible market rate project area, or within 25 miles of the eligible market rate project area or market rate project location(s), that employs a minimum of 20 full-time equivalent employees in aggregate, have provided a written statement or statements to the Aid Recipient indicating that the lack of available rental housing has impeded the business's or businesses' ability to recruit and hire employees; and,
- The Qualifying Project will meet the definition of development of Market Rate Residential Rental Property to serve employees of businesses located in the area where the Property is located or surrounding area(s).

One resolution may cover one or more market rate project locations.

Once submitted to Minnesota Housing, an Aid Recipient does not need to resubmit any resolution previously submitted unless amending or altering the resolution, including by changing, removing or adding a market rate project location.

Minnesota Housing will not provide template resolutions. It is the Aid Recipient's sole responsibility to ensure its resolutions satisfy all legal requirements.

Please submit the resolution in the same manner as the Annual Reporting Workbook. See the [How to Submit the Annual Reporting Workbook](#) section of these reporting instructions for details.

## Employer Support Letter Instructions

For all market rate project locations, the Aid Recipient must collect and submit to Minnesota Housing a written statement or statements from one or more businesses that:

- Employ(s) a minimum of 20 full-time equivalent employees in aggregate; and,
- Is/are located within 25 miles of the market rate project location, or within 25 miles of the city, Tribal Nation, or area served by a Joint County-City EDA encompassing the market rate project location.

This written statement must:

- Be on the business's letterhead; and,
- Indicate that the lack of available rental housing has impeded the business's ability to recruit and hire employees.

Minnesota Housing may provide an optional Employer Support Letter template on its [Local and Statewide Affordable Housing Aid webpage](#). However, it is the Aid Recipient's responsibility to ensure final language satisfies statutory requirements.

One statement/Employer Support Letter may cover multiple market rate project locations if the business is located within the 25-mile range described above.

Please submit the Employer Support Letter(s) in the same manner as the Annual Reporting Workbook. See the [How to Submit the Annual Reporting Workbook](#) section of these Reporting Instructions for details.

## Remedies for Noncompliance

Should an Aid Recipient fail to fulfill its obligations described in these Reporting Instructions, including the “Additional Guidance,” or in Minn Stat. 477A.35 or Minn. Stat. 477A.36, Minnesota Housing is required to notify the Minnesota Department of Revenue (“Revenue”) by February 15 of the year following the incident of noncompliance. Revenue may then require payment of Aid Funds by the Aid Recipient to Minnesota Housing by May 15, stop payment of Aid Funds to the Aid Recipient, or take any other action allowed by law.

## Questions and Technical Assistance

If you have any questions about these Reporting Instructions or would like more information about LAHA or SAHA, please visit Minnesota Housing’s [Local and Statewide Affordable Housing Aid webpage](#) or email [localhousingaid.mhfa@state.mn.us](mailto:localhousingaid.mhfa@state.mn.us).

## Appendix A - Definitions

Capitalized terms used in these Reporting Instructions and related forms, including the Annual Reporting Workbook, have the meanings defined in the table below.

Table 2: Definitions

Term	Definition
Aid Funds	Funds made available under one or both of these sources: Statewide Local Housing Aid (Minn. Stat. 477A.36) and Local Affordable Housing Aid (Minn. Stat. 477A.35). Also simply referred to as Aid.
Aid Recipient	A city, county or Tribal Nation that has received or is certified to receive LAHA or SAHA from the Minnesota Department of Revenue.
Aid Year	The calendar year (January 1 – December 31) within which the Minnesota Department of Revenue paid, intends to pay or intended to pay a specified amount of Aid Funds to the Aid Recipient.
AMI	Area Median Income <a href="#">as determined by HUD</a> .
Commitment Deadline	December 31 in the third year following the year after the aid was received. Refer to the Commitment and Expenditure Deadlines section of these Reporting Instructions for specific dates.
Employer Support Letter	A statement from a local employer, as described in these Reporting Instructions, related to development of Market Rate Residential Rental Property, and that meets the requirements Minn. Stat. 462A.39 (as referenced in Minn. Stat. 477A.36).
Expenditure Deadline	December 31 in the fourth year following the year after the aid was received. Refer to the Fund Commitment and Expenditure Deadlines section of these Reporting Instructions for specific dates.
Greater Minnesota	Any area of Minnesota outside the following seven counties: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington.
LAHA	Local Affordable Housing Aid established under Minnesota Statute 477A.35.
Locally Funded Housing Expenditures	As described in the <a href="#">Annual Reporting Workbook section</a> of these reporting instructions.
Low-Income Household	A household whose income does not exceed: For homeownership projects, 80% of the greater of state or area median income (AMI) as determined by HUD; and, for rental housing projects, 50% of the greater of state or area median income (AMI) as determined by HUD.
Market Rate Residential Rental Property	Property rented at market value.
Qualifying Project	Qualifying Projects are as defined in Minn. Stat. 477A.35 and Minn. Stat. 477A.36, as applicable.
SAHA	Statewide Local Housing Aid established under Minnesota Statute 477A.36. Also referred to as Statewide Affordable Housing Aid.

## Appendix B - Additional Guidance

### Reporting Errors

Aid Recipients are solely responsible for ensuring all information contained on reports to Minnesota Housing is true and correct. Aid Recipients must, therefore, immediately notify Minnesota Housing of all material errors in any report, including in prepopulated and other sections. Send notifications of errors immediately to [localhousingaid.mhfa@state.mn.us](mailto:localhousingaid.mhfa@state.mn.us).

### Minnesota Housing's Acceptance not an Endorsement or Legal Advice

Minnesota Housing's acceptance of reports is not a certification of accuracy, nor an endorsement of the Aid Recipient's activities, nor is it legal advice. Aid Recipients are solely responsible for ensuring their use of Aid Funds complies with all relevant laws, rules and statutes, including but not limited to Minn. Stat. 477A.35 and 477A.36, as applicable. Technical assistance from Minnesota Housing staff is not legal, financial or tax advice. For legal advice, Aid Recipients are to consult their own legal counsel.

### December Supplemental Reports

Reports are due by statute by December 1 each year, yet Commitment and Expenditure Deadlines fall on December 31. This leaves a gap between when commitments and expenditures must be reported and the dates by which they must take place. To address this, Minnesota Housing will provide future instruction on how to submit supplemental reports of Aid Funds committed or expended in the final 30 days of each calendar year (Dec. 1 – Dec. 31), starting with the 2026 calendar year.

### Reporting Aid Funds Combined in one Qualifying Project or Property

Minnesota Housing places no general limitations on combining Aid Funds with other Aid Funds. For example:

- Aid Recipients may use LAHA and SAHA funds in the same Qualifying Project.
- Two or more Aid Recipients may combine their Aid Funds in the same Qualifying Project.
- Aid Recipients may combine funds from two or more Aid Years in the same Qualifying Project.

To ensure accuracy and consistency in reporting, please note:

- It is the sole responsibility of each Aid Recipient to ensure all underlying requirements of the funding sources are met, including underlying requirements of LAHA and SAHA.
- The Aid Funds committed or expended on the Qualifying Project must be reported for each Aid Year and Aid Recipient from and by which they are committed or expended.

## Fraud

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

Any person or entity affiliated with an Aid Recipient (including its employees, contractors and public officials) that 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 the “Disclosure and Reporting of Fraud, Misuse of Funds, Conflicts of Interest and Other Concerns” section of this Appendix B.

## Misuse of Funds

Aid Recipients must use Aid Funds only for Qualifying Projects and maintain appropriate documentation to prove that funds were so used.

A misuse of funds shall be deemed to have occurred when: (1) Aid Funds are not used for a Qualifying Project; or (2) an Aid Recipient cannot provide adequate documentation, if requested by Minnesota Housing, to establish that Aid Funds were used for a Qualifying Project.

Any person or entity affiliated with an Aid Recipient (including its employees, contractors and public officials) 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 the “Disclosure and Reporting of Fraud, Misuse of Funds, Conflicts of Interest and Other Concerns” section of this Appendix B.

## 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, which could include:

- Revising the Aid Recipient’s reporting responsibilities to mitigate the conflict
- Allowing the Aid Recipient to create firewalls that mitigate the conflict
- Asking the Aid Recipient to submit an organizational conflict of interest mitigation plan
- Notifying the Minnesota Department of Revenue of the determination so that they may determine if further action must be taken.

Aid Recipients must avoid and immediately disclose to Minnesota Housing any and all conflicts of interest through one of the communication channels described in the next section, “Disclosure and Reporting of Fraud, Misuse of Funds, Conflicts of Interest and Other Concerns.”

## Disclosure and Reporting of Fraud, Misuse of Funds, Conflicts of Interest and Other Concerns

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. Aid Recipients 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](http://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](http://mnhousing.gov), scroll to the bottom of the screen and select Report Wrongdoing).

## Electronic and Digital Signatures

Minnesota Housing will use and accept e-signatures and digital signatures on eligible reporting forms subject to all requirements set forth by state and federal law and consistent with Minnesota Housing policies and procedures. The use of e-signatures and digital signatures for eligible reporting forms is voluntary. Unless the form itself or Minnesota Housing staff directs otherwise, Minnesota Housing permits e-signatures and digital signatures on all LAHA and SAHA reporting forms.

## Fair Housing

Aid Recipients and other entities involved in real estate related transactions are expected to comply with 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.

## **Minnesota Government Data Practices**

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

## Prevailing Wage

Under certain circumstances, receipt of state funding may trigger state prevailing wage requirements under [Minnesota Statutes Chapter 177](#). In broad terms, Minnesota Statutes Chapter 177 applies to an award of \$25,000 or greater for housing that is publicly owned.

Prevailing wage requirements may also be triggered when a state agency provides financial assistance for economic development, including housing, under [Minnesota Statutes Section 116.871](#). However, this statute excludes from the definition of “financial assistance” any payments by the state of aids and credits under chapter 477A to a political subdivision, which includes both LAHA and SAHA.

Aid Recipients are solely responsible for notifying all employers on a Qualifying Project subject to prevailing wage requirements of the recordkeeping and reporting requirements in Minnesota Statutes Section 177.30, paragraph (a), clauses (6) and (7). Minnesota Housing is not responsible for collecting these records or reports.

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.