



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

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1. Minnesota Housing Introduction
2. Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program Overview
 - a) Eligible Applicants
 - b) Qualifying Projects
 - c) Program Expectations & Requirements
 - d) Important RFP Dates
3. 2026 Request for Proposals (RFP)
 - a) Scoring Criteria
 - b) Application Walk-through & Uploading Documents
4. Q & A

Our Mission: The Core Purpose

Housing is foundational to a full life and a thriving state, so we equitably collaborate with individuals, communities and partners to create, preserve and finance housing that is affordable.

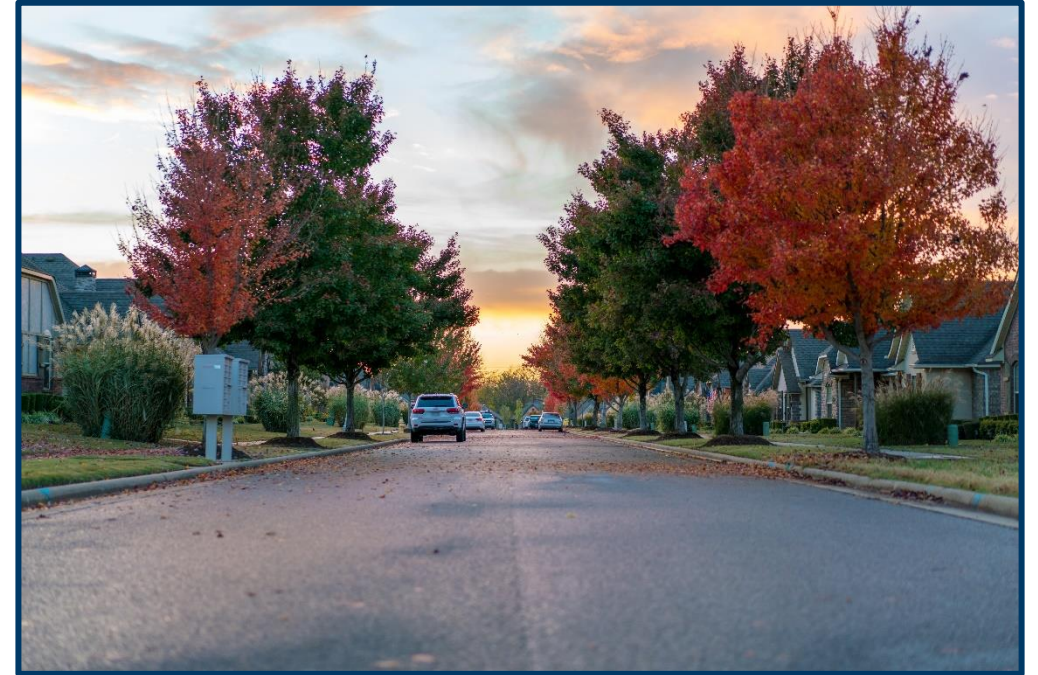


Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program Overview

2026 Request for Proposals

Tier II Cities Grant Program

- Established to award grants of Statewide Affordable Housing Aid (SAHA) funds to develop and preserve affordable housing and (in some cases) market-rate housing.
- Competitive grant process
- Award Amounts are fixed at \$75,000 for this grant cycle
- Ongoing program



**Up to \$1.25 million
for the 2026 RFP**

Eligible Applicants

To be eligible for application, Greater Minnesota Small Cities must:

- Have a population less than 10,000
 - Population near 10,000? If the city is certified to receive either LAHA or SAHA funds directly from the Department of Revenue in the most recent aid year (2025), it is not eligible for Tier II funding.
- Be located in Minnesota and outside the 7-county Twin Cities metro area (Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington counties)



Ineligible Applicants for the Tier II Cities Program:

- Direct Aid Recipients including Tier I Cities, Tribal Nations, and counties
- Any community in the 7-county metro area (Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington counties)
- Townships or unincorporated areas

Qualifying Projects

QUALIFYING PROJECTS

- **Emergency Rental Assistance for households earning less than 80% AMI**
- **Financial support to nonprofit Affordable Housing Providers**
- **In limited circumstances, development of Market Rate Residential Rental Properties**
- **Operations and management of financially distressed residential properties**
- **Supportive services or staff of supportive service providers for supportive housing as defined in statute**
- **Affordable Housing Development and Financing**
 - **For homeownership projects, 115% of the greater SMI or AMI**
 - **For rental housing projects, 80% of the greater SMI or AMI**
 - **Lower limits if set by the Grantee to ensure the housing is affordable to the local work force**
- **Operating emergency shelter facilities**
- **Other projects approved by Minnesota Housing**

After Award: Program Expectations & Requirements



- Final Workplan & Budget
- Execute a Grant Contract Agreement
 - 4-year term
- Certificate of Workers' Compensation Insurance
- Annual Reporting
- Monitoring & Financial Reconciliation

2026 RFP Dates

- Final call for questions **Friday, January 2 at 5 p.m.**
- Applications are due by **Friday, January 23 at 5 p.m.**
- Selections in April 2026
- Due diligence training in summer 2026
- Contracts executed in summer/fall 2026



Scoring Criteria

Commitments to Affordable and Workforce Housing 25 Points Total



- Commitment to use Program funds for Affordable Housing for Low-Income Households (15 points)
- Local policy actions to encourage Affordable Housing, workforce housing, and market-rate housing (10 points)

Scoring Criteria

Project and Program Readiness 15 Points Total

- Proposal creates new or expands existing programs or projects within a reasonable timeline that meets statutory requirements. (15 points)



Scoring Criteria

Community Need 40 Points Total



- Number of low-income households as a share of all households (15 points)
- Number of cost-burdened households as a share of all households (15 points)
- Applicant has not previously received a Tier II Cities Program grant award (10 points)

Scoring Criteria

Community Impact 15 Points Total



- Applicant demonstrates an understanding of the communities of focus identified in the proposal and their opportunities, needs, and challenges. The communities of focus include people from Communities Most Impacted by Housing Instability. (7 points)
- The needs of the identified communities of focus will be prioritized in the applicant's qualifying projects, such as through program or housing design, or through affirmative marketing. (8 points)

Scoring Criteria



Collaboration 5 Points Total

- Collaboration with local government entities, Tribal Nations, and cross-sector collaboration. (5 Points)

Application Checklist

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

1. Application (submit via Cvent)
2. Application Signature Page (upload via Cvent)
3. Pre-Award Risk Assessment Form (upload via Cvent)
 - a) List of Organization Principals



Pre-award Risk Assessment



Pre-Award Risk Assessment for Political Subdivisions

**Political subdivision is defined as a county, town, city, school district, or other municipal corporation or political subdivision of the state authorized by law to enter into contracts.*

Per [Minn. Stat. §16B.981](#), Minnesota Housing is required to conduct a pre-award risk assessment of potential grantees requesting grant awards of \$50,000 or more. The information submitted by potential grantees will be used to assess the risk that a potential grantee cannot or would not perform the required duties of the grant. Minnesota Housing will review the potential grantee's past performance, tax returns, audits, principals, and standing with the Secretary of State.

Minnesota Housing will determine whether:

1. The potential grantee would likely be able to perform the duties of the grant without additional conditions,
2. The potential grantee would likely be able to perform the duties of the grant with additional technical assistance or conditions placed on the potential grantee, or
3. There is a substantial risk that the potential grantee cannot or would not perform the required duties of the grant.

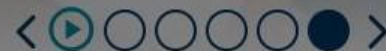
Where to find the Application & Forms

m MINNESOTA HOUSING [Partner Login](#) [×](#)

- Homeownership**
 - Find a Lender
 - Buy or Refinance a Home
 - Improve Your Home
 - Trouble Making Payments
 - Loan Servicing
 - Community Initiatives Programs
- Rental Housing**
 - Help for Renters
 - Housing Development & Capital Programs
 - Grant Funding & Administration
 - Owners & Property Managers
 - Supportive Housing
 - Building Standards
- Agency Resources**
 - Data Requests & Practices
 - Investors
 - Open RFPs
 - Housing Stability
 - Local Government Housing Programs**
 - Policy & Research
- About Us**
 - Agency News
 - Board of Directors
 - Careers
 - Contact Us
 - Equity & Inclusion
 - Events

Housing is foundational to a full life.

[Read our plans to Go Big so everyone can go home >](#)



Where to find the Application & Forms

<https://mnhousing.gov/local-government.html>



Where to find the Application & Forms

Current Funding Available

[Apply Now](#)

Available Funding

- Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program** ^
- Request for Proposal (RFP) Application Materials ✓
- Program Information v
- Eligible Applicants v

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

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Request for Proposal (RFP) Application Materials

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The Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program RFP application is open Monday, December 15, 2025 through Friday, January 23, 2026. Grant recipients will be selected at the May 2026 Minnesota Housing board of directors meeting.

- [Request for Proposal \(RFP\) Online Application](#)
- [Request for Proposal \(RFP\) Application Reference Document](#)
- [Request for Proposal \(RFP\) Application Instructions](#)
- [Application Signature Page](#)
- [Pre-Award Risk Assessment Form for Political Subdivisions](#)
- [2026 Tier II Cities Community Need Methodology](#)
- Minnesota Housing will host information and technical assistance webinars for potential applicants on December 17 and 22, 2025. A webinar recording will be made available for those unable to attend.
- Minnesota Housing will post a Frequently Asked Questions (FAQ) document in early January 2026. The final call for questions deadline is Friday, January 2, 2026, at 5 p.m.

Program Information

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Eligible Applicants

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Application Demo



Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program Request for Proposal (RFP) Application

About the Application

Before completing the Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program RFP Application, please review the [RFP Instructions](#) and [Program Guide](#) for program details, including eligibility requirements, eligible uses, definitions, and related program information.

How to Apply

Complete this application by **Friday, January 23, 2026, 5 p.m. Central time**, including all required Application Checklist items below.

Application Checklist

The following items must be completed properly and uploaded for an application to meet the threshold criteria and be considered for funding:

eNews Sign-up

Minnesota Housing website (mnhousing.gov) Local Government Housing Programs

<https://mnhousing.gov/local-government.html>



Sign up for email updates >



Sign up for Local Government Housing Programs updates.



Local Government Housing Programs

The Local Government Housing Programs team administers funding to support local and Tribal governments as they finance the development of affordable and workforce rental and single-family housing, provide rental assistance and advance other initiatives to meet local housing needs in their communities.

Four new programs launched in 2025: The Local Housing Trust Fund Grants Program, Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program, [Bring It Home Rental Assistance](#) and the Greater Minnesota Housing Infrastructure Grant Program.

The Local Government Housing Programs team is also responsible for collecting annual reports from recipients of [Local and Statewide Affordable Housing Aid](#).

Look for further updates and information, including about new funding, to be added to this page as it becomes available.

Current Funding Available

[Apply Now](#)

Available Funding

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



Funding Awarded in 2025

Thank You!



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Questions?

