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www.mnhousing.gov

DATE: October 15, 2021

TO: Representative Alice Hausman, Chair, Housing Finance
Representative Tama Theis, Republican Lead, Housing Finance

Senator Rich Draheim, Chair, Housing Finance
Senator Kari Dziedzic, Ranking Minority Member, Housing Finance

FROM: Jennnifer Leimaile Ho, Commissioner, Minnesota Housing

SUBJECT: FY 2021 Transfers and Interagency Agreement Reporting

Minnesota Statutes 15.0395 requires an annual report as outlined in the language below:

(a) By October 15, 2018, and annually thereafter, the head of each agency must provide reports to the chairs and ranking minority members of the legislative committees with jurisdiction over the department or agency's budget on:

(1) interagency agreements or service-level agreements and any renewals or extensions of existing interagency or service-level agreements with another agency if the cumulative value of those agreements is more than \$100,000 in the previous fiscal year; and

(2) transfers of appropriations between accounts within or between agencies, if the cumulative value of the transfers is more than \$100,000 in the previous fiscal year.

The report must include the statutory citation authorizing the agreement, transfer or dollar amount, purpose, and effective date of the agreement, the duration of the agreement, and a copy of the agreement.

The attached files provide the required information for Minnesota Housing for FY 2021. If you have any questions, please contact Ryan Baumtrog, Assistant Commissioner for Policy at 651-296-9820 or ryan.baumtrog@state.mn.us.

Cc: Kev Savary, House Fiscal Analyst
Dan Mueller, Senate Fiscal Analyst
Kwesi Palsey, Executive Budget Officer, Minnesota Management and Budget
Rachel Ganani, Policy Advisory, Office of the Governor
Joel Hanson, Senate Committee Administrator
Owen Wirth, Housing Committee Administrator

Minnesota Housing Finance Agency (MHFA)
 FY 2021 Transfers - Cumulative Over \$100,000
 October 15, 2021

TRANSFER FROM					TRANSFER TO					Purpose of Transfer	Legal Authority for Transfer
Transfer Out Agency	Transfer Out Fund Name	Transfer Out AppropID	Transfer Out AppropID Name	Transfer Out Amt	Transfer In Agency	Transfer In Fund Name	Transfer In AppropID	Transfer In AppropID Name	Transfer In Amount		
MHFA	General Fund	B34012F	Economic Dev & Hsg Challenge	(12,925,000)	MHFA	Housing Finance Agency	B340550	Economic Dev & Hsg Chall	12,925,000	Appropriation Transfer from 1000 fund to 8000 fund - Laws 2019, 1st Special Session, Chapter 1, Article 5, Section 2, Subd 1	Laws 2019, 1st Special Session, Chapter 1, Article 5, Section 2, Subdivision 2
MHFA	General Fund	B34012A	Bridges	(4,338,000)	MHFA	Housing Finance Agency	B340170	Bridges	4,338,000		Laws 2019, 1st Special Session, Chapter 1, Article 5, Section 2, Subdivision 8
MHFA	General Fund	B34012E	Preservation of Fed Assisted	(4,218,000)	MHFA	Housing Finance Agency	B340470	ARIF-Preserv Fed Asstid Hsg	4,218,000	Same as above	Laws 2019, 1st Special Session, Chapter 1, Article 5, Section 2, Subdivision 11
MHFA	General Fund	B34012G	Capacity Building Grant	(520,000)	MHFA	Housing Finance Agency	B340150	Capacity Bldg Grants	520,000	Same as above	Laws 2019, 1st Special Session, Chapter 1, Article 5, Section 2, Subdivision 15
MHFA	General Fund	B34015C	HMIS Capacity Bldg Grant	(125,000)	MHFA	Housing Finance Agency	B340150	Capacity Bldg Grants	125,000	Same as above	Laws 2019, 1st Special Session, Chapter 1, Article 5, Section 2, Subdivision 15
MHFA	General Fund	B34012C	Housing Trust Fund	(11,646,000)	MHFA	Housing Finance Agency	B340120	Hsg Trust Fund	11,646,000	Same as above	Laws 2019, 1st Special Session, Chapter 1, Article 5, Section 2, Subdivision 6
MHFA	General Fund	B34012I	Rehab SF	(2,772,000)	MHFA	Housing Finance Agency	B340090	Rehab Loan Program SF	2,772,000	Same as above	Laws 2019, 1st Special Session, Chapter 1, Article 5, Section 2, Subdivision 12
MHFA	General Fund	B34014D	Rehab MF	(3,743,000)	MHFA	Housing Finance Agency	B340091	Rental Rehab Deferred Loan	3,743,000	Same as above	Laws 2019, 1st Special Session, Chapter 1, Article 5, Section 2, Subdivision 13
MHFA	General Fund	B34012D	Homeownership Assist Fund	(885,000)	MHFA	Housing Finance Agency	B340020	Homeownership Assist Fund	885,000	Same as above	Laws 2019, 1st Special Session, Chapter 1, Article 5, Section 2, Subdivision 10
MHFA	General Fund	B34012H	Homeownership Educ Counsel	(857,000)	MHFA	Housing Finance Agency	B340370	HECAT	857,000	Same as above	Laws 2019, 1st Special Session, Chapter 1, Article 5, Section 2, Subdivision 14
MHFA	General Fund	B34012B	Family Homeless Prevention	(10,269,000)	MHFA	Housing Finance Agency	B340230	Family Hmlss Prevnt & Assist	10,269,000	Same as above	Laws 2019, 1st Special Session, Chapter 1, Article 5, Section 2, Subdivision 9
MHFA	General Fund	B34015E	Workforce Housing	(2,000,000)	MHFA	Housing Finance Agency	B340725	Workforce Hsg Development	2,000,000	Same as above	Laws 2019, 1st Special Session, Chapter 1, Article 5, Section 2, Subdivision 3
MHFA	General Fund	B34017D	BuildWealth	(500,000)	MHFA	Housing Finance Agency	B340723	Build Wealth MN Grant	500,000	Same as above	Laws 2019, 1st Special Session, Chapter 1, Article 5, Section 2, Subdivision 16
MHFA	General Fund	B34015D	Highly Mobile Students	(1,750,000)	MHFA	Housing Finance Agency	B340727	Homework Starts with Home	1,750,000	Same as above	Laws 2019, 1st Special Session, Chapter 1, Article 5, Section 2, Subdivision 7
MMB	General Fund	G9Q1169	MHFA Infrastructure-16	(798,362)	MHFA	Housing Finance Agency	B340690	Nonprofit Hsg Bond Acct	798,362	Annual payment of debt service appropriated to MMB for transfer to Minnesota Housing	MS462A.37 Subdivision 5c
MMB	General Fund	G9Q1168	MHFA Housing Infrastructure 20	(6,379,591)	MHFA	Housing Finance Agency	B340690	Nonprofit Hsg Bond Acct	6,379,591	Same as above	MS462A.37 Subdivision 5b
MMB	General Fund	G9Q1167	MHFA Housing Infrastructure 20	(2,035,215)	MHFA	Housing Finance Agency	B340690	Nonprofit Hsg Bond Acct	2,035,215	Same as above	MS 462A.37 Subdivision 5d
MMB	General Fund	G9Q1166	MHFA Nonprofit Housing Bds	(2,399,358)	MHFA	Housing Finance Agency	B340690	Nonprofit Hsg Bond Acct	2,399,358	Same as above	MS 462A.36 Subdivision 4b
MMB	General Fund	G9Q1170	MHFA Nonprofit Housing Bds	(2,336,742)	MHFA	Housing Finance Agency	B340690	Nonprofit Hsg Bond Acct	2,336,742	Same as above	MS 462A.37 Subdivision 5d
MMB	General Fund	G9Q1171	MHFA Nonprofit Housing Bds	(736,703)	MHFA	Housing Finance Agency	B340690	Nonprofit Hsg Bond Acct	736,703	Same as above	MS 462A.37 Subdivision 5d
MMB	Federal	B34021A	COVID-19 Hsg Assistance prog	(82,000,000)	MHFA	Housing Finance Agency	B349032	COVID-19 Hsg Assistance Prg	82,000,000	Appropriation Transfer from Coronavirus Relief Fund to Minnesota Housing for COVID-19 Housing Assistance Program	M.S. 462A.03, subd. 14 and M.S. 462A.05, Subd. 11 & 12
DEED	General Fund	B223438	Olmstead Implementation Office	(1,269,000)	MHFA	Housing Finance Agency	B340001	General Reserve	1,269,000	Appropriated resources to support the Olmstead Implementation Office	Laws 2019, 1st Special Session, Chapter 7, Article 1, Section 2, Subdivision 4(b)
MMB	General Fund	G9R1040	Manufactured Home Trust Fund	(447,633)	MHFA	Housing Finance Agency	B340640	Manufactured Home Relocation Trust Fund	447,633	Manufactured Home Relocation Trust Fund - MMB collects revenues, MHFA makes payments	MS 327C.095, subd. 12
MMB	General Fund	G9R1030	Housing Trust Fund	(146,038)	MHFA	Housing Finance Agency	B340120	Hsg Trust Fund	146,038	Transfer of interest accrued from real estate trust accounts to Housing Trust Fund	MS 82.75 Subdivision 8
MMB	General Fund	G9R0078	Housing Trust Fund	(210,164)	MHFA	Housing Finance Agency	B340120	Hsg Trust Fund	210,164	Tax Exempt Bonding Penalties and Interest transfer from MMB	MS 474A.21
MHFA	General Fund	B340000	Investment Clearing Account	(995,624)	MHFA	Housing Finance Agency	B340001	General Reserve	995,624	Investment income from investment clearing account to operating fund	MS 462A.20, sub. 3
MHFA	General Fund	B340091	Rental Rehab Deferred Loan	(904,000)	MHFA	Housing Finance Agency	B340725	Workforce Hsg Development	904,000	Transfer funds in 2nd year of biennium between appropriated sources	Minn Laws 2019 1st Spec Sess, Chap 1, Art 5, Section 2, Subd 17
TOTAL				(155,306,806)					155,306,806		

Minnesota Housing Finance Agency (MHFA)

FY 2021 Interagency Agreements and Service Level Agreements - Over \$100,000

October 15, 2021

Agency	Amount	Legal Authority	Purpose	Effective Date	Duration
Department of Human Services	\$ 361,680	M.S. 471.59, subd 10 and Executive Order 15-03	Interagency Olmstead Implementation Office -- Department of Human Services allocation of salaries and benefits for their employees involved in Olmstead Implementation Office	7/1/2020	6/30/2021
Department of Human Services	\$ 192,000	M.S. 471.59, subd 10	DHS provided additional state grants funds (Housing with Supports for Adults with Serious Mental Illness and Bridges Regional Treatment Center) that were part of an RFP administered by Minnesota Housing. This program provides rental assistance and home and community-based services to increase the range of housing options for persons with serious mental illness.	7/1/2020	6/30/2021
Department of Employee and Economic Development	\$ 1,269,000	Laws 2019, 1st Special Session, Chapter 7, Article 1, Section 2, Subdivision 4(b)	Appropriated resources to support the Olmstead Implementation Office	7/1/2020	6/30/2021
Total	\$ 1,822,680				

**STATE OF MINNESOTA
INTERAGENCY AGREEMENT**

This agreement is between the Minnesota Housing Finance Agency (Minnesota Housing) and Minnesota Department of Human Services (DHS).

WHEREAS, General Support Services funds have been appropriated for establishing and operating the Interagency Olmstead Office (OIO);

WHEREAS, the Governor has issued Executive Order 19-13 and named the Commissioner of Minnesota Housing the chair of the Olmstead Subcabinet;

WHEREAS, DHS has employees that will be an integral part of the OIO and will perform duties and tasks as needed and will be paid on an hourly basis; and

NOW, THEREFORE, Minnesota Housing and DHS agree to the following:

Agreement

1 Term of Agreement

- 1.1 **Effective date:** July 1, 2020 or the date the State obtains all required signatures under Minnesota Statutes Section 16C.05, subdivision 2, whichever is later.
- 1.2 **Expiration date:** June 30, 2021 or until all obligations have been satisfactorily fulfilled, whichever occurs first.

2 Scope of Work

- 2.1 Minnesota Housing and DHS agree to the allocation of salaries and benefits listed below to be paid out of the indicated budget:
 - Michael Tessneer, Director of Compliance (40 hours every two weeks) (75% OIO budget; 25% DHS budget),
 - Rosalie Vollmar, Agency Policy Specialist (full time) (75% OIO budget, 25% DHS budget).
- 2.2 Minnesota Housing will assume responsibility for legal services associated with the Olmstead Plan and the OIO to be paid for out of the OIO budget. For these legal services, the Minnesota Housing attorney will report to the Subcabinet Chair. Legal services will include legal advice, legal and compliance review of documents, and preparation of legal materials and communications, as requested. Legal services will also include legal consultation with lawyers from other agencies working on the Olmstead Plan, including DHS, Attorney General's Office and the Governor's Counsel.
- 2.3 Minnesota Housing will assume responsibility for performance management of Michael Tessneer and Rosalie Vollmar for their work associated with the OIO.
- 2.4 Minnesota Housing will provide office space and corresponding operational support for the above named employees.
- 2.5 All data at both Minnesota Housing and DHS required to operate the OIO and fulfill the Executive Order 19-13 will be made accessible to the members of the OIO.

- 2.6 DHS will maintain the OIO website until Minnesota Housing can coordinate the transfer of the OIO web site to an alternate location.
- 2.7 Minnesota Housing will provide DHS with expenditure and activity reports needed to facilitate the drawdown of federal financial participation (FFP) funds. In accordance with the federally approved DHS cost allocation plan and 45 C.F.R. § 95.507(b)(6), Minnesota Housing will report the actual costs of OIO operations in conducting its duties under the direction of the Olmstead Subcabinet and related to state-wide implementation of the state’s Olmstead Plan.

DHS will claim Federal Financial Participation (FFP) for only those OIO expenditures that benefit DHS programs, based on the percentage of goals in the Olmstead Plan that are assigned to DHS as the lead agency. Minnesota Housing will further assure that reported expenditures are from state funds that are not otherwise employed as local matching funds to any federal program.

3 Consideration and Payment

- 3.1 Both parties agree that the employees referenced in 2.1 above will directly enter the cost allocations into SEMA4 each payroll period using the following codes:

<u>Minnesota Housing</u>	<u>DHS</u>
Fund = 8000	Fund = 1000
FinDeptID = B3430144	FinDeptID = H5532879
AppropID = B340001	AppropID = H551236

- 3.2 Minnesota Housing will submit OIO office expenditure reports to DHS in the form specified by DHS. The reports, for the purposes of claiming FFP, are due quarterly and due to DHS within 10 days following the end of each quarter. Quarters are each of the three month periods ending September 30th, December 31st, March 31st and June 30th.
- 3.3 In the event of a federal disallowance of FFP claimed for the operation of the OIO, that disallowance attributable to the OIO will be reimbursed to DHS out of the OIO budget should sufficient funds remain in the OIO budget. If there are not sufficient funds in the OIO budget, or there is disagreement as to the appropriate amount to be reimbursed to DHS out of the OIO budget, both parties will reach agreement on how to resolve the issue.
- 3.3 DHS will transfer to Minnesota Housing all the FFP funding earned on eligible OIO expenditures per Section 2.7 above within 5 days after receipt.

4 Conditions of Payment

N/A. As consideration, each party agrees to be responsible for its own costs and expenses related to this Agreement

5 Authorized Representative

Minnesota Housing’s Authorized Representative is Rachel Robinson, Deputy Commissioner or her successor, Minnesota Housing, 400 Wabasha St. No, Suite 400, St. Paul, MN 55102.

The DHS Authorized Representative is Ahna Minge, Chief Financial Officer or her successor. Elmer L. Andersen Human Services Building, 540 Cedar St., Saint Paul MN, 651-431-2582.

6 Amendments

Any amendment to this agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original agreement, or their successors in office.

7 Liability

Each party will be responsible for its own acts and behavior and the results thereof. Minn. Stat. § 3.736 govern's each party's liability related to this Agreement.

8 Termination

Either party may terminate this agreement at any time, with or without cause, upon 30 days' written notice to the other party.

MINNESOTA HOUSING FINANCE AGENCY

DocuSigned by:
By: Rachel Robinson
(with delegated authority)
Title: Deputy Commissioner
Date: 6/29/2020

MINNESOTA DEPARTMENT OF HUMAN SERVICES

DocuSigned by:
By: Alina Minge
(with delegated authority)
Title: Chief Financial Officer
Date: 7/9/2020

Amendment 1 to Interagency Agreement 152114

Contract Start Date:	5/10/2019	Original Contract:	\$384,000
Original Contract Expiration Date:	6/30/2020	Previous Amendment(s) Total:	\$0
Current Contract Expiration Date:	6/30/2020	This Amendment:	\$384,000
Requested Contract Expiration Date:	6/30/2022	Total Contract Amount:	\$768,000

This amendment (“Amendment”) is by and between Minnesota Department of Human Services, Behavioral Health Division, (hereinafter DHS) and Minnesota Housing Finance Agency (hereinafter the PROVIDING AGENCY). (This AGREEMENT refers to the DHS and PROVIDING AGENCY each individually as “an AGENCY,” and collectively as “the AGENCIES.”)

Recitals

1. The AGENCIES have an agreement identified as IAK%152114 (“Original Agreement”) to award Bridges RTC Grants to qualified projects that are selected under the Bridges Program.
2. The AGENCIES agree that the Original Agreement should be modified in order to add additional time and funds.
3. The AGENCIES are willing to amend the Original Agreement as stated below.

Contract Amendment

In this Amendment, changes to Original Agreement language will use ~~strike through~~ for deletions and underlining for insertions.

The parties agree to the following revisions:

REVISION 1: Clause 2.1, “Consideration,” is amended as follows:

2.1 Consideration. Consideration for all services performed by PROVIDING AGENCY pursuant to this agreement shall be paid by the REQUESTING AGENCY as follows:

- i. The PROVIDING AGENCY will submit to REQUESTING AGENCY a Request for Transfer of Funds Bridges RTC Grants form, attached hereto as Exhibit A, which is incorporated into this agreement, in the amounts of the Bridges RTC Grants required for the agreed upon selected Bridges RTC Grant projects.
- ii. The REQUESTING AGENCY will transfer Bridges RTC Grants funds for Bridges RTC Grant projects selected for funding to PROVIDING AGENCY up to a maximum of \$192,000.00 for SFY 2019 and a maximum of \$192,000.00 for SFY 2020 and a maximum of \$192,000.00 for SFY 2021 and a maximum of \$192,000.00 for SFY 2022.

REVISION 2: Clause 4, "Terms of Agreement," is amended as follows:

4. Terms of Agreement. This agreement shall be effective on April 1, 2019, **or upon the date that the final required signature is obtained by the PROVIDING AGENCY, pursuant to Minnesota Statutes, section 16C.05, subdivision 2, whichever occurs later**, and shall remain in effect through ~~June 30, 2020~~ June 30, 2022, or until all obligations set forth in this agreement have been satisfactorily fulfilled, whichever occurs first.

EXCEPT AS AMENDED HEREIN, THE TERMS AND CONDITIONS OF THE ORIGINAL AGREEMENT AND ALL PREVIOUS AMENDMENTS REMAIN IN FULL FORCE AND EFFECT AND ARE INCORPORATED INTO THIS AMENDMENT BY REFERENCE.

***REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE FOLLOWS***

APPROVED:

1. STATE ENCUMBRANCE VERIFICATION

Individual certifies that funds have been encumbered as required by Minnesota Statutes, chapter 16A and section 16C.05.

DocuSigned by:
By: *Roni Delmonico*
AD5E6351992646A...

Date: 5/27/2020

SWIFT Contract No: 152114

2. MHFA

DocuSigned by:
By: *James Lehnhoff*
5A2D5A66452846B...

Title: Assistant Commissioner

Date: 5/28/2020

3. DHS

DocuSigned by:
By (with delegated authority): *Gertrude Matamba-Mutasa*
A01DF4D858C040E...

Title: Assistant Commissioner

Date: 6/1/2020

**STATE OF MINNESOTA
INTERAGENCY AGREEMENT**

This agreement is between the Minnesota Housing Finance Agency (Minnesota Housing) and Department of Employment and Economic Development (DEED).

WHEREAS, DEED has been appropriated General Support Services money under Laws of Minnesota 2019, First Special Session, Chapter 7, Article 1, Section 2, Subd. 4(b); and

WHEREAS, the appropriation provides for \$1,269,000 each year for transfer to Minnesota Housing for operating the interagency Olmstead Implementation Office (OIO); and

WHEREAS, the Governor has issued Executive Order 19-13 and named the Commissioner of Minnesota Housing the Chair of the Olmstead Subcabinet; and

WHEREAS, for management purposes, Minnesota Housing will assume responsibility and authority for the OIO budget; and

WHEREAS, effective April 8, 2015, DEED and Minnesota Housing executed an Interagency Agreement that transferred two DEED employees to Minnesota Housing; transferred the remaining FY2015 appropriated funds for the Olmstead Office to Minnesota Housing (and in later years through Interagency Agreements for the FY2016, FY2017, FY2018, FY2019 and FY2021 appropriations); and transferred oversight responsibility for the administration of any future OIO agency collaboration tools, if needed, which are to be paid for from the OIO budget.

NOW, THEREFORE, Minnesota Housing and DEED agree to the following:

Agreement

1 Term of Agreement

- 1.1 **Effective date:** July 1, 2020 or the date the State obtains all required signatures under Minnesota Statutes Section 16C.05, subdivision 2, whichever is later.
- 1.2 **Expiration date:** June 30, 2021 or until all obligations have been satisfactorily fulfilled, whichever occurs first.

2 Scope of Work

- 2.1 Minnesota Housing will take physical possession, oversight and management of the FY2021 appropriated funds as of the effective date of the agreement.
- 2.2 All data at both Minnesota Housing and DEED, required to operate the OIO and fulfill the Executive Order 19-13 will be made accessible to the members of the OIO.

3 Consideration and Payment

- 3.1 DEED will transfer all FY2021 appropriations for the OIO (\$1,269,000) to Minnesota Housing within five days after receipt of the appropriations.

4 Conditions of Payment

N/A.

5 Authorized Representative

Minnesota Housing's Authorized Representative is Rachel Robinson, Deputy Commissioner, 400 Wabasha Street No., Suite 400, St. Paul, MN 55010, 651-297-3125 or his/her successor. DEED's

Authorized Representative Blake Chaffee, Deputy Commissioner or his/her successor.

6 Amendments

Any amendment to this agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original agreement, or their successors in office.

7 Liability

Each party will be responsible for its own acts and behavior and the results thereof.

8 Termination

Either party may terminate this agreement at any time, with or without cause, upon 30 days' written notice to the other party.

Minnesota Housing Finance Agency

By: Rachel Robinson  (with delegated authority) D3E7A98D5299436...
Title: Deputy Commissioner
Date: 8/4/2020

Minnesota Department of Employment and Economic Development

By: Blake Chaffee  (with delegated authority) FAF643F6DBEE461...
Title: Deputy Commissioner
Date: 8/13/2020