

## Sustainability Certification Addendum to the Minneapolis Homes Financing NOFA

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The City's Division of Sustainability has partnered with the Community Planning & Economic Development department to support the development of sustainably certified housing. The Office of Sustainability will provide financing in addition to Minneapolis Homes Financing (MHF) program commitments made through its Notice of Funding Availability (NOFA). The pilot provides a needs-based incentive of up to 20% of total development costs – not to exceed \$90,000 per unit – through the MHF NOFA process to ensure that the home achieves passive home certification or Net Zero certification by receiving a score of 45 or less through the home energy rating system index (HERS). The goal of providing funding for sustainability certified homes includes:

- Increase housing units in Minneapolis without adding to carbon emissions
- Provide high-quality, healthy housing to residents across all income levels
- Reduce the impacts of living near sources of air-borne pollutants by creating a tight building envelope and providing continuous ventilation of filtered air
- Increase resilience and safety of residents during extreme weather and power outages
- Reduce energy use by 80% over standard construction built to standard code
- Electrify all aspects of the home including home heating
- Align sustainably certified home construction with affordable housing opportunities defined in the MHF program

To receive the additional subsidy homes must receive a certification from one of the following three certifications.

- 1) [Passive House Institute US \(PHIUS\)](#)
- 2) [Passive House Institute \(PHI\)](#)
- 3) Installation of a solar array that covers the full electric load<sup>1</sup> of a home designed to the [Department of Energy Zero Energy Ready](#) program requirement<sup>2</sup>
  1. The City encourages developers to explore a community solar garden subscription that covers the full electric load to achieve Net Zero where a solar array isn't possible due to solar access.
  2. The incentive is only eligible for the cost of installation of the solar array. The program requires all 1-3 unit new construction homes to meet the ZERH program without incentive funding.

### Requirements to receive additional subsidy

- 1) Meet all requirements of MHF
- 2) Home is certified under one of the three approved certifications listed above and achieves a [Home Energy Rating System \(HERS\)](#) Index Score of 45 or less
- 3) Respond to a survey to better understand barriers to sustainably-certified housing in Minneapolis development review and permitting
- 4) Commit to provide energy and use data annually for five (5) years after homes completion
- 5) Allow for at least two dates for a tour of the home prior to move-in
- 6) Apply for all utility and city rebates that are applicable, including the Xcel Energy [Solar\\*Rewards](#) and the City of Minneapolis [Green Cost Share program](#)

Applicants interested in receiving the additional needs-based subsidy may include a source of “Sustainability Certification Incentive” on their proforma in the amount of up to 20% of the total development cost of the home not to exceed \$90,000. The Incentive will be in addition to any Minneapolis Homes Financing request. Incentive funds are only for project gap need for the home to achieve certification. Affordability gap requests should be included in the Minneapolis Homes: Financing request. The Incentive will be included in the scoring criteria regarding total subsidy request and actual subsidy received will be based on demonstrated need, consistent with the MHF program manual.