

LOW INCOME HOUSING TAX CREDIT PROGRAM COMPLINACE MONITORING SERVICES REQUEST FOR PROPOSAL

RFP Issue Date: July 13, 2026

Submission Due
Date and Time: August 13, 2026, by 4:00 pm Central Time

Email Proposal
Documents to: Kathy Kugel, Housing Finance Manager, kkugel@dakotacda.org

Anticipated
Contract Start Date: October 1, 2026

I. INTRODUCTION

The Dakota County Community Development Agency (DCCDA) is requesting proposals (RFP) from qualified contractors to perform site physical inspections and provide tax compliance monitoring services in connection with its low-income housing tax credit (LIHTC) program in Dakota County, Minnesota.

II. BACKGROUND

- A. Purpose.** Section 42 of the Internal Revenue Code of 1986, as amended (Code), established the LIHTC Program. The Internal Revenue Service (IRS), as part of Treasury, administers the LIHTC Program. The LIHTC Program grants owners of rental properties substantial credits against their federal income tax liability in exchange for leasing affordable rental housing units to qualified low-income households and individuals.

Pursuant to Minnesota Statutes, Sections 462A.221 to 462A.225, as amended (Act), the DCCDA is authorized to act as the housing credit agency for purposes of Section 42 of the Code with respect to the low-income housing tax credits (HTC) suballocated to Dakota County. The DCCDA allocates HTCs and monitors projects pursuant to Section 42, the Act and the DCCDA's Housing Tax Credit Qualified Allocation Plan (QAP) and Procedural Manual as amended from time to time and the rules promulgated thereunder.

Section 42 and applicable Treasury Regulations, including without limitation, Treasury Regulations § 1.42-5 (Regulations) require, among other things, that DCCDA or its "Authorized Delegate" conduct periodic site inspections of tax credit properties. The purpose of these inspections is to ensure compliance with the habitability and occupancy standards established by the LIHTC Program. Section 42 and the Regulations also require DCCDA or its Authorized Delegate to conduct an ongoing review of annual certifications and related

supporting documents submitted by owners of their compliance with the provisions of the Code. Owners are required by the Code to certify annually to DCCDA, or its Authorized Delegate, their compliance with the various provisions of the Code governing tenant income eligibility, rent eligibility, utility allowances, fair housing, habitability, document retention and other specific Code requirements.

This RFP seeks services of a qualified Contractor to undertake, as DCCDA's Authorized Delegate, physical inspections and tenant file review, annual desk audits, review of the annual Owner's Certificate of Continuing Program Compliance form and supporting documentation of properties owned by LIHTC Program Participants in Dakota County, and annual general tasks (e.g. update Compliance Manual, prepare Part III of 8610, etc.), all in accordance with the requirements of Code and Regulations.

- B. Organization.** The DCCDA is a special-purpose unit of local government with the express limited purpose of serving the citizens of Dakota County, Minnesota through the administration of affordable housing and community development programs. The DCCDA is an HTC suballocator for affordable housing projects located in Dakota County. The DCCDA is governed by an eight-member Board of Commissioners (Board). The DCCDA Board is responsible for authorizing the allocation of HTCs and all other acts in connection with the administration of the LIHTC program. Within DCCDA, the Community & Economic Development Department is responsible for administering the LIHTC Program and monitoring compliance by LIHTC Program Participants within the provisions of the Code. Specific information on the administration of the LIHTC Program in Dakota County may be found in DCCDA's QAP.

III. GENERAL INFORMATION

- A. Scope of Services Required.** The DCCDA anticipates the need for a Contractor to undertake site inspections and compliance monitoring services in connection with administering its LIHTC program, which includes approximately 3,800 housing units in 58 projects. This includes a few projects funded through the Section 1602 and Tax Credit Assistance Program (TCAP) that require monitoring. A detailed list of these properties is attached for information purposes as **Exhibit A** to the RFP.

The Contractor, on behalf of the DCCDA, will perform site inspections and monitor projects for noncompliance in accordance with Section 42(m) of the Code, Treasury Regulation Section 1.42-5 and any other applicable regulations. The Contractor shall perform such duties in accordance with the Section 42 Housing Tax Credit Program Compliance Manual.

- (1) Review annual certification submitted by project owners. Annual certifications shall include, but are not limited to, the number of units set aside, tenant name(s), household information, rents, utility allowance or cost, amount and sources of income, and unit information.
- (2) Conduct first compliance on-site monitoring inspection. Such inspection will include, but is not limited to, a review of tenant files and physical inspection of 20% of the HTC units.

- (3) At least once every three (3) years, review tenant files, including but not limited to the annual income certification, the documentation received by the owner as support certification, and the rent records for at least 20% of the HTC tenants in a project. For projects subject to their first tenant file review of where 100% of the units are HTC units, 50% of tenant files will be subject to review.
- (4) At least once every three (3) years, conduct an on-site physical inspection of each project. Such inspections will include all buildings in a project, all common areas, and at least 20% of the HTC units in the project.
- (5) Upon request, provide data to the DCCDA staff and as needed provide guidance/support to DCCDA staff and/or tenants on LIHTC compliance questions/concerns.
- (6) Proposals may include other services, if the Proposer recommends additional services to meet the DCCDA's Section 42 compliance monitoring obligations.

- B. Term of Agreement.** Subject to approval of counsel to the DCCDA, the Executive Director will be authorized to negotiate an agreement between the DCCDA and the selected Contractor. The DCCDA will execute an agreement with the contractor for a term of three (3) years with the option to renew the contract beyond its initial contract period for a maximum of two (2) one-year periods which may be authorized by the DCCDA. Any such agreement shall provide that the DCCDA will retain the right to terminate such agreement for any reason and at any time upon payment of fees and expenses then due and payable.
- C. Contractor Responsibilities.** The Contractor will assume sole responsibility for all work to be performed under their Contract and will be the sole point of contact for DCCDA with regard to contractual matters. The Contractor shall be responsive, provide feedback regarding deficiencies and be proactive and ready to respond to questions as they arise.

The Contractor shall report, via email message, any current inspection protocol standards (i.e., National Standards for the Physical Inspection of Real Estate (NSPIRE), previously it was Uniform Physical Condition Standards (UPCS)) inspection deficiencies within 36 hours to the Program Manager at the DCCDA to ensure the deficiency can be resolved swiftly.

- D. Non-discrimination and equal opportunity.** The DCCDA does not discriminate in the selection of a Contractor for services on the basis of race, color, creed, religion, national origin, sex, marital status, familial status, status with regard to public assistance, disability, sexual orientation, gender identity or age. Contractors selected must agree to comply with all applicable federal and state equal opportunity and affirmative action laws, ordinances, directives and regulations.
- E. Subcontracting.** The Contractor shall not sub-consult or sub-contract any services under the agreement unless authorized in writing by the DCCDA. The Contractor shall provide written notice to the DCCDA and obtain the DCCDA's written authorization to sub-contract any work or services to be provided to the DCCDA. As required by Minnesota Statutes, Section 471.425, the Contractor shall pay all subcontractors for subcontractor's undisputed, completed work, within ten (10) days after the Contractor has received payment from the DCCDA.

- F. **Conflict of Interest/Code of Ethics.** The DCCDA and the Contractor are required to avoid any situation that may give rise to a “conflict of interest.” A “conflict of interest” will arise if the Contractor represents any other party or other client whose interests are adverse to the interests of the DCCDA. Matters in which a conflict of interest arises shall be governed by Minnesota Statutes, Section 469.009.

Proposer shall disclose, as part of their technical proposal, a list of properties where the Proposer maintains a current contractual relationship or had a previous contractual relationship with either the owner or managing agent of the property or have conducted prior inspections of the property for other entities within the past three (3) years of the closing date of this RFP. In addition, Proposer shall review **Exhibit A** and disclose, as part of their technical proposal, a list of prior or ongoing business relationships with owners or managers of properties listed in **Exhibit A** that could cause a conflict of interest. Because of the limited number of qualified Contractors and because of the potential conflict of interest, Proposer shall detail in their proposal their option for dealing with the potential conflict.

The successful Contractor who is awarded the contract has a continuing obligation to disclose to DCCDA the above information through the term of the contract and subsequent renewals, if any.

The Evaluation Panel will make a determination as to whether a conflict of interest exists. If it is determined that there is a conflict of interest, and that conflict of interest cannot be resolved, The Evaluation Panel may reject the offer. If a conflict arises during the term of the contract or any subsequent renewals, DCCDA reserves the right, in its sole discretion, to terminate the contract if the conflict cannot be resolved to DCCDA’s satisfaction.

- G. **Record/Reports/Audits.** All books, records, documents and accounting procedures of the selected contractor related to the agreement with the DCCDA shall be subject to examination by the DCCDA and the contractor must agree that the DCCDA, Minnesota Housing Finance Agency, the State Auditor or any of their duly authorized representatives, at any time during normal business hours and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt and transcribe any books, documents, papers, records and accounting practices and procedures that are relevant and involve transactions relating to the services of the contractor to the DCCDA for a period of six (6) years after the final payment is made to contractor.

IV. REQUEST FOR PROPOSALS INSTRUCTIONS

- A. **Proposal Form and Format.** Email a pdf copy of the full proposal to Kathy Kugel, Housing Finance Manager, Department of Community and Economic Development of the DCCDA, at kkugel@dakotacda.org.
- B. **Deadline For Submission.** The deadline for submission in response to the Request for Proposal is no later than 4 P.M. Central Time on August 13, 2026.
- C. **General Information.** The DCCDA reserves the right to cancel this RFP at any time prior to contract award. The DCCDA also reserves the right to accept or reject any (or all) proposals

submitted. Information contained in the proposals is intended to serve only as a general description of services to be provided, and the DCCDA may also use the responses as a basis for further negotiation of an agreement with the contractor. The issuance of this request does not obligate the DCCDA to award an agreement or pay for any costs incurred with the preparation of the response.

- D. Public Record/Confidentiality.** Information supplied by each Proposer to the DCCDA is subject to the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13 (the “Act”). Quotes submitted become a matter of public record as set forth therein. Such information shall become public unless it falls within one of the exceptions in the Act. If a Proposer believes any non-public information will be supplied in response to this RFP, the Proposer shall take reasonable steps to identify and provide reasonable justification to the DCCDA which data, if any, falls within exceptions to the Act. However, the Proposer agrees as a condition of submitting a response that the DCCDA will not be held liable or accountable for any loss or damage which may result from a breach of confidentiality as may be related to the response submitted.

The DCCDA will not consider any cost information and references submitted by the Proposer to be non-public, confidential or trade secret material. Simply stating that the document is confidential or making a blanket claim of confidentiality without proper supporting justification is also not a valid reason to declare the document confidential.

V. REQUESTED INFORMATION

The Contractor shall provide the appropriate information in sufficient detail to demonstrate that the evaluation criteria has been satisfied as specified in the Section titled “EVALUATION OF PROPOSALS.”

To allow for easier comparison of proposals during evaluation, proposals should contain the following sections and appendices and be arranged in consecutive order.

- A. Executive Summary.** Include a clear statement of the Contractor’s understanding of the RFP including a brief summary of the Scope of Services. At a minimum, include an outline of the contents of the proposal, an identification of the proposed project team, a description of the responsibilities of the project team, and a summary of the proposed services.
- B. Scope of Services.** Describe in detail how services will be provided. Include a detailed listing and description of tasks and deliverables. Section III.A. outlines the Scope of Services required. Indicate if any proprietary software or other technology is used by the Proposer and if this is necessary for the successful provision of the services. Proposer may also include suggestions on how to make compliance more efficient for property management/owners as well as for the Proposer when there are overlapping compliance layers from other funding sources (e.g., HOME Program, local HOPE Program, etc.).
- C. Experience and Capacity.** Describe background and related experience demonstrating ability to provide required services. Indicate if contractor expansion is required to provide services. Indicate past experience, if any, with the DCCDA and its processes and procedures.

- D. **References.** List references from projects similar in size and scope.
- E. **Personnel Listing.** Identify individuals that will be assigned to this work, including any subcontractors, with resumes and specific applicable experience.
- F. **Conflict of Interest Disclosure.** The Proposer shall submit a list of any potential conflicts of interest arising from business relationships between the Proposer and any properties listed on Exhibit A. See Section II.F. In addition, the Proposer shall provide an option to accommodate the conflict.
- G. **Cost/Fees.** Indicate proposed cost of service including a description of how costs were determined; hourly rates and minimum billing increments, if any; direct costs and payment billing schedule; list of charges per classification of employee.
- H. **Contractor Financial Information.** Proof of financial responsibility and capacity, including any bankruptcy filings by the contractor, its principals and officers during the previous seven years.

VI. COMPENSATION

It is the DCCDA's expectation that all compensation to be paid to the Contractor for LIHTC program monitoring services will be billed by the contractor to the owners of the projects being monitored in accordance with Section 42 and payable solely by those owners and that the DCCDA will not have any liability for such payments.

VII. REVIEW

Proposals will be reviewed by an Evaluation Panel made up of representatives of the DCCDA. The panel will select a preferred contractor based upon the contents of the written proposal and the DCCDA's past interactions with the Proposers. The DCCDA may conduct interviews with Proposers if DCCDA deems it necessary.

Evaluations will be scored on the required criteria listed in the Section titled "PROPOSAL FORMAT," **AND** the following:

- A. Quality, thoroughness, and clarity of proposal.
- B. Qualifications, credentials, licenses, and experience of staff (includes a review of references).
- C. How well the Scope of Services offered meets the DCCDA's objectives.
- D. Financial responsibility and capacity of contractor including whether the contractor, any affiliates, subsidiaries, officers or directors have filed for federal bankruptcy protection within seven (7) years of the date of this RFP.

- E.** Organization and management approach and involvement for successful delivery of services.
- F.** Reasonableness of cost of services proposed based on a comparison of prices among available information on market rates for similar services.
- G.** Use of technology to complete on-site property inspections and file review, and to analyze, share and manage data with the DCCDA, Minnesota Housing Finance Agency, owners, property managers and IRS.
- H.** Specificity and quality of methods used to manage, protect and secure data.
- I.** Review of references including existing client's previous Section 42(m) monitoring experience and on-site monitoring audits.
- J.** Insurance coverage as defined for the services.

VIII. ADDITIONAL INFORMATION

For additional information concerning this RFP, please contact Kathy Kugel, DCCDA Department of Community & Economic Development, at 651-675-4478 or email at kkugel@dakotacda.org.

Exhibit A. Detailed List of Properties for the Low Income Housing Tax Credit Program, Dakota County (as of June 2026)

No.	First Credit Year (earliest year for any EIN)	Property name	Owner Name	Total Property Units	Total HTC Units	Year 15	Most Recent Physical Inspection Year	Most Recent 20% Tenant File Review Year
1	1992	Parkside Townhomes	Dakota County Workforce Housing LLC	22	22	2006	2023	2023
2	1994	Glenbrook Townhomes	Dakota County Workforce Housing LLC	39	39	2008	2023	2023
3	1996	Lakeville Court	Lakeville Court LP	52	50	2010	2026	2026
4	1996	Oak Ridge Townhomes	Dakota County Workforce Housing LLC	42	42	2010	2022	2022
5	1997	Pleasant Ridge	Dakota County Workforce Housing LLC	31	31	2011	2023	2023
6	1998	Cedar Valley Townhomes	Dakota County Workforce Housing LLC	30	30	2012	2025	2025
7	1999	Chasewood Townhomes	Dakota County Workforce Housing LLC	27	27	2013	2025	2025
8	2000	Farmington Townhomes	Farmington Townhomes LP	16	16	2014	2026	2026
9	2001	Country Lane Townhomes	Dakota County CDA Workforce Housing LLC	29	29	2015	2022	2022
10	2001	Hillside Gables	Dakota County CDA Workforce Housing LLC	24	24	2015	2022	2022
11	2002	Clark Place Apts (Rose Apts)	DRS Investment VII LLC	48	48	2016	2024	2024
12	2002	Farmington Family Townhomes	Farmington Family Housing LP	32	28	2016	2022	2022
13	2002	Marketplace Townhomes	Dakota County CDA Workforce Housing LLC	28	28	2016	2023	2023
14	2003	Burnsville Heart of the City	Burnsville HOC Family Housing Limited Partnership	34	34	2017	2024	2024
15	2003	Clark Place TH (Kaposia Terr)	DRS Investment VII LLC	20	20	2017	2024	2024
16	2004	Erin Place	Dakota County Workforce Housing LLC	34	34	2018	2025	2025
17	2004	Grande Market Place Apartments	Grande Market Place Limited Partnership	113	53	2018	2022	2022
18	2005	Prairie Crossing	Lakeville Downtown Family Housing Limited Partnership	40	40	2019	2026	2026
19	2006	Haralson Apartments	CHDC Dakota Studio LP	36	36	2020	2026	2026
20	2006	Lafayette Family Townhomes	Lafayette Family Housing Limited Partnership	30	30	2020	2024	2024
21	2006	Spruce Place	Spruce Place of Farmington LP	61	60	2020	2024	2024
22	2007	Rosemount Greens	TCHDC	28	28	2021	2023	2023
23	2007	West Village Townhomes	Hastings West Village Family Housing Limited Partnership	21	21	2021	2025	2025
24	2008	Carbury Hills	Dakota County CDA Workforce Housing II LLC	32	32	2022	2025	2025
25	2008	Cliff Hill Townhomes	Cliff Hill Limited Partnership	32	32	2022	2024	2024
26	2009	Twin Ponds Family Townhomes	Twin Ponds Phase II Family Housing Limited Partnership	25	25	2023	2022	2025
27	2010	Chancellor Manor	CHDC Chancellor Manor Limited Partnership	200	186	2024	2023	2023
28	2010	Meadowlark Townhomes	Meadowlark Family Housing Limited Partnership	40	40	2024	2026	2026
29	2011	Quarry View	Apple Valley East Family Housing Limited Partnership	45	45	2025	2024	2024
30	2012 (1602 Program)	Park Place (Kidder Park)	Park Place Development Limited Partnership	36	36	2026	2024	2024
31	2012	Twin Ponds II	Twin Ponds Phase II Family Housing Limited Partnership	26	26	2026	2025	2025
32	2013	Northwood Family Townhomes	Eagan Northwood Family Housing Limited Partnership	47	47	2027	2026	2026
33	2014	Inver Hills/Riverview	Inver Hills and Riverview Ridge Family Housing Limited Partnership	51	51	2028	2024	2024
34	2015	Lakeshore Townhomes	Lakeshore Workforce Housing Limited Partnership	50	50	2029	2025	2025
35	2016	Keystone Crossing	Keystone Crossing Workforce Housing Limited Partnership	36	36	2030	2024	2024
36	2017	Artspace Hastings Lofts	Artspace Hastings Lofts, LLP	37	37	2031	2024	2024
37	2017	Sanctuary at West St. Paul	The Sanctuary At West Saint Paul, LP	164	164	2031	2024	2024
38	2017	Whitney Grove Townhomes	CB Whitney Apple Valley Limited Partnership	56	55	2031	2024	2024
39	2018	Legends of Apple Valley	Apple Valley Leased Housing	163	163	2032	2025	2025
40	2019	Prestwick Place Townhomes	Rosemount II Limited Partnership	40	40	2033	2026	2026
41	2020 & 2003	Guardian Angels Block Redev.	CB Guardian Angels Limited Partnership	33	33	2034	2024	2024
42	2020	Wexford Place	Wexford Place Limited Partnership	49	49	2034	2024 & 2023	2024
43	2020	The Winslow (W St Paul Sr)	WSP Senior Housing I, LLLP	172	172	2034	2024	2024
44	2021	Lexington Flats	Lexington Flats, Limited Partnership	50	50	2035	2025	2025
45	2021	Prairie Estates	Prairie Estates, LLLP	40	40	2035	2025	2025
46	2022	Aster House	Eagan AH I, LLLP	204	204	2036	2026	2026
47	2022	The Quill	Hastings AH I, LLC	90	90	2036	2024	2024
48	2023	Babcock Crossing	Babcock Crossing Limited Partnership	49	49	2037	2024	2024
49	2023	Hilltop at Signal Hills	West St. Paul Leased Housing Associates I, LLLP	146	146	2037	2024	2024
50	2023	Legacy Commons at Signal Hill	West St. Paul Leased Housing Associates II, LLLP	247	247	2037	2024	2024
51	2024	The Villas at Pleasant Avenue	Pleasant Villas, Limited Partnership	150	150	2038	2025	2025
52	2025	The Villas at Pleasant Avenue II	Pleasant Villas II, Limited Partnership	110	110	2039	2026	2026
53	2025	Croft at Rosecott	Adalyn Avenue, LLLP	164	164	2039	2026	2026
54	2025	The Landing at Amber Fields	Rosemount AH I, LLLP	160	160	2039	2026	2026
55	2025	Denmark Trail Townhomes	Denmark Trail Workforce Housing Limited Partnership	40	40	2039	2026	2026
56	2025	Pillsbury Ridge	Pillsbury Ridge, Limited Partnership	48	48	2039	2026	2026
57	2026	Heart of the City Apartments	Roers Burnsville Affordable Apartments Owner LLC	172	172	TBD	under construction	under construction
58	TBD	Kenyon Green	Kenyon Green Limited Partnership	49	49	TBD	under construction	under construction
59	TBD	Camber Hill Townhomes	Camber Hill, LLLP	44	44	TBD	partial award	partial award
TOTAL				3,934	3,852			