



Publicly Owned Housing Program 2024 Request for Proposals Instructions

Effective January 2024

The deadline to submit applications is **Wednesday, March 6, 2024, at noon Central Time.**

Overview

Minnesota Housing is now accepting applications for the Publicly Owned Housing Program (POHP) 2024 Request for Proposals (RFP). This program operates in accordance with [Minnesota Statute sections 16A.695](#) and [462A.202](#).

POHP provides financing options for housing and redevelopment authorities (HRAs)/public housing authorities (PHAs) and community development agencies (CDAs) that provide public housing to individuals and households with children (families) in order to rehabilitate and preserve these public housing units.

POHP supports two of [Minnesota Housing's Strategic Objectives](#):

- Preserve and create housing opportunities
- Strengthen communities

Available Funding

Up to \$41 million in General Obligation (GO) bonds is now available through a one-time RFP. Funds are administered through POHP for the rehabilitation of public housing, particularly addressing health and life safety, accessibility, energy and water efficiency/climate resiliency and sustainability, and critical physical needs.

There is no minimum or maximum loan request limit. Minnesota Housing requires leveraged resources, although there is no minimum percentage required. Minnesota Housing prioritizes project proposals that maximize federal resources such as capital funds, or local (non-state) resources such as philanthropic, community foundation, and/or utility rebates.

For complete information on specific terms and conditions, eligible activities, program requirements and limitations, refer to the [POHP Guide](#).

Application Process Overview



Eligible Applicants

- The owner of the property must be a local unit of government, such as a city, county or HRA/PHA/CDA as defined in [Minnesota Statutes section 462C.02, subdivision 6](#).
- The applicant must have the authority to own and operate the project, enter into the loan agreements required by Minnesota Housing, and comply with the requirements of [Minnesota Statutes sections 16A.695](#) and [462A.202](#).
- The applicant (public owner) must directly operate and manage the project.

Eligible Projects

- The property must be public housing, defined as housing for low-income people that is financed, in whole or in part, by the federal government and owned and operated by an HRA, a PHA, or a (CDA) formed by a city or county.
- The property must be an existing building(s).
- The project may include more than one development, but a minimum of four total units is required.
- All types of public housing (for example, single family scattered site, duplexes, townhomes, and high rises) are eligible to apply.
- The property must have a 100% project-based federal subsidy.
- **NOTE:** Since POHP loans are funded by GO bonds, the property must remain in public ownership for a 35-year compliance period. As a result, POHP loans are incompatible with Rental Assistance Demonstration (RAD) transactions that involve a transfer of ownership to a non-public owner.

Eligible Uses

Eligible uses of funds include but are not limited to:

- Expenditures of a capital nature such as design, rehabilitation, or major remodeling

- Major roof reconstruction or replacement
- Major window replacement
- Heating and cooling system replacement
- Elevator upgrades
- Installation or modernization of fire alarm and/or fire suppression systems
- Other improvements that add value or life to a building and that are not of a recurring nature. In addition, these improvements must have an intended minimum life expectancy of 10 years.
- An application may contain multiple work items. Minnesota Housing will review these items individually and determine how they pertain to the stated priorities of the program (health and life safety; accessibility; energy and water efficiency/climate resiliency and sustainability; critical needs).
- Applicants may request a project management fee not to exceed 5% of the net total development cost. The fee may be used to pay for soft costs directly related to costs associated with applying for POHP funds. Such costs may include administrative expenses, processing agent fees, or construction management fees.

NOTE: All expenditures must be project specific and considered reasonable expenses associated directly to the proposed POHP renovation project.

Refer to the POHP Guide for additional details regarding eligible/ineligible uses of funds and scope of work items.

Program Expectations

Underwriting and Design Standards

Every applicant is required to comply with all of the following:

- Applicable requirements of the Minnesota Housing’s [Rental Housing Design/Construction Standards](#)
- The most recently adopted edition of the Minnesota Building Code, International Building Code (IBC)
- Any other local, state, and national codes and standards in effect; the most restrictive codes and regulations will apply
- Any projects receiving a B3 [Building, Benchmarks, and Beyond \(B3\)](#) waiver are required to comply with [Minnesota Housing’s Limited Scope Project Sustainability Requirements](#)

Environmental Standards

The following environmental studies may be required, based upon the proposed scope of work, the U.S. Department of Housing and Urban Development (HUD) environmental review (if completed), and discussions with Minnesota Housing staff:

- Phase I Environmental Site Assessment (ESA) with the exception of:
 - A HUD “Categorical Exclusion Determination” may substitute for a Phase I ESA, if approved by Minnesota Housing, or
 - Projects with a total construction cost less than \$300,000
- Phase II ESAs
- Lead-based paint (LBP) inspection/assessments
- Asbestos-containing material (ACM) assessments and asbestos-containing material (ACM) operating and maintenance (O&M) plans
- Radon assessments
- Response action plans (RAP)
- Ongoing testing during construction

Required Technical Assistance Meeting

Applicants are required to schedule a one-on-one technical assistance meeting either by phone or virtually via conference call with POHP staff prior to submitting their application. To schedule a technical assistance meeting, contact Cheryl Rivinius at 651.296.3705 or cheryl.rivinius@state.mn.us.

Required Launch Meeting

Once recommendations are selected for further processing, applicants are required to schedule a one-on-one launch meeting either by phone or virtually via conference call with POHP staff to review due diligence expectations and answer any questions. Additional information will be provided in the notification letter, if selected for further processing.

Review Criteria

Minnesota Housing will review RFP application submittals for:

- Program eligibility
- Owner capacity
- The ability of an applicant to leverage POHP funds with other resources

Applications will be reviewed based on the following criteria:

- Scope of work and consequences for not completing the work

- Anticipated operational or utility cost savings
- Geographic distribution of applicants
- First time or repeat applications
- Leverage
- Applicant capacity (including financial capacity)

Application Timeline

Date	Activity
Monday, January 8, 2024	State Register and eNews posted announcing POHP 2024 RFP release. Materials available on Minnesota Housing’s website
Thursday, January 11, 2024	POHP 2024 RFP informational webinar (session recorded and posted on Minnesota Housing’s website)
Mid-October 2023 – Mid-February 2024	Applicants must schedule and complete a technical assistance meeting
Wednesday, March 6, 2024	Applications due by noon Central Time
Thursday, June 27, 2024	Minnesota Housing’s board reviews staff recommendations
Friday, June 28, 2024 – Friday, July 5, 2024	Applicants notified of status – selected or ineligible
July 2024 – September 2024	Selected applicants must attend a launch meeting to review due diligence requirements and have questions answered
July 2024 – April 2026	Applicants submit due diligence
June 2026	All projects have completed the closing phase

Interested applicants are encouraged to attend the virtual POHP 2024 RFP informational webinar POHP staff will be hosting on Thursday, January 11, 2024, from 1 to 3 p.m. Central Time.

Refer to the [POHP webpage](#) for registration information. After registering, a confirmation email will be sent with information on how to join the webinar.

The POHP informational webinar will provide an overview of the POHP 2024 RFP content and allow time for questions. Frequently Asked Questions (FAQs) from the sessions and other inquiries will be posted on the POHP webpage on January 22, 2024.

After Selection

If a project is selected for further processing, Minnesota Housing will send a letter to applicants detailing the terms and conditions of funding along with next steps. Note that receiving this letter from Minnesota Housing **is not a guarantee** of funding. All selected proposals must successfully complete the due diligence phase before closing on the funding.

All selected proposals will be subject to applicable conditions of selection through the term of the loan or applicable period set out in the loan documents.

Application Checklist

Applicants must use the current application form and include all required information. These materials are found on the [POHP webpage](#). All checklist items must be submitted by **Wednesday, March 6, 2024, at noon Central Time** to be considered for funding. The following documents are required for all POHP requests:

1. [POHP Program Application Narrative and Certifications](#)
2. [POHP Workbook](#)
3. Most current Five-Year Capital Fund Program (CFP) Action Plan
4. Most recent PHA capital needs assessment and any updates
5. One- or two-year, most current audited financial statements
6. Annual operating budget for HRA/PHA/CDA
7. Most recent HUD Real Estate Assessment Center (REAC) inspection report
8. [Applicant Certification of Known Environmental Conditions](#)
9. Photographs of overall property, existing conditions, and all proposed improvement areas
10. **If available**, provide any other information to support the application, including purchase agreement, architectural or engineered plans, such as site plans, floor plans, exterior building elevations, product specifications, elevator modernization proposals, elevator maintenance records, 3D renderings, energy audits, etc.

Submission Instructions

Upload application materials to the online [Multifamily Customer Portal](#) **no later than noon Central Time on Wednesday, March 6, 2024**, in order to be considered for funding.

Upload required documents in the original format; do not convert the documents into PDF or other formats except for the signature page of the application. Each item should be submitted individually under your Partner Login. Do not submit as one document.

Refer to the [Multifamily Customer Portal Resources](#) webpage to access information on how to submit documents.

NOTE: Submitted applications are considered final. **Late applications will not be considered;** incomplete applications may not be considered, and resubmission may not be allowed during this funding round. Minnesota Housing, in its sole discretion, may request additional information or clarification.

Questions

For more information, visit Minnesota Housing's [POHP webpage](#) or contact POHP staff:

- Janine Langsjoen: janine.langsjoen@state.mn.us, 651.296.6354
- Susan Bergmann: susan.bergmann@state.mn.us, 651.296.3797