



# 2024 Publicly Owned Housing Program Request for Proposals Frequently Asked Questions

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## Background

Minnesota Housing announced on January 8, 2024, that we are now accepting applications for the Publicly Owned Housing Program (POHP) Request for Proposals (RFP). The POHP is a competitive funding program that uses the proceeds of General Obligation (GO) bonds to provide financing in the form of a 20-year deferred, forgivable loans for the rehabilitation and preservation of public housing.

The information in this Frequently Asked Questions (FAQ) document is supplementary to the [POHP Guide](#). In the event of any conflicts between the information in this document and the POHP Guide, the information in the POHP Guide will govern and control.

Updates to this FAQ will be identified and dated accordingly.

Please review the [Publicly Owned Housing Program \(POHP\)](#) webpage and [POHP Guide](#) for additional details, including eligibility requirements, eligible uses and related information.

## Eligibility and General Questions

**1. How do you define “public housing?”**

Minnesota Laws 2023, Chapter 72, Sect 24, Subd 2 defines “public housing” as, “housing for low-income persons and households financed by the federal government and publicly owned.”

In addition, Minnesota Statutes sections 16A.695 and 462A.202 govern the use of GO Bond proceeds, which require the project to be owned by a state agency or political subdivision and require a public program be provided in the project.

**2. You mentioned 100% project-based federal subsidy. What if the U.S. Department of Housing and Urban Development (HUD) approved some units as excluded units (a unit in public housing that is used as an off-line unit. For example, a caretaker unit).**

If these units are HUD approved, that is okay.

**3. Is POHP a deferred loan or grant program?**

The Publicly Owned Housing Program is a deferred loan program.

**4. UPDATED. What is the POHP webpage address? (Updated 2/21/2024)**

The [Publicly Owned Housing Program \(POHP\)](https://mnhousing.gov/rental-housing/housing-development-and-capital-programs/deferred-loans-and-grant-programs/publicly-owned-housing-program-(pohp).html) webpage is located at [https://mnhousing.gov/rental-housing/housing-development-and-capital-programs/deferred-loans-and-grant-programs/publicly-owned-housing-program-\(pohp\).html](https://mnhousing.gov/rental-housing/housing-development-and-capital-programs/deferred-loans-and-grant-programs/publicly-owned-housing-program-(pohp).html).

**5. Do scattered site properties qualify for POHP funding?**

If they are publicly owned by a Housing and Redevelopment Authority (HRA), Public Housing Authority (PHA) or Community Development Agency (CDA) and 100% assisted with federal subsidy, yes.

**6. What are the loan terms of this POHP funding?**

POHP funds are provided as a 20-year, 0% interest, forgivable loan with a 35-year compliance period to HRAs, PHAs and CDAs that operate public housing.

**7. If a project has been through a Rental Assistance Demonstration (RAD) conversion or repositioning, is it eligible for POHP funding this round?**

Since POHP loans are funded by GO Bonds, the property must remain in public ownership for a 35-year compliance period. Properties that have been through repositioning that results in PHA or HRA ownership and the units are 100% federally assisted are eligible for GO Bond funding. However, projects that have repositioned and involve a transfer of ownership to a non-public entity, including limited partnerships and limited liability companies, are not eligible for GO Bond funding.

**8. What are the eligible scope of work categories for POHP funding?**

The eligible scope of work categories include health and life safety, critical needs, accessibility and energy and water efficiency, climate resiliency and sustainability. For examples of each of these categories, please refer to the [POHP Guide](#).

**9. Will smaller projects in smaller towns be as competitive as larger projects or, in other words, will smaller projects have a chance of getting funded?**

Yes. We are looking for a geographic balance of POHP resources throughout the state. The [POHP RFP Narrative and Certifications](#) form is where you can describe the need and demand for the housing in your community, regardless of size.

**10. Are nonprofits eligible to apply for POHP funds?**

No. Projects eligible for POHP funding must be publicly owned, which means owned by an HRA, PHA or CDA.

**11. Does a project need to meet HUD's NSPIRE guidelines to be eligible to apply for POHP funds?**

Eligible projects are those that are inspected using the current HUD guidelines. It is recommended that applicants reach out to their HUD representative on the NSPIRE requirements.

## Putting Together the Application/Application Basics

**1. If a PHA/HRA/CDA has more than one building that needs rehabilitation, is an application needed for each building?**

Yes. It is preferable that applicants submit separate applications for each project.

**2. Where can we find a list of processing agents?**

Processing agents/consultants who are qualified to work on housing projects are included in Minnesota Housing's [Previously Submitted Qualification Forms](#) spreadsheet, which can be found on our [Development Team Qualification Forms](#) webpage under the When to Submit section.

**3. Will there be trainings on how to use the Multifamily Customer Portal System?**

A training was held on Monday, January 29, 2024. This session was recorded and has been posted on the POHP webpage. This training, along with additional Portal training videos, can be found under the Application Materials section of the [Publicly Owned Housing Program \(POHP\)](#) webpage.

**4. If an applicant will be submitting more than one application, does a separate Portal account need to be created for each?**

Yes. Since they are separate projects, you will need to have a separate account for each project.

**5. If documents are submitted into the Portal system early, can they be edited?**

Application materials submitted through Portal cannot be edited, but applicants can upload a new version as long as it is submitted prior to the application deadline of *Wednesday, March 6, 2024, at noon Central Time.*

**6. Are temporary relocation costs eligible for POHP funding?**

No. However, in order to get a true total development cost, temporary relocation costs should be included as soft costs under “other costs” and identified as “temporary relocation costs” in the notes section. The PHA or HRA leverage amount would need to be large enough to cover these costs.

## Scope of Work/Design/Construction

**1. Will a capital needs assessment (CNA) be required?**

An existing CNA is required for the POHP application. There is no need to order a new CNA for this application.

**2. UPDATED. Are there design standards that need to be followed? (Updated 2/21/2024)**

Yes. Please review the [2023-2024 Multifamily Rental housing Design/Construction Standards](#).

**3. Does Minnesota Housing have a list of architects/engineers that they recommend?**

Architects/engineers that have either submitted or been awarded projects in your region are included in Minnesota Housing’s [Previously Submitted Qualification Forms](#) spreadsheet, which can be found on our [Development Team Qualification Forms](#) webpage under the When to Submit section.

**4. If an architect or engineer has already been contacted to begin determining the scope of work, are those expenses eligible?**

Yes, provided they are directly related to the rehabilitation scope of work. Refer to the [Architect's Guide](#) for more information.

**5. What type of scope of work items would require the applicant to hire an architect for the project?**

Refer to the [Architect’s Guide](#) to review the requirements for architecture and engineering throughout Minnesota Housing’s development process.

**6. Should I get a contractor or an architect estimate of the proposed rehabilitation costs?**

You do not need to get a professional estimate of the proposed rehabilitation costs prior to application. Estimate costs to the best you are able, keeping in mind that Minnesota Housing staff architects may adjust amounts if they determine costs are over- or underestimated.

**7. Will you adjust the scope of work proposed?**

The proposed scope of work may be revised, and scope items may be eliminated or deemed ineligible for funding. It is important that you focus your work scope so that the most life safety-related and critical items are identified and prioritized.

**8. What happens if Minnesota Housing staff architects think the project will cost more than what we estimated?**

If Minnesota Housing staff architects determine that the project will cost more than what is estimated, they may adjust the amount of funding to be recommended and/or adjust the scope of work based on the need or priority.

**9. When should I talk with Katherine Teiken, Minnesota Housing's Clean Energy Program Specialist?**

You can talk to Katherine either prior to application submission, or post-selection. Katherine can help you examine what energy efficiency components could be part of your project. She can also provide information regarding which energy rebates your project may be eligible for and help determine climate resiliency scope items.

**10. Do you have any resources regarding relocating people or know of any HRAs that have successfully done this process?**

HUD has a relocation specialist. You may be able to make use of capital funds for this.

Minnesota Housing looks to HUD for their guidance/requirements regarding the need to relocate residents.

Consider asking the contractor if they have experience working with and relocating the type of residents living in the development.

## Leverage

**1. Where can applicants look for financial match/leverage partnerships?**

Work with your local city or county departments and representatives. Explore strategic partnerships with your local water, gas and electric providers. Seek additional sources of funds from organizations such as the Small Cities Development Program, the Federal Home Loan Bank Affordable Housing Program, local philanthropic organizations, energy rebates and sales tax rebates or exemption.

**2. Can a developer's fee be included? Could we use leverage to cover the developer's fee?**

A developer's fee is not included in the POHP as the funds are to be solely directed to the scope of rehabilitation work. However, Minnesota Housing does allow a 5% offset for an HRA to hire a processing agent. This would be listed as a soft cost on the development budget/Workbook.

**3. Regarding architect fees/expenses incurred prior to selection, can the cost of the architect be considered leverage?**

No. Expenses that are incurred prior to selection cannot be considered as part of leverage. Leverage must come from non-POHP capital sources.

- 4. Will you accept a lower match/leverage if climate resiliency materials increase costs?**  
Minnesota Housing does not have a set % for leverage.
- 5. Is the Stable Housing Organization Relief Program (SHORP) considered a source for leverage?**  
No. SHORP is intended for use by nonprofits. Nonprofits are not eligible for POHP funding.
- 6. Can applicants use 2025 capital funds as leverage even if they have not yet been awarded?**  
Yes, provided that applicants make an appropriate estimate of what will be received. It is also recommended that applicants contact their HUD representative for more information on capital funds.

## Timeline

- 1. How short a time frame are you anticipating from application to selection?**  
Applications are due by Wednesday, March 6, 2024, noon Central Time. Selections are expected to be brought forward to Minnesota Housing's board in late June 2024.
- 2. Once a project is awarded funding, how much time do you anticipate will be allowed until closing?**  
Once selected, applicants will have 20 months to secure a loan commitment for an end loan or hold a construction loan closing.

## Compliance

- 1. What paperwork is required after an HRA completes construction?**  
There is annual compliance reporting with our agency.
- 2. Can we waive the compliance reporting the HRA reports to HUD?**  
No. We request similar but different information.

## Loan Terms

- 1. What is the difference between a construction loan and an end loan?**  
Construction loan proceeds are accessed throughout the rehabilitation by submitting monthly construction draws. End loan proceeds are not disbursed until the project is completed, which means construction costs would need to be bridged by another source of funds.

## Tips and Suggestions

### 1. What do I do if the Multifamily Customer Portal System isn't working?

If the Multifamily Customer Portal System isn't working, contact POHP program staff; and we will work with you to resolve the issue. Because glitches in uploading can occur, we recommend starting the submission process a few days before the deadline to help circumvent any issues that might arise. New applicants are encouraged to collaborate with an HRA that has gone through this process previously.