



Multifamily Consolidated RFP/ HTC Round 1 Kickoff
Introduction (First Session)

Tuesday April 16, 2024

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Welcome!

Summer Jefferson | *Programs Manager, Multifamily Division*

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Agenda

- 1 Minnesota Housing Overview
- 2 Intro to the MF Consolidated RFP
- 3 Intro to Programs and Funding Resources
- 4 Intro to Project Teams
- 5 Questions and Answers Session
- 6 Closing

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Meeting Logistics

- This session is being recorded and may be posted publicly.
- We will leave time at the end for questions.
- Please mute your line unless you are speaking. Webinar audio controls are **orange** when muted.
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Minnesota Housing Overview

Sara Bunn | Workforce Housing and Engagement Manager, Multifamily Division



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Our Mission: The Core Purpose

Housing is foundational to a full life and a thriving state, so we equitably collaborate with individuals, communities and partners to create, preserve and finance housing that is affordable.

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Why We're Here

- Housing impacts Minnesotans of all backgrounds in all corners of the state
- Housing touches all areas of life – education, health, jobs and more

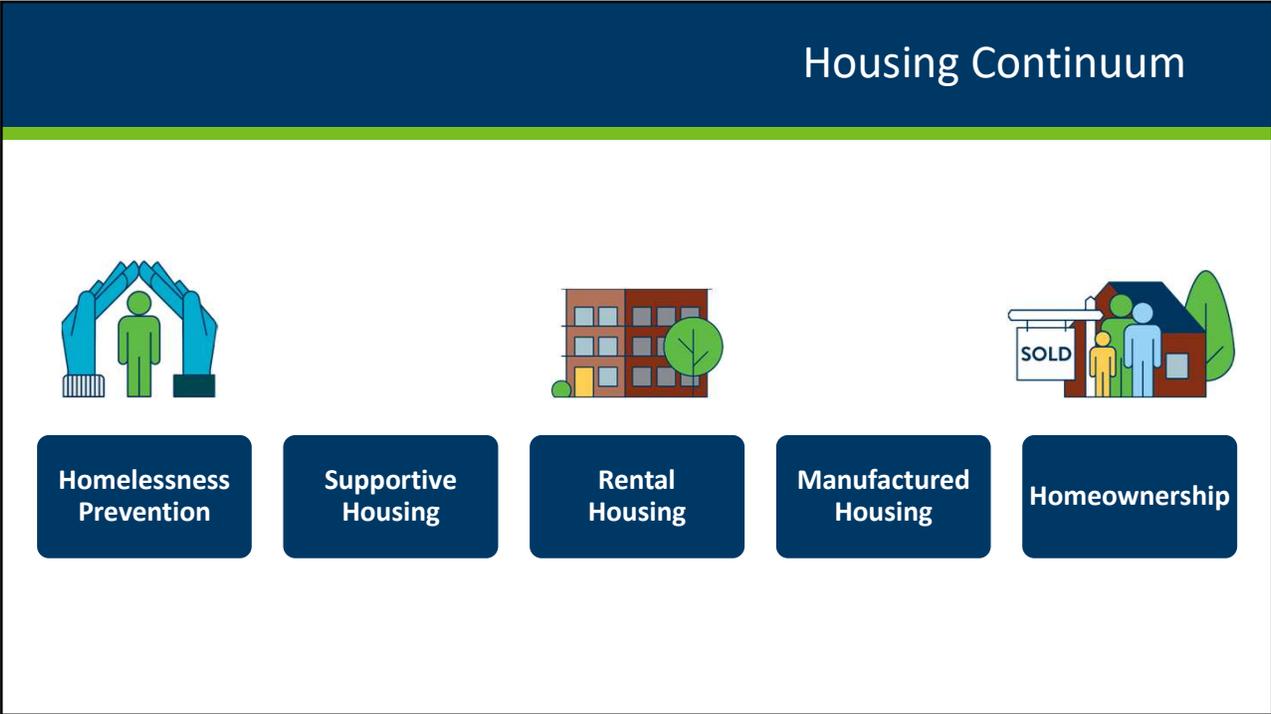
Minnesota Housing | mnhousing.gov

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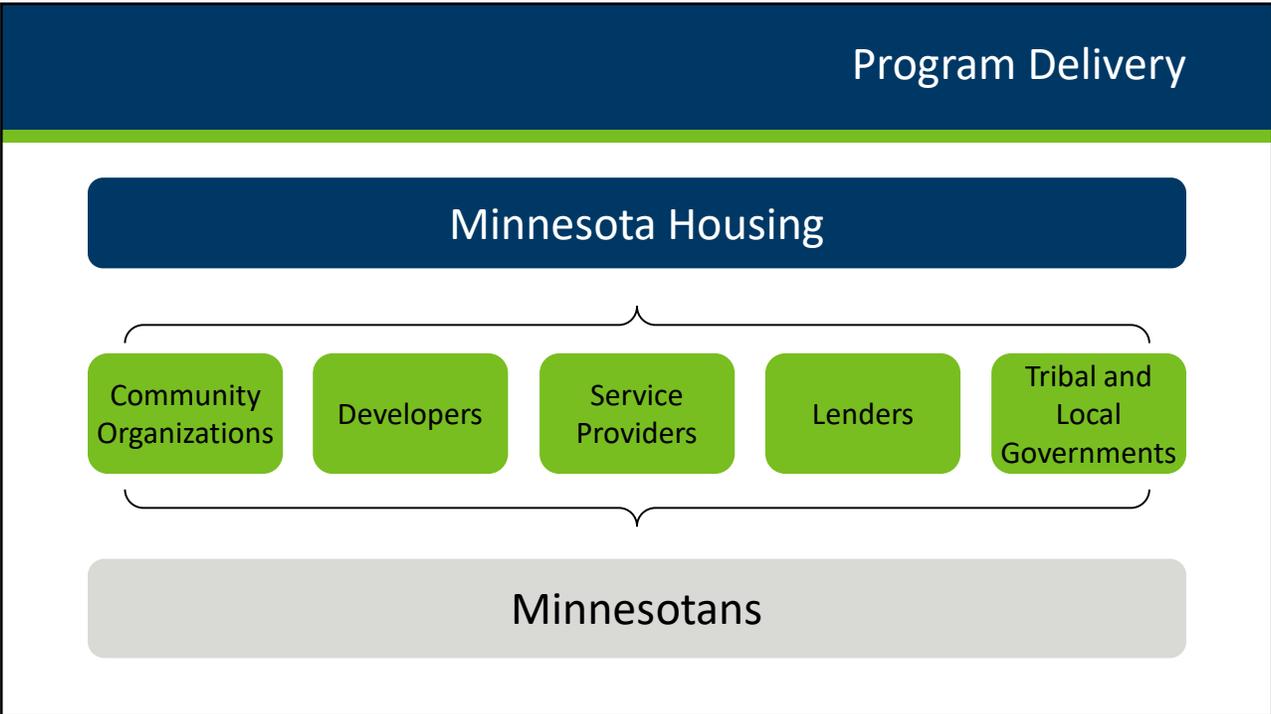
Our Unique Role

- Independent agency established in 1971
- Seven-member board
- Annual independent financial audit and rating reviews
- No state appropriations used for agency operating costs
- State appropriations are 4% to 10% of overall program budget

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What We Do

Single Family Homeownership

Finances:

- Home improvement
- Rehabilitation loans
- Development of affordable single-family homes

Funds:

- Homeowner counseling, education and training
- Financial coaching

Local Government Housing Programs

Finances:

- Single family, multifamily, owner occupied and rental housing infrastructure

Funds:

- Lead-safe risk assessment and remediation
- Local Housing Aid
- Local Housing Trust Fund incentives
- Homelessness prevention and assistance

Administers:

- Rental Assistance

Manufactured Housing

- Infrastructure
- Rehabilitation loans
- Acquisition

Policy and Planning

- Legislative planning
- Strategic planning
- Federal affairs

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What Minnesota Housing Does

Multifamily Rental Housing

Finances:

- Creation and preservation of affordable rental housing

Funds:

- Rental assistance and operating subsidies
- Homelessness prevention and assistance

Administers:

- Project-based Section 8 contracts

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What Minnesota Housing Doesn't Do



Build or develop housing

Own properties

Regulate housing or development

Mediate general landlord-tenant disputes

Help people find housing

Set/control local housing, zoning or land-use policies

Administer Section 8 Housing Choice Vouchers

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General Agency Questions

Agency website: www.mnhousing.gov

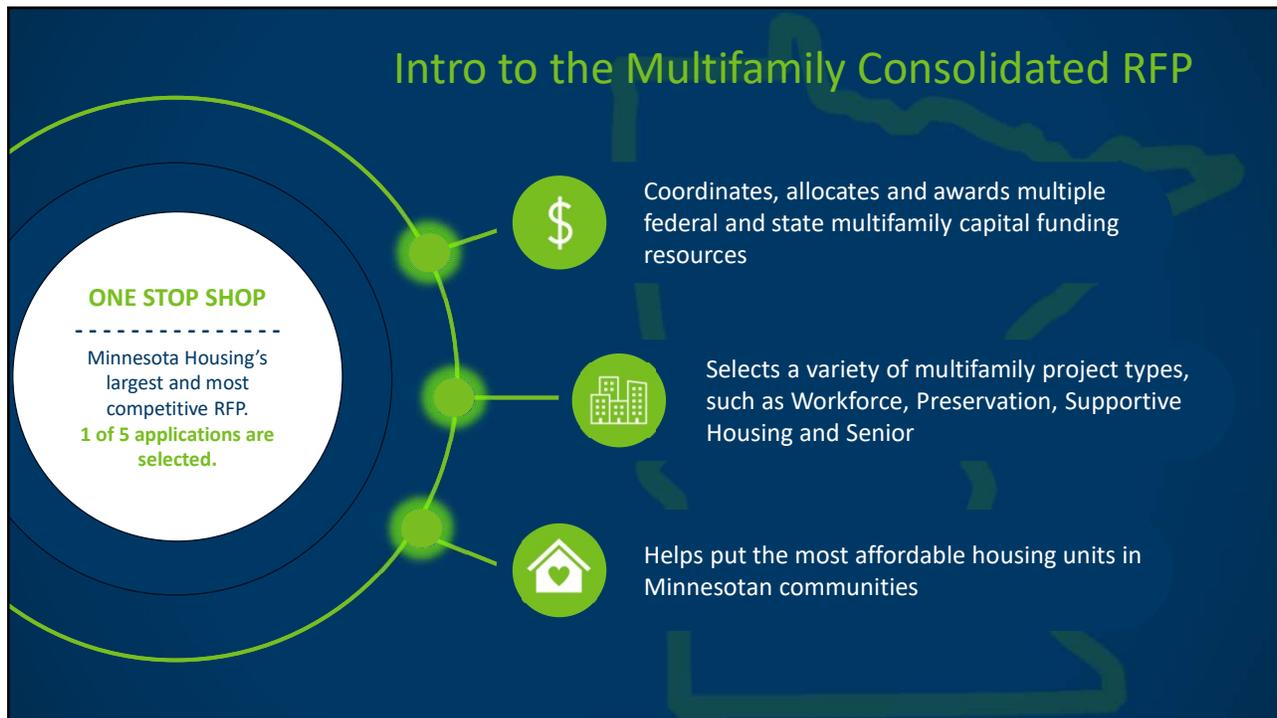
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Introduction to the Multifamily Consolidated Request for Proposals (RFP) and Housing Tax Credits Round 1

Que Vang | Consolidated RFP Manager, Multifamily Division

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Intro to the Multifamily Consolidated RFP

Qualified Allocation Plan (QAP)

The foundational policy document for all resources in the Multifamily Consolidated RFP.

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Intro to the Multifamily Consolidated RFP



Self-Scoring Worksheet: Sets the selection priorities for the all funding sources in the Multifamily Consolidated RFP and HTC Funding Rounds, including:

Population mix

Geographic Area

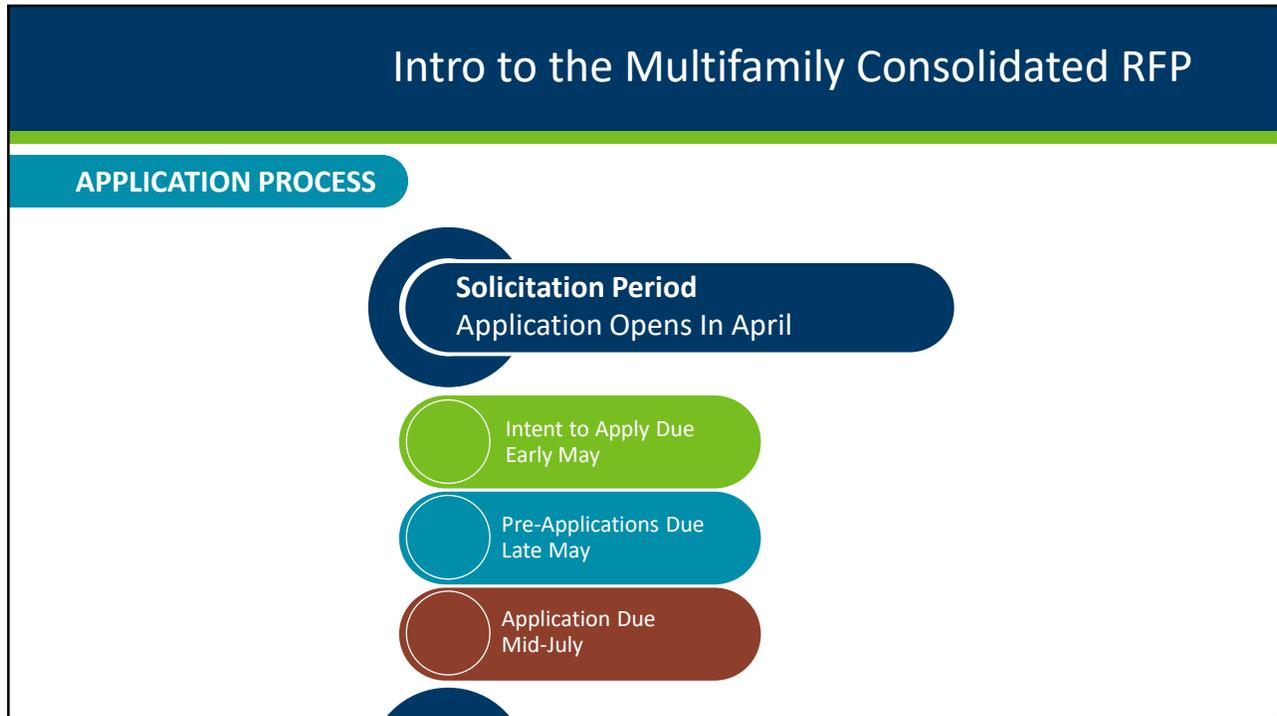
Community and Economic Development

Resources and Leverage

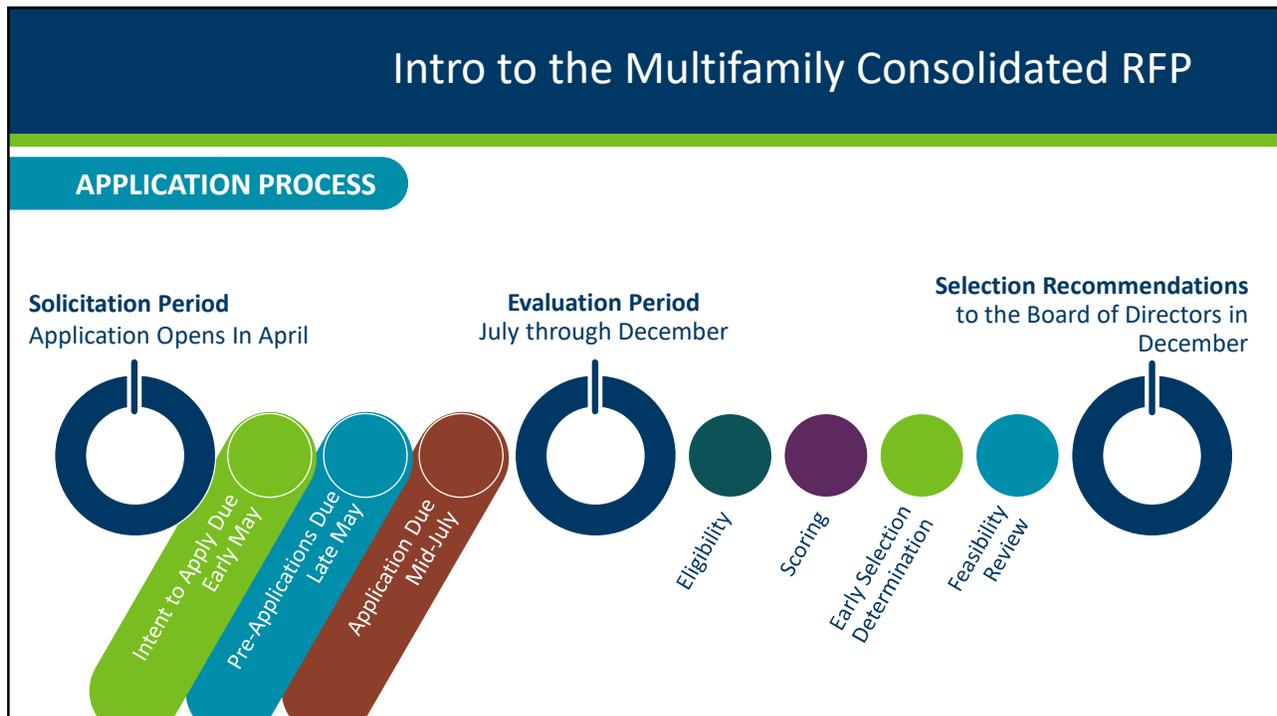
Build Characteristics

The Qualified Allocation Plan (QAP)

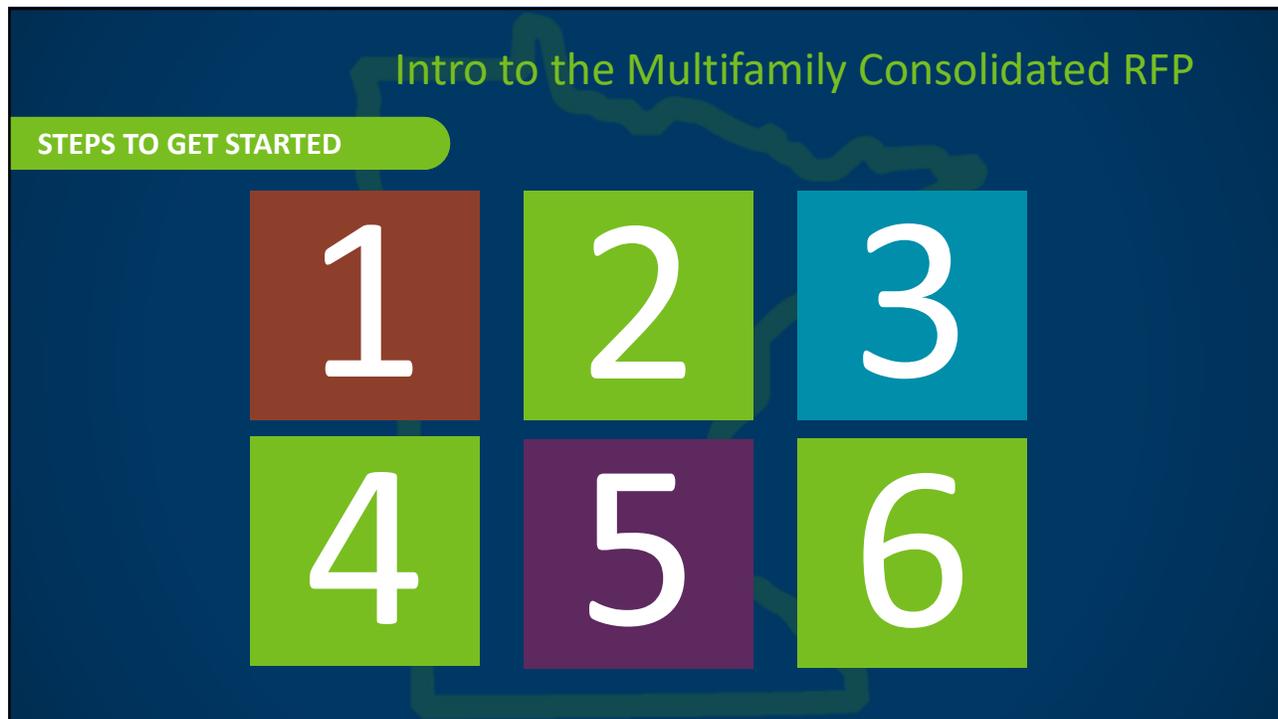
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Intro to the Multifamily Consolidated RFP

STEP NUMBER

1

Review Available Resources and Request Technical Assistance.

- **Review Available Resources**
The Multifamily Consolidated RFP, generally, makes available six (6) resources, amortizing loans, and project based rental assistance. In addition to Minnesota Housing funds, Funding Colleagues also include funds in the Multifamily Consolidated RFP.
- **Request Technical Assistance**
Technical assistance is a consultation session with Minnesota Housing staff to review project concepts, project workbooks and financial structures, preliminary building design or scopes of work and Minnesota Housing's scoring process.

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Intro to the Multifamily Consolidated RFP

- **Review Application Eligibility**
Applications must meet at least one from each category: Housing Types, Buildings/Projects, Construction Types, Activities that
- **Determine Project Type(s)**
Generally, each application/project will be identified as a project type base on the project characteristics. Characteristics include proposal, housing type, construction type, activities, and populations served.
- **Review Application Requirements**
Only a complete and full application will be accepted on or before the application due date.



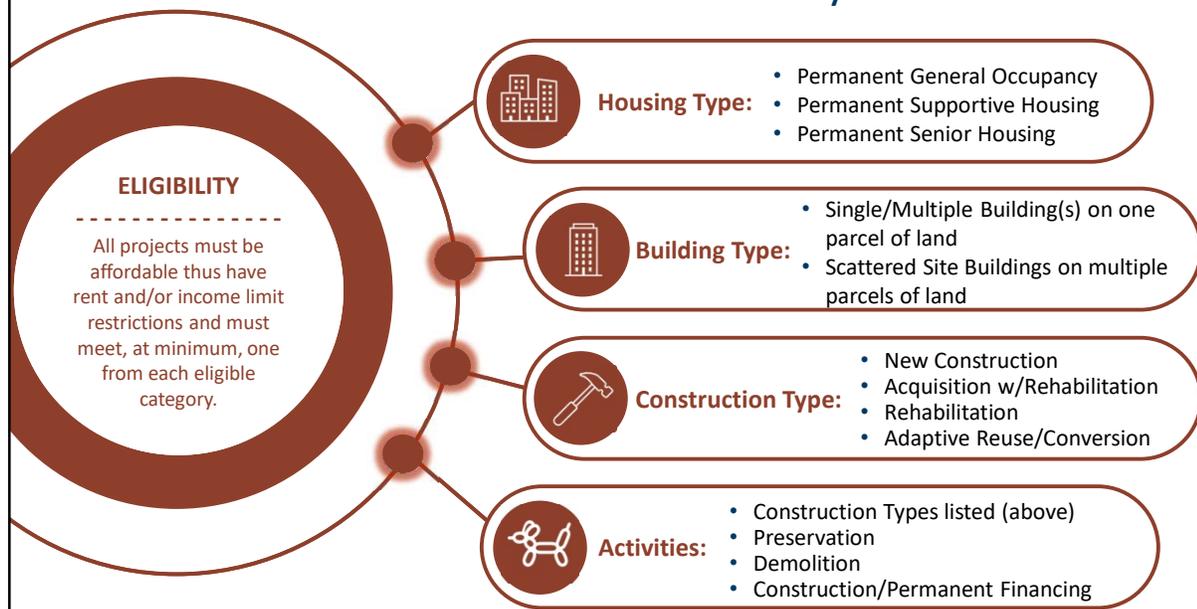
STEP NUMBER

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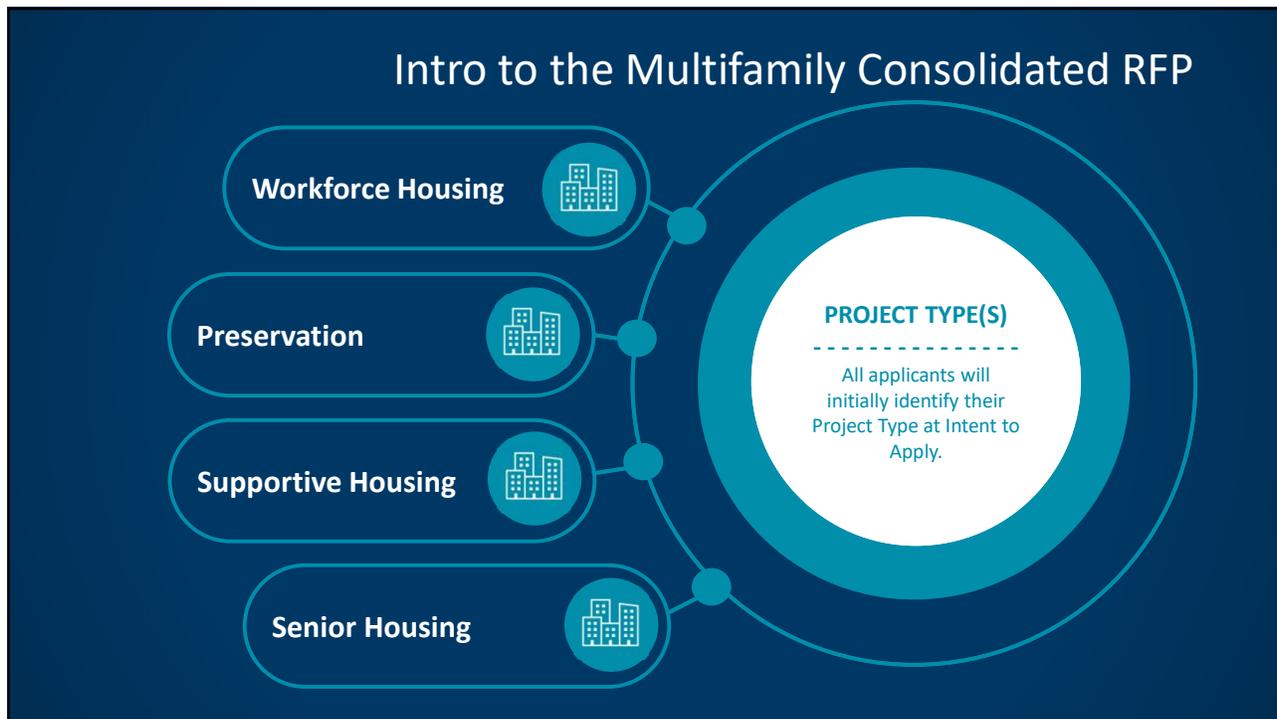
Review Application Eligibility, Determine Project Type(s), and Review Application Requirements.

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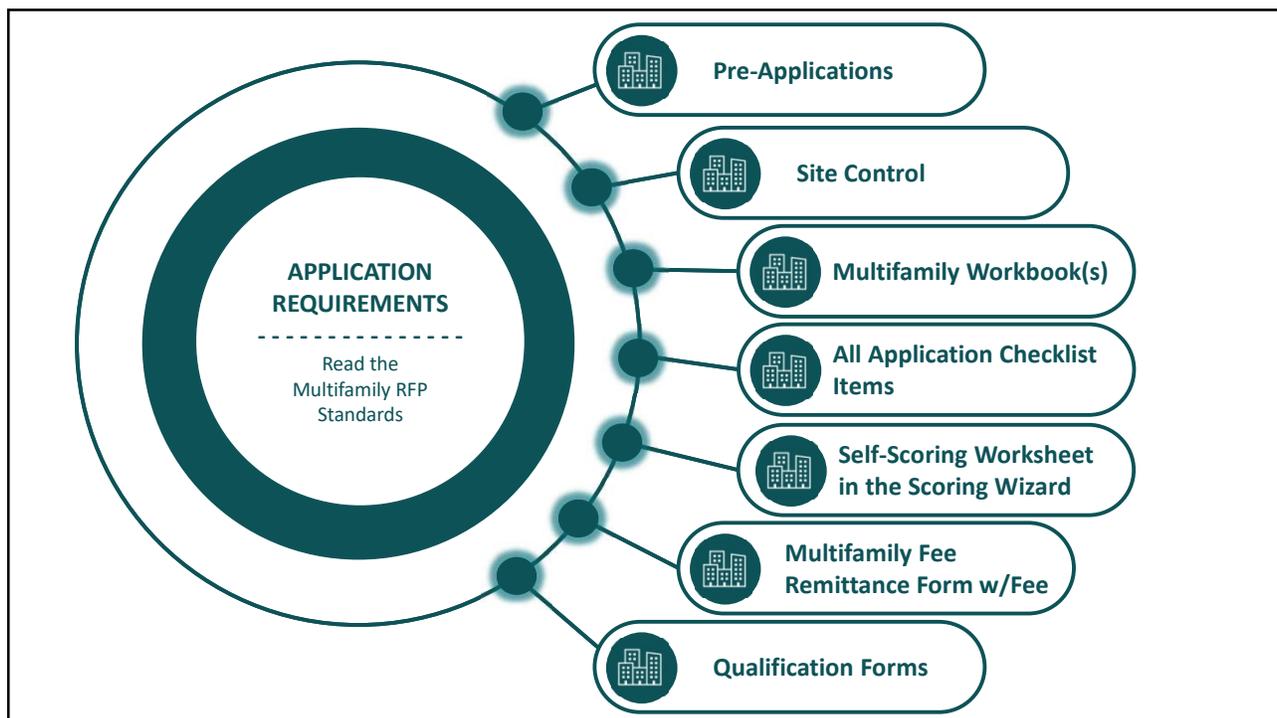
Intro to the Multifamily Consolidated RFP



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Intro to the Multifamily Consolidated RFP

STEP NUMBER

3

Review Application Selection and Funding Considerations.

- **Application Selection and Funding Considerations**
Minnesota Housing determines if the application meets the selections and funding requirements, which include the following:
 - Geographic Distribution
 - Site Control
 - Strategic Priorities and Selection Criteria
 - Project Feasibility, including:
 - Underwriting Standards
 - Multifamily Rental Housing
 - Design/Construction Standards
 - Deferred Loan Funding Priorities
 - Payment Standards
 - Amount of Funding Requested
 - Rent and Income Limits
 - Financial and Organizational Capacity
 - Prevailing Wage
- **See the Multifamily RFP Standards for details and the Self-Scoring Worksheet**



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Intro to the Multifamily Consolidated RFP

- **Proposal Type(s)**
Applicants may structure the project's financial in the following ways:
 - 9% HTC Only
 - 9% HTC with a Deferred Loan(s)
 - Deferred loan(s) with 4% HTCs
 - Deferred loan(s) Only
- **Dual Application**
Applicants may request two different proposal types which will result in a primary and second application. However, applicants can submit up to three Multifamily Workbooks.
 - Dual applications allow Minnesota Housing to maximize the available funding resources as well as the number of applications funded



STEP NUMBER

4

Determine the Financial Structure and Application Proposal Type(s) to Submit.

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Intro to the Multifamily Consolidated RFP

- **Multifamily Workbook**

Required to be completed in full, including all the following tabs:

- Funding Request
- Project Description
- Property Information
- Housing Income
- Income & Expenses
- Mortgage Calculator
- Cash Flow
- Development Costs
- Sources
- Flow of Funds
- **HTC Info**
- **Determination of Credits**
- Development Team
- Buildings

- An incomplete Multifamily Workbook will determine the application as incomplete/ineligible for further processing.

Complete the Multifamily Workbook(s)

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Intro to the Multifamily Consolidated RFP

STEP NUMBER

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Create a Multifamily Customer Portal (Portal) Account.

- **Portal, the application tool**

Portal, a Salesforce platform, is the Multifamily Division's online tool which facilitates the application and post-selection process for owners/developers seeking funding from Minnesota Housing for affordable multifamily rental housing. Applicants must sign up for Portal to submit:

- Intent to Apply,
- Pre-Application(s),
- A full application, and
- Scoring Wizard (the online Self-Scoring Worksheet)
- **See the Multifamily RFP Standards for additional details.**



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Intro to the Multifamily Consolidated RFP

- **Intent to Apply**
Required for All Applicants. No application materials or fees. Submit basic application characteristics.
- **Pre-Applications**
For applicants interested in the HUD Section 811 PRA and/or applicants interested in the selection criteria Innovated Construction Techniques (ICT)
- **Full Application**
All application checklist items completed and submitted in Portal, completed and submitted Scoring Wizard, Qualification Forms, and Fee.

Intent to Apply Due
May 7, 2024 at noon

Pre-Applications Due
May 30, 2024 at noon

Application Due
July 11, 2024 at noon



STEP NUMBER

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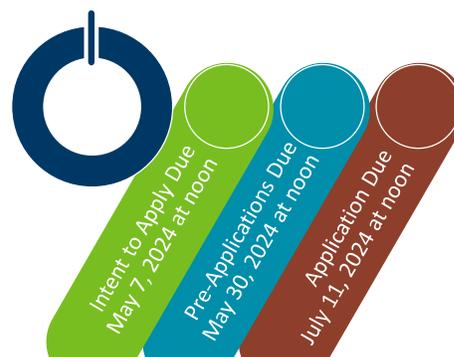
Gather Application Materials and Apply by the Deadline.

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Intro to the Multifamily Consolidated RFP

POST SELECTION PROCESS

Solicitation Period
Application Opens on April 10, 2024



Evaluation Period
July through December 2024



Selection Recommendations
to the Board of Directors in December



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Programs and Funding Sources

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Proposal Type(s)
Applicants may structure the project's financial in the following ways:

- 9% HTC Only Primary Proposal Request
- 9% HTC with a Deferred Loan(s) Primary Proposal Request
- Deferred loan(s) with 4% HTCs Secondary Proposal Request
- Deferred loan(s) Only Secondary Proposal Request

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Housing Tax Credits (HTC) Program

OVERVIEW

- Outlined in Internal Revenue Code (IRC) Section 42 and Internal Revenue Service (IRS) guidance
- Low Income Housing Tax Credits (HTC) are a federal resource
 - Reduces investor's federal tax liability for 10 years
 - In exchange, investor buys HTCs and agrees to 30 years of affordability
 - Proceeds from sale of credits used for affordable housing

9% HTC

- 70% subsidy
- Competitive

4% HTC

- 30% subsidy
- Tax-exempt volume limited bonds

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Housing Tax Credits (HTC) Program

9% HTC

- Allocation amount is based on the state population and per capita amount formula

SET ASIDES

- Nonprofit
- Rural Development

SUBALLOCATORS

- Minneapolis
- Saint Paul
- Dakota County
- Washington County

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Housing Tax Credits (HTC) Program

ELIGIBILITY

- Properties: Acquisition with rehabilitation, Rehabilitation, New Construction of eligible rental housing
- Minimum set asides
 - 20% of units serving households at or below 50% Multifamily Tax Subsidy Project (MTSP) limits
 - 40% of units serving households at or below 60% MTSP
 - A minimum of 40% of the units in the project are both rent restricted and occupied by individuals whose imputed income average at initial occupancy is at or below 60% MTSP limits

REQUIREMENTS

- Units must comply with requirements pertaining to:
 - Household income
 - Rent limits
 - Property requirements
- Compliance period:
 - 15 years PLUS the Extended Use Period; ranges from 15 to 35 years.
- Compliance team at Minnesota Housing

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Deferred Loans

Economic Development Housing Challenge (EDHC)

Housing Infrastructure Program

Preservation Affordable Rental Investment Fund (PARIF)

Federal Programs

State Housing Tax Credits (SHTC)

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Deferred Loans

Economic Development Housing Challenge (EDHC)

ELIGIBILITY

- **Project Types:** Workforce Housing
- **Geography:** Statewide

SET ASIDE

- American Indian

REQUIREMENTS

- Income limit at or below 80% MTSP
- Rents must be affordable to the local workforce

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Deferred Loans

Housing Infrastructure Program

HI-Bonds

- Tax-exempt limited bonds issued by Minnesota Housing and authorized by the Minnesota Legislature

HI-Appropriations

- Direct state appropriations not associated with the issuance of bonds and the state and federal requirements associated with tax-exempt bonds

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Deferred Loans

Housing Infrastructure Program

ELIGIBILITY

- **Project Types:** Permanent Supportive Housing, Preservation, Foreclosed or abandoned properties, Senior Housing for 55+, and units at 50% AMI
- **Geography:** Statewide

REQUIREMENT

- Incomes limit at or below 80% of the greater of statewide median or area median income
 - Each Project Type may also include income limit preferences
- Design and Construction

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Deferred Loans

Preservation Affordable Rental Investment Fund (PARIF)

ELIGIBILITY

- **Project Types:** Acquisition w/Rehabilitation, Rehabilitation
- **Geography:** Statewide

REQUIREMENTS

- Income limit at or below 80% MTSP
- Meet a risk of loss

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Deferred Loans

Federal Programs (HOME + National Housing Trust Fund)

ELIGIBILITY

- **Project Types:** Workforce Housing, Preservation, Supportive Housing, and Senior
- **Geography:** Statewide

REQUIREMENTS

- **HOME:** Incomes and rents restricted at or below Low and High HOME limits
- **NHTF:** Incomes and rents restricted at or below 30% of AMI

CROSS CUTTING REQUIREMENTS

- Environmental Review
- Uniform Relocation Act (URA)
- Davis Bacon
- Section 3
- Others

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Deferred Loans

State Housing Tax Credits (SHTC)

ELIGIBILITY

- **Project Types:** Workforce Housing, Preservation, Supportive Housing and Senior Housing

REQUIREMENTS

- Units restricted at or below 80% income with a set aside with 50% incomes

SET-ASIDE

- Single Family
- Township or city w/population of 2500
- 50% or less area median income

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Amortizing Loans

Low and Moderate Income Rental (LMIR) Program

- **Term:** Maximum of 40 years, fully amortizing. A 17-year balloon structure is also available
- **Interest Rate:** Fixed for term of loan

Bridge Loans

- **Term:** Generally, 18 months
- **Interest Rates:** Subject to market rates

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HUD Section 811 PRA

ELIGIBILITY

- **Tenant Eligibility:** Household w/at least one adult w/a disability who is at least 18 but less than 62 years of age
 - Household must include at least one adult w/a disability who is eligible for community-based, long-term services funding through Medicaid or state-funded sources
 - Household income cannot exceed Extremely Low Income limit established by HUD

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Funding Partners' Resources

Metropolitan Council | Local Housing Incentives Account (LHIA)

Saint Paul Public Housing Agency | Project Base Vouchers

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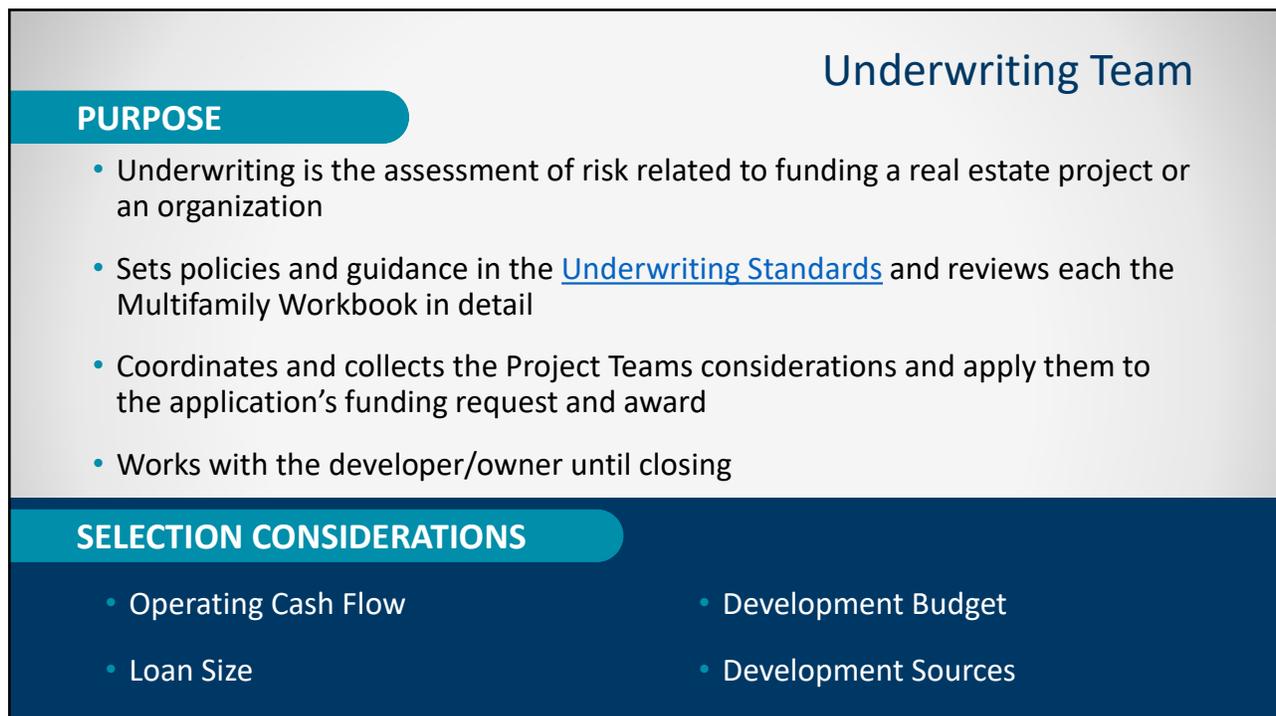
Introduction to Project Teams



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Minnesota Housing Teams

CREDIT

- Organization and financial capacity review of the application's Sponsor and/or Guarantor, including Schedules A-E
 - [Qualification Forms](#)

ENERGY / CLIMATE

- Review energy rebates to help applicants maximize energy rebates
- Energy/Climate landscape is evolving

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Architecture/Construction Team

PURPOSE

- Reviews the design and construction of all projects
- Sets the [Building Standards](#) policies and guidance through the following: Rental Housing Design & Construction Standards; Architects Guide; Contractor's Guide; Sustainability, including the Minnesota Overlay and Enterprise Green Communities; and Environmental Standards
- Work with development team until after construction

SELECTION CONSIDERATIONS

- Preliminary design and site review
- Construction costs and professional fees
- Development team capacity
- Environmental remediation scope

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Asset Management and Compliance Team

PURPOSE

- Reviews the market for the proposed project
- Completes physical inspections of the property when operating and ensure compliance with legal agreements regarding rent and income restrictions, population served, etc.
- Asset Management completes ongoing financial monitoring for first mortgages, HUD Risk Share first mortgages, and Housing Infrastructure Bonds
- Compliance monitors for HTC's and deferred loans

SELECTION CONSIDERATIONS

- Proposed rents
- Operating expenses
- Vacancy rates

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Supportive Housing Team

PURPOSE

- Reviews and assesses the overall feasibility of the supportive housing units
- Work with the developer during the application period and continue working with the management agent and service provider team during lease up and operations
- Coordinate with counties and Continuums of Care (CoC) for market need and resources for rental assistance and housing support

SELECTION CONSIDERATIONS

- Proposed population served
- Market need
- Planned resources for services
- Rental assistance
- Experienced service providers (primarily supportive housing applicant)

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Questions and Answers Session

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- General RFP Questions: mhfa.consolidated.rfp@state.mn.us
- HTC Team: mhfa.htc@state.mn.us
- [Technical Assistance Request Form](#)

Multifamily Contact Information

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Thank You!

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