



Multifamily RFP Application Training

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Robert Porter
Tax Credit Team Member



John Patterson
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Jessica Deegan
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Multifamily Application Training

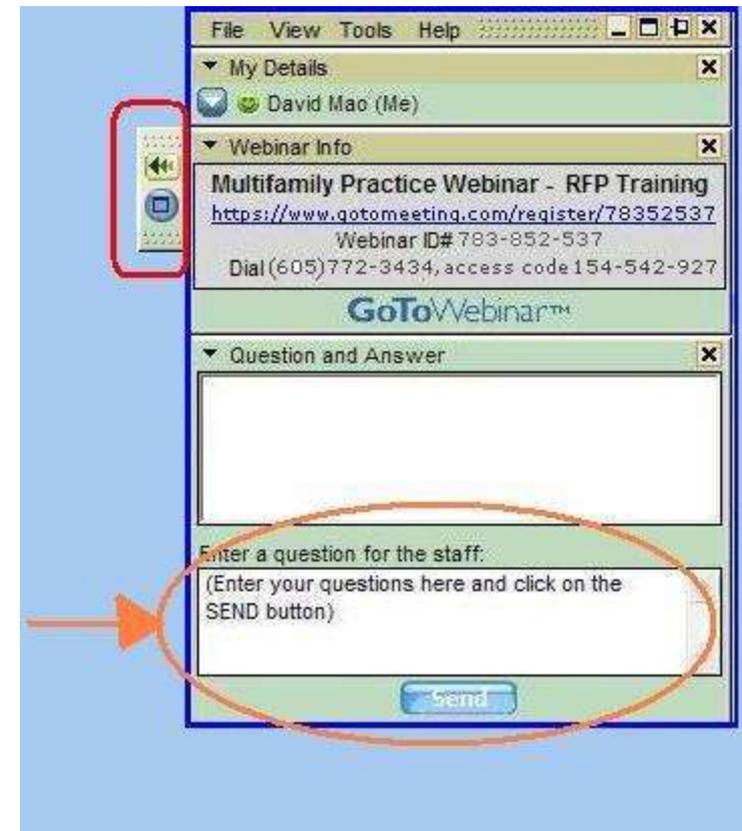
2011 Consolidated Request for Proposals

2012 Housing Tax Credits



Using GoToWebinar

» How to submit questions



Agenda Overview

- **Opening Remarks from Commissioner Tingerthal**
- **Community Profiles – Jessica Deegan**
- **Cost Containment – John Patterson**
- **Underwriting Updates – Diana Lund**
- **Design/Construction Standards Update – Jerry Narlock**
 - » **Green/Sustainable Design Standards**
 - » **Rehabilitation Design Standards**
- **Funding Priorities, Timeline and Available Funding – Kasey Kier**

Agenda Overview

- **Funding Partner Updates:**
 - » **Met Council – Linda Milashius**
 - » **Minnesota Department of Employment and Economic Development – Christine Scheiber**
- **Minnesota Housing Program Updates:**
 - » **LMIR – Julie LaSota**
 - » **Long-Term Homelessness Initiative/Supportive Housing – Amy Long**
 - » **Housing Tax Credit – Bob Porter**



Mary Tingerthal
Minnesota Housing
Commissioner

Preserve existing affordable housing.

Provide new **opportunities**
for **affordable** housing.

Prevent and **end** homelessness.

Mitigate foreclosure **impact** through
prevention and **remediation**.

Build our organizational capacity to **excel**
and **achieve** our vision.



**Please hold as we
transition to the next
speaker.**



Jessica Deegan
Minnesota Housing
Research Division

Community Profiles

- **Objectives:**
 - » Identify higher need communities
 - » Identify the type of investment needed
- **Basis:**
 - » 24 indicators, for example:
 - Homeownership rate
 - Percentage of renters who are cost burdened
 - Job growth
 - » 6 categories of need

Categories of Need

- **Opportunities for Economic Integration**
- **Opportunities for Community Stabilization**
- **Opportunities for a Growing Workforce**
- **Opportunities for Increasing Homeownership**
- **Opportunities for Additional Affordable Rental Housing**
- **Opportunities for Maintaining an Aging Housing Stock**

Using Community Profiles

- **The indicators in the profiles**
 - » **County and Census Tract level detail**
 - » **assist applicants to access key data elements**
- **Categories of need offer strategies for thinking about the needs and market conditions for affordable housing in a community**
- **Combine profile information with local data**

Accessing Community Profiles

www.mnhousing.gov/communityprofiles/

- **Interactive Map Tool (demo)**
- **Review Overview and Summary Report**
- **PDF Maps (tract level data by county)**
- **Download the data**
- **View Regional Presentations**



**Please hold as we
transition to the next
speaker.**



John Patterson
Minnesota Housing
Research Director

Multifamily Construction Costs

- **Cost containment is a priority**
- **Examining costs more closely:**
 - » **Industry data from RSMeans**
 - » **Past projects funded by Minnesota Housing**
 - » **Expertise of architects and other agency staff**
- **RSMeans Construction Costs: Basic 1 to 3 story apartment - \$105K per unit in Minneapolis (excludes acquisition and soft costs)**
- **Minnesota Housing projects have cost 22% more after controlling for several factors**

Construction Cost Factors

- **Type of work (e.g. new construction vs. rehab)**
- **Building type and features**
- **Location**
- **Size of project**
- **Size of units**
- **Added costs (e.g. historical preservation, environmental abatement, etc.)**

Construction Cost Review

- **Minnesota Housing will assess costs**
- **If costs are higher than expected, will ask for further justification or a reduction in costs**
- **Assessment will include allowances for cost factors**



Please hold as we transition to the next speaker.



Diana Lund
Multifamily
Production Manager

Multifamily Rental Housing Common Application

Page 4

Jurisdictions/Political Districts:
 Census Tract Number _____
 This project is located in a Qualified Census Tract Difficult Development Area State Designated Basis Boost
 State Senate District _____ State House District _____ RHAG Region _____
 Congressional District _____ Economic Development Region _____

IV. ESTIMATED ANNUAL INCOME AND EXPENSES

A. HOUSING INCOME

RFP Unit Type (OBR, 1BR, 2BR, etc.)	# of DU	Approx. Size (Net Rentable Sq. Ft.) of Units	Proposed Monthly Contract Rent Per Unit	Total Annual Contract Rent (# x rent x 12)	Estimated Cost of Monthly Utilities Paid by Occupant	Monthly Gross Rent (Proposed Contract Rent + Utilities)	Rental Rooms Per Unit***	Total Rooms (# of Units x Rooms Per Unit)	Rent Limit (% of AMI)	Income Limit (% of AMI)	Unit Type*
Beds				\$0		\$0	2.0	0			
				\$0		\$0	0.0	0			
				\$0		\$0	0.0	0			

Page 12

Less Historic Tax Credit (Residential Portion Only) _____

B. TOTAL ELIGIBLE BASIS

Portion of above Basis NOT ELIGIBLE for High Cost Adj. 30% 70%

(If applicable, check Qualified Census Tract, DDA or SDBB box in Section III.C.)

High Cost Adjustment _____

Total Eligible Basis Adjusted for the High Cost _____

B.	\$0	\$0
	\$0	\$0
	\$0	\$0

Multifamily Rental Housing Common Application

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G. Regulatory Cost Avoidance/Cost Reduction

1. Regulatory Incentive - The following worksheet must be completed for each project that includes Regulatory Incentives which reduce the cost of producing affordable housing.

Incentive	Cost Savings Per Unit	Total Cost Savings
Historic Tax Credits		

2. Local Contributions - Value of donations that do not appear as a funding source. Sources must be listed below for inclusion in HTC scoring for Local Contributions. Includes land donation, in-kind contributions and donations of labor, materials, services, etc.

Multifamily Rental Housing Common Application

E. ANNUAL TAX CREDITS REQUESTED THIS APPLICATION

E. \$0

App / Development Team / Buildings / Subsidy Layering / Equity Proceeds / Valuation / AMRTZ-A / AMRTZ-B / Sources & Uses

Economic Spreadsheet

Months of operation		12	12	12	12	12	12	12	12	12
Income		2011	2012	2013	2014	2015	2016	2017	2018	2019
Rental Income		\$ 360,000	\$ 367,200	\$ 374,544	\$ 382,035	\$ 389,676	\$ 397,469	\$ 405,418	\$ 413,527	\$ 421,797
Parking		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Rental Loss	7.00%	(25,200)	(25,704)	(26,218)	(26,742)	(27,277)	(27,823)	(28,379)	(28,947)	(29,526)
Net Rental Income		\$ 334,800	\$ 341,496	\$ 348,326	\$ 355,292	\$ 362,398	\$ 369,646	\$ 377,039	\$ 384,580	\$ 392,272
Other Income (including Laundry)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Income Manual Override		\$ -								
Effective Gross Income		\$ 334,800	\$ 341,496	\$ 348,326	\$ 355,292	\$ 362,398	\$ 369,646	\$ 377,039	\$ 384,580	\$ 392,272
Expenses										
Management Fees	0.00%	\$ -	-	-	-	-	-	-	-	-
Administrative & Marketing		\$ 27,700	28,531	29,387	30,269	31,177	32,112	33,075	34,068	35,090
Operating/Maintenance		\$ 50,800	52,324	53,894	55,511	57,176	58,891	60,658	62,478	64,352
Payroll		\$ 31,635	32,584	33,562	34,568	35,605	36,674	37,774	38,907	40,074
Utilities		\$ 20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335
Unique Operating Expenses	M&O/Unit/Mo=	\$ -	-	-	-	-	-	-	-	-
Insurance	\$294	\$ 11,100	11,433	11,776	12,129	12,493	12,868	13,254	13,652	14,061
Real Estate Taxes		\$ 37,000	38,110	39,253	40,431	41,644	42,893	44,180	45,505	46,870
Reserves for Replacement	\$394	\$15,750	16,223	16,709	17,210	17,727	18,259	18,806	19,371	19,952
Effective Gross Expense*	57.94%	\$ 193,985	\$ 199,805	\$ 205,799	\$ 211,973	\$ 218,332	\$ 224,882	\$ 231,628	\$ 238,577	\$ 245,734
Net Operating Income		\$ 140,815	\$ 141,691	\$ 142,527	\$ 143,320	\$ 144,066	\$ 144,764	\$ 145,411	\$ 146,003	\$ 146,537
Debt Service- A Note		\$ 117,346	\$ 117,346	\$ 117,346	\$ 117,346	\$ 117,346	\$ 117,346	\$ 117,346	\$ 117,346	\$ 117,346
Debt Service - B Note (enter Yes or No)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Coverage		1.20	1.21	1.21	1.22	1.23	1.23	1.24	1.24	1.25
TOTAL DSC		1.20	1.21	1.21	1.22	1.23	1.23	1.24	1.24	1.25
Net Cash Flow		23,469	24,346	25,181	25,974	26,721	27,419	28,065	28,657	29,191
Outstanding Loan(s) Amount		1,700,674	1,677,585	1,653,176	1,627,369	1,600,336	1,571,507	1,541,028	1,508,806	1,474,971
RE Value		1,760,188	1,771,143	1,781,590	1,791,497	1,800,831	1,809,556	1,817,637	1,825,036	1,831,715

Appraisal Requirements

- Found on page 37 - RFP Guide
- Within **1** year of application
- List all potential funders as Intended Users
- Please contact Andrew Hughes at andrew.hughes@state.mn.us with any questions regarding the appraisal requirements.

New Architectural Submission for Rehabilitation

- **Detailed work scope
and/or**
- **Capital Needs Assessment**
- **Must submit if required by a funding partner**
- **Minnesota Housing reserves the right to require.**



**Please hold as we
transition to the next
speaker.**



Jerry Narlock

Multifamily Architect

Design/Construction Updates

- **2011 Sustainable Housing Standards**
 - » Options Available
- **Rental Housing Design/Construction Standards**
 - » 2011 Revisions
- **Technical Assistance**
 - » Contact Information

2011 Sustainable Housing Standards

- **Option 1: Comply with 2009-2010 Sustainable Housing Standards:**
 - » **2008 Enterprise Green Communities Criteria**
 - » **Comply with all Mandatory Criteria using 2009-2010 Minnesota Overlay**
 - » **Method of Satisfying GCC and Certification (Minnesota Form)**
- **Option 2: Comply with new 2011 Green Communities Criteria**
 - » **2011 Enterprise Green Communities Criteria**
 - » **Comply with all Mandatory Criteria (as written)**
 - » **Method of Satisfying GCC (Enterprise Form)**

2011 Sustainable Housing Standards

- **Major Differences:**
 - » **Calculating Site Density**
 - » **Energy Efficiency**
 - **Energy Modeling and Certification**
- **If selecting 2011 Enterprise GCC**
 - » **Criterion 3.1 - Environmental Remediation**
 - **Minnesota Housing ESA Standards shall overrule**
 - » **Section 5 - Energy Efficiency**
 - **Energy modeling - not expected at time of application**
 - » **Enterprise Certification and Verification Process is encouraged**

Home Buyers
Home Owners
Renters

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Real Estate Professionals
Home Buyer Educators

Developers, Owners
Management Agents
Architects & Builders

Homelessness/Housing Assistance
Emerging Markets
Local Governments

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- ⊕ **Housing Tax Credits**
- ⊕ **Management Agents**
- ⊕ **Developers & Owners**

Architects & Builders

**Program Guides, Compliance
& Servicing**

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[Home Cost Limits](#)

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Architects and Builders

Minnesota Housing's effort to better meet our customers' needs and communicate our expectations associated with constructing and/or rehabilitating Multifamily and Single Family housing.

Agency-wide Development

[Accessibility Standards](#) - Applicable if new construction and four (4) or more dwelling units.

[Visitability Standards](#) - Applicable if new construction and either: single-family homes, duplexes, triplexes, and multilevel townhomes. Exception: Receiving only Housing Tax Credit Allocation.

[Green \(Sustainable\) Housing Standards](#) - Applicable for all new construction and rehabilitation unless development is only financed by Agency allocated Housing Tax Credits or General Obligation Bond proceeds. Sustainable Housing Standards include the Minnesota Green Communities criteria.

[Logos](#) - Minnesota Housing and Equal Opportunity Housing Logos

[Minnesota Housing Standards for Manufactured Home Park Acquisition](#) - Applicable to manufactured housing park acquisition only.



2011 Revisions to Rental Housing Design/Construction Standards

- **Reformatted (booklet)**
 - » Provides easy access to all Design Standards
- **New - Rehabilitation Standards (Chapter 3)**
 - » Applicable to all projects involving rehabilitation
 - » **Minimum Ongoing Property Maintenance Standards (link)**

Multifamily Development

Minnesota Housing Design/Construction Technical Assistance establishes minimum design standards to assist us in our commitment to meeting Minnesotans' needs for decent, safe, sustainable, marketable and affordable housing. It also provides assistance to Architects and Contractors in understanding their role within Minnesota Housing's development process and requirements associated with their services. [Multifamily Overview](#)

[Design Standards](#) - Agency approved windows and doors are now identified in the Multifamily Design Standards for General Occupancy Rental Housing

[Architect's Guide](#) - Information and best practices for architects

[Contractor's Guide](#) - Information and best practices for contractors

[Environmental Assessments](#)

[Multifamily Technical Support Personnel](#)

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Technical Assistance

- **Minnesota Housing Staff Architects**
 - » **Erika Arms** **651-296-9850**
 - » **Jerry Narlock** **651-215-6239**
 - » **Bruce Watson** **Retiring Spring 2011**
- **2011 Green Communities Criteria Questions**
 - » **Enterprise Green Communities Resource Guide**
 - <http://www.greencommunitiesonline.org/tools/resources/>
 - » **Janne Flisrand (MNGC)** **651-221-1997**
 - » **Angie Skildum (FHF)** **612-375-9644**
 - » **John Herrington (GMHF)** **651-221-1997**



Photo by Scott Streble

**Please hold as we
transition to the next
speaker.**



Kasey Kier
Multifamily RFP Coordinator
and HTC Lead

Application Materials

www.mnhousing.gov



Celebrating 40 years of affordable housing

Home Buyers
Home Owners
Renters

Lending & Funding Partners
Real Estate Professionals
Home Buyer Educators

Developers, Owners
Management Agents
Architects & Builders

Homelessness/Housing Assistance
Emerging Markets
Local Governments

Application
Resources
Training

Current Interest Rates

4.500%

Minnesota Mortgage Program
Government Rate

5.990%

Fix-up Fund

Minnesota Housing offers competitive interest rates on our loan programs.

[Click For More Interest Rates](#)

Quick Links

[Rent & Income Limits](#)
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Housing Tax Credits

Management Agents

Developers & Owners

Architects & Builders

Program Guides,
Compliance & Servicing

Program Guides,
Compliance & Servicing

Loan & Grant Processing

Minnesota Multifamily
Rental Housing Common
Application

Apply For Funding

Tax Credit Allocation

LIRC

As the State of Minnesota, we are committed to the preservation and asset management of affordable rental housing.

Special Announcements:

- [Governor Dayton Appoints Two New Members](#)
- [Register Now for Affordable Housing in Greater Minnesota: Regional Housing Dialogues](#)
- [Summary of FY2012-13 Agency Budget Recommendation](#)

Tell us what you think of our website. [Email your comments](#) if you have suggestions for improvements.

Minnesota Multifamily Rental Housing Common Application

Minnesota Housing, its funding and collaborating partners, in an effort to eliminate duplication and simplify the financial packaging process, offer a common application to be used for all multifamily rental housing projects. Funding priorities, underwriting standards, and application deadlines may vary among collaborating partners.

2011 RFP 2012 HTC Application Timeline

April 25, 2011- Publication

May 10, 2011 - Webinar training

June 14, 2011 - Applications due by 5:00 p.m.

October 27, 2011 - Awards announced

Webinar Training

Multifamily RFP Application Training

Multifamily 2011 RFP and 2012 Round 2 HTC Application Training online Webinar will be held on May 10, 2011. [Register now.](#)

Minnesota Multifamily Rental Housing Common Application Application Materials

All [Multifamily Application Materials](#) can be found on the Multifamily Checklist.

Development Team Qualification Forms and Instructions

[Development Team Qualification Forms](#) must be submitted in conjunction with other required application materials.

Guides and Manuals

[Multifamily Consolidated Request for Proposal Guide](#)

The application checklist lists and links required narratives, forms and submittals

The RFP Guide describes eligibility, priorities, funding, underwriting requirements and processes

Master Application Checklist

Minnesota Housing Multifamily Rental Housing Common Application Package Checklist Instructions and Notes

Include a copy of the Application Checklist with your application package and assemble package in the order of the checklist items.

If an item is **Not Applicable** to your housing proposal, please indicate so on the checklist.

Applicants are to submit one package with original application items and two copies of the original package, submitting a total of three application packages to Minnesota Housing.

Note, some of the submission items are now required electronically using the Multifamily Request for Proposal (RFP) Upload located at: <http://www.mnhousing.gov/login/index.aspx>.

Click on [Instructions](#) to learn how to use the upload tool and recommended naming conventions.

Application Upload Utility



Welcome to the Minnesota Housing Upload Utility

E-Mail Address

diana.lund@state.mn.us

Please enter your email address to continue

I agree to the [Terms and Conditions](#)

Sign In

By accessing and logging into the secure upload utility, I hereby certify that I am authorized partner of Minnesota Housing and that unauthorized access is prohibited by law.

[Terms of Service](#) | [Privacy Policy](#) | [Help](#) | [Contact Us](#)



Application Upload Utility

Minnesota Housing RFP Secure Upload Utility

Welcome, **diana.lund@state.mn.us**

[? Instructions](#)

Development Name:

REQUIRED: Please enter your associated development name or organization name

Allowed File Types:

- Word Document (.doc/.docx)
- Rich Text Format (.rtf)
- Adobe PDF (.pdf)
- Excel Spreadsheet (.xls/.xlsx)
- Excel Spreadsheet Template (.xlt)
- Comma Separated Spreadsheet (.csv)
- JPEG Image (.jpg)
- GIF Image (.gif)

Please Select Files

Application Upload Utility

Minnesota Housing RFP Secure Upload Utility

Welcome, **diana.lund@state.mn.us**

Successfully Uploaded: eeo form.rtf

[Log Out](#)

Windows Internet Explorer



All files successfully uploaded.

OK

RFP Priority Changes

- **Preservation**
- **Foreclosure Remediation**
- **Transit Oriented Developments**
- **Economic Integration**

Foreclosure Remediation

- **Multifamily foreclosure criteria:**
 - » **Revised definition of foreclosed property**
 - » **Addition of NSP3 Target Areas**
 - » **Revised high impact zip codes**
 - » **Alternative methodology**
- **http://www.mnhousing.gov/resources/apply/multifamily/MHFA_009340.aspx**

Foreclosure Remediation

- **Alternative Method - High need areas outside the high-need zip code if:**
 - » **Target area has a 10% sheriff-sales rate or more**
 - » **Target area must have a minimum of 200 residential parcels**

Minimizing Transportation Costs and Promoting Access to Transit

- **Metro Area**
 - » 1/2 mile from LRT, BRT or Commuter Rail
 - » 1/2 mile from express bus stop or park & ride
 - » 1/4 mile from high frequency fixed route stops
 - » Transit Improvement Area designation by DEED
 - » Include a copy of the route, span and frequency of the service
- http://www.mnhousing.gov/resources/apply/multifamily/MHFA_009341.aspx

Minimizing Transportation Costs and Promoting Access to Transit

- **Greater Minnesota**
 - » **1/2 mile from fixed route stop**
 - » **Transit Improvement Area designation by DEED**
 - » **Census Tract within 5 miles of 2,000 low and moderate wage jobs AND meets one of the two below:**
 - **Within 1 mile of at least 4 facility types, or**
 - **Has access to dial-a-ride services during standard workdays**
 - » **Include a copy of the route, span and frequency of the service**

Economic Integration

- **Multifamily**

- » **The proposed development provides at least 25% but not greater than 50% of the total units in the development as affordable units. OR**
- » **The proposed development provides community economic integration by locating housing in higher income neighborhoods that are close to jobs**
- » http://www.mnhousing.gov/resources/apply/multifamily/MHFA_009339.aspx

RFP Funding Availability

- **Deferred loan funding**
 - » **Preservation ARIF (PARIF) – approx \$4 million**
- **Agency Wide Funding Pool**
 - » **Economic Development and Housing Challenge Program (EDHC) Approx \$7 million**
 - **Includes Indian Housing set-aside of ~\$1.2 million**
- **Low and Moderate Income Rental Program (LMIR) - up to \$20 million**

RFP Funding Partner Availability

- **Metropolitan Council – Local Housing Incentive Account (LHIA) approx \$2.3 million**
- **Minnesota Department of Employment and Economic Development (MN DEED) - Small Cities Development Program (SCDP) - approx \$1 million**
- **Greater Minnesota Housing Fund (GMHF) – \$1.5 million**
- **Family Housing Fund (FHF) – approx \$1 million**

RFP Funding Partner Availability

- **Land Acquisition for Affordable New Development - LAAND**
 - » **Met Council LAAND – approx \$1.9 million**
 - » **Family Housing Fund LAAND – approx \$1 million**
- **LAAND Application for MF or SF proposals**
 - » **Submit LAAND application through the SF RFP due June 30**

<http://www.mnhousing.gov/resources/apply/rfp/index.aspx>

RFP Funding Partner Availability

- **Department of Human Services – Adult Mental Health Division (DHS-AMHD), Housing with Supports for Adults with Serious Mental Illness (HSASMI) Program Operating Subsidy – approx \$1 million**
 - » **Unique Operating Costs**
 - » **Revenue Shortfalls**

RFP Funding Partner Availability

- **Metro HRA – approx 20 Vouchers**
 - » Project located in: Anoka, Ramsey, Hennepin, Washington, and Carver counties excluding the cities of St. Paul, Minneapolis, St. Louis Park, Plymouth, Richfield and Bloomington
 - » Up to 25% of the project can have PBV (elderly or disabled can be 100%)
 - » Up to 15 year contract

***Pending federal funding approvals**

59	C. HOUSING AND POPULATION TYPE	
61		
	# Units in Development	# RFP Units
62	Type of Housing and # of units: (Fill in all that apply)	
63	Emergency Shelter	
64	Transitional (up to 24 months)	
65	Perm. Rental with Support Services	
66	Service Enriched	
67	Permanent Rental	
68	Housing Tax Credits	
69	Rental Assistance	
70	Metro HRA Project Based	
71	St. Paul PHA Project Based	
72	Minneapolis PHA Project Based	

Application Deadline

- **Submittal Deadline**

- » **Tuesday, June 14, 2011, 5:00 p.m.**

- **Minnesota Housing**

- 400 Sibley Street, Suite 300**

- St. Paul, MN 55101**

- » **Awards announced October 27, 2011**

Application Submittal

- **Submittal**
 - » **Upload your electronic documents to**
<https://online2.mhfa.state.mn.us/rfp-upload/index.aspx>
 - » **Submit an executed original PLUS 2 copies**
 - » **For Housing Tax Credits, the Application must be signed by one general partner (and the non-profit partner, if appropriate), officer, director or corporate officer**



**Please hold as we
transition to the next
speaker.**



Linda Milashius
Metropolitan Council

Local Housing Incentive Account (LHIA)

- **Livable Communities Act**
- **Purpose**
- **Eligible applicants**
 - » **LCA-participating cities, or city HRA's, EDA's, port authorities**
 - » **Counties on behalf of projects in LCA-participating cities**

Local Housing Incentive Account (LHIA)

- **Eligible Uses:**

- » Gap financing costs including land and structure acquisition, demolition, site prep, rehabilitation, preservation

- **Ineligible Uses:**

- » Soft costs, such as admin overhead, insurance, legal fees, permits, travel, holding costs

Local Housing Incentive Account (LHIA)

- **Program Administration**
 - » LHIA administered thru Consolidated RFP process
 - » LHIA Receptivity Form
- **Evaluation Criteria**
 - » Shared Criteria
 - » Additional LHIA specific criteria

Local Housing Incentive Account (LHIA)

- **Application process**
 - » **Complete Multifamily Consolidated RFP Application**
 - » **Submit according to Minnesota Housing guidelines**
- **Selection process**
 - » **Funding recommendations made to Metropolitan Council in December**

Local Housing Incentive Account (LHIA)

- **Questions?**

- » **Contact: Linda Milashius at 651-602-1541 or linda.milashius@metc.state.mn.us**

Land Acquisition for Affordable New Development (LAAND)

- **Initiative of Minnesota Housing, Family Housing Fund and Metropolitan Council**
- **See Initiative Description on web for details**
 - » **Land costs an impediment to producing affordable housing**
 - » **Acquire sites for future development consistent with community's future affordable housing goals and strategic growth**
 - » **Development to occur within 5 years after acquisition**

LAAND

- **Eligible applicants**
 - » **Local units of government and/or their housing or development agencies or non-profit organizations.**
- **Met Council Funding:**
 - » **Only communities within the seven-county metropolitan area participating in the Livable Communities Act Local Housing Incentive Account program area eligible to receive Metropolitan Council LAAND loan (or LHIA grant) funds.**

LAAND

- **Affordability targets**
 - » **20% of units must be affordable to households with incomes:**
 - **At or below 60% Area Median Income (AMI) in Metro**
 - **At or below 80% AMI in Greater Minnesota**

LAAND

- **Funding priorities**
 - » **Strategic growth location criteria**
 - » **Development facilitates economic integration**
 - » **Sites near employment/wage growth centers or with low-wage jobs as a greater share of local employment**
 - » **Sites that minimize transportation costs and promote access to transit**
 - » **Financial or in-kind contributions that improve housing affordability**

LAAND

- **Complete LAAND application and follow the Single-Family RFP submission requirements.**
- **Questions?**
 - » **Contact: Paul Burns at 651-602-1106 or paul.burns@metc.state.mn.us**



**Please hold as we
transition to the next
speaker.**



DEED and the Multi-Family RFP

Christine Schieber

General Information

- HUD Federal Funds
- Applicant-Unit of local Government
 - » Grant Agreement
 - » Fiscal agent
 - » Contractual Obligations
 - » Complete DEED box on application
- Please consult with city before applying

Eligible Multi-Family Activities

- New Construction
- Acquisition/Rehabilitation
- Conversion

How to Apply

- Make sure that you are an eligible applicant and that you meet the guidelines of the SCDP Program as outlined.
- Complete the DEED dollar amount entry on the Minnesota Housing's Multi-Family Request for Proposal (RFP),
- Complete and submit with the RFP
 - » “Resolution of Receptivity to a DEED Award Form”
 - » “Signed City Resolution to a DEED SCDP Award Form”
 - » “Application Summary Information Sheet”(Forms are located on the Minnesota Housing Multi-Family RFP website).

Evaluation by DEED

- Capacity
- Need
- Impact
- Cost Effective
- Demographers

Contractual Requirements

- Public Hearing
- Environmental
- Davis Bacon
- Bid Spec's
- Fair Market Rents for LMI's
- Annual Reporting
- Other

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SCDP Website: <http://tinyurl.com/3gyyj6s>

Minnesota Housing Program Updates

- **LMIR**
- **Long-Term Homelessness/Supportive Housing**
- **HTC Updates**



Please hold as we transition to the next speaker.



Julie LaSota
LMIR Program Manager

Low to Moderate Income Rental Program (LMIR)

- **Up to \$20 million available in conjunction with 9% housing tax credits**
- **Benefits:**
 - » **30 year fixed rate**
 - » **Construction rollover to permanent**
 - » **Long term asset management on back end**

Low to Moderate Income Rental Program (LMIR)

- **Tax Exempt Bond funded LMIR loans**
- **Benefits:**
 - » **Can be accessed on a pipeline basis, subject to availability**
 - » **If thresholds are met, this funding generates 'automatic' 4% housing tax credits**
 - » **Minnesota Housing receives its own allocation – no need to work through the local issuer or MMB**



**Please hold as we
transition to the
next speaker.**



Amy Long
Supportive Housing
Team Lead

Ending Long Term Homelessness

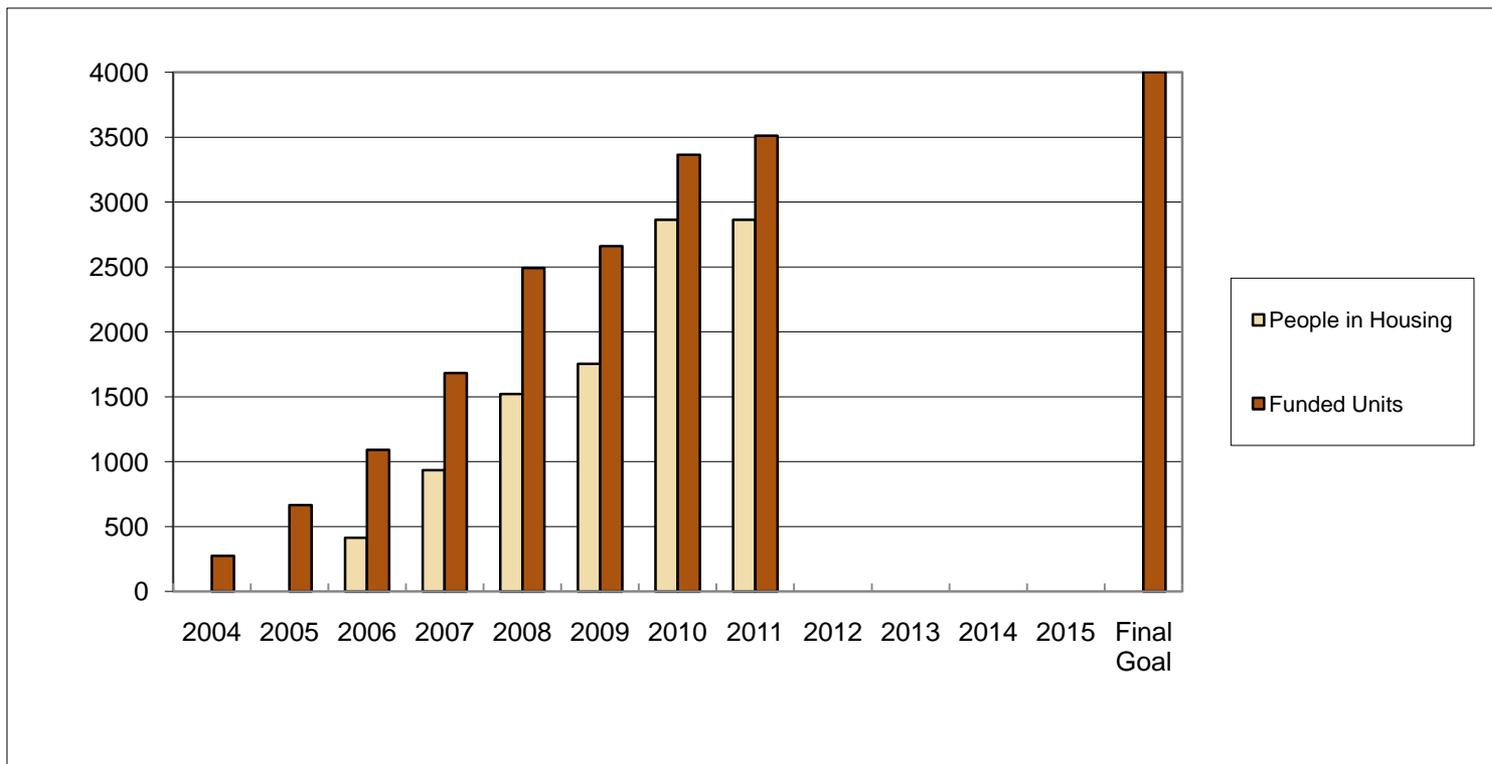
- **Goal:** To end long term homelessness
- **Strategy:** Create 4,000 supportive housing opportunities
- **Need:** An estimated 4,900 households/6,350 individuals experience long term homelessness, including 800 children
 - » **60%** serious mental illness
 - » **29%** chemical dependency
 - » **21%** diagnosis (MI & CD)
 - » **58%** prior incarceration
 - » **17%** have experienced domestic violence

Ending Long Term Homelessness

- **Results to date:**
 - » **3,512 housing opportunities funded**
 - **57% scattered site**
 - **43% site based**
 - » **2,863 households have housing**
 - **42% families with children**
 - **58% single adults**
 - ▶ **9% of the singles are unaccompanied youth**

Ending Long Term Homelessness

Results to Date:



Ending Long Term Homelessness

Supportive Housing is Working

- » **86% of households served maintained housing**
- » **Emergency expenditures are reduced**
- » **Public funds are used more effectively**

Shelter	\$35
Jail	\$378
Hospital	\$2,800
Detox	\$192
Apartment	\$20

Ending Long Term Homelessness

- **Underwriting Changes for units assisted with GRH**
 - » **\$650 per unit is the maximum gross rent level.**
 - » **Gross rents should be underwritten at the lesser of the \$650 ceiling or the area payment standard /FMR.**
 - » **Justification should be submitted to support cases where higher gross rent levels are anticipated in the underwriting standards.**
 - » **If GRH is anticipated for more than 4 units, utilize a vacancy factor higher than 7% or disregard 10% of the potential rental revenue from the GRH units.**
 - » **The vacancy rate utilized should be agreed upon by the agency**

Ending Long Term Homelessness

Underwriting Changes for units without a rent subsidy

Unit Type	Gross Rent (rent + utilities)
SRO & Efficiency / Singles (only)	\$100
1 BR/ Singles or Families w/ Children	\$115
2 + BR/ Families with Children (only)	\$130

Ending Long Term Homelessness

- **Application Requirements**
 - » **Submit the County Letter of Confirmation early**
 - » **Connect with your local COC/Heading Home group**
- **Financial Feasibility**
 - » **Capital**
 - » **Operating**
 - » **Service Funding**

Ending Long Term Homelessness

- **Cost Containment & Average Supportive Housing Unique Expenses:**

Activity	Housing & FTE Cost	Families	Singles	Youth	Mixed Income
Front Desk	Cost/Unit /Month	\$104	\$201	\$341	No info
Tenant Service Coordinator	Cost/Unit /Month	\$140	\$81	No info	\$221

Ending Long Term Homelessness

Success Story



- **The health and wellbeing of a 14 year old girl improved within six months of moving into Viking Terrace**
- **Location: Worthington**
- **Development: 60 unit, mixed income housing tax credit development / rehab**
- **4 LTH units**

Ending Long Term Homelessness

- **Thank you!**
 - » **Fantastic results to date**
 - » **Partnerships & collaboration**
 - » **Increased awareness & understanding**

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**Please hold as we
transition to the next
speaker.**



Bob Porter
Housing Tax Credit Team



2012 Housing Tax Credits

2012 Housing Tax Credits Application Timeline

- **Round 1**
 - » **Applications Due: June 14, 2011**
 - » **Selections Announced: October 27, 2011**
- **Round 2**
 - » **Application Due: January 31, 2012**
 - » **Announcement Date: April 26, 2012**

2012 Suballocators & Joint Powers

- **Suballocators – Apply directly to Suballocating Agency (nonprofits may apply to both the suballocator and to Minnesota Housing. For profit developers may ONLY apply to the suballocator)**
 - » **City of Minneapolis**
 - » **City of St. Paul**
 - » **Dakota County**
 - » **Washington County**
- **Joint Powers – Administered by Minnesota Housing (apply to Minnesota Housing and submit a copy of the entire application to the Joint Powers Suballocator)**
 - » **City of Duluth**
 - » **City of Rochester**
 - » **City of St. Cloud**

Tax Credit Minimum Requirements

- **Threshold Requirements (Round 1)**
 - » **Metropolitan Area**
 - » **Greater Minnesota**
 - » **Special Populations**
 - » **Preservation**
 - » **RD**
- **Minimum Set-Asides**
 - » **20% at 50%**
 - » **40% at 60%**
- **Minimum Points**
 - » **30 for Competitive Credits**
 - » **40 for non-competitive Tax Exempt Bonds with HTC**

2012 Housing Tax Credits

Geographic Distribution of Credit

- **2012 credit cap: \$11,403,438**
 - » **\$2.15 per capita**
 - » **5,303,925 population figure**
- **10% is set-aside for qualified nonprofits**
- **State divided into two geographic areas**
 - » **Greater Minnesota Pool**
 - » **Metropolitan Pool**

2012 Geographic Distribution

- **Greater Minnesota: (38%)** **\$3,699,977**
 - » **RD/Small Projects (set-aside)** **\$ 200,000****\$3,899,977**

- **Metropolitan: (62%)**
 - » **Minneapolis** **\$1,296,803**
 - » **Saint Paul** **\$ 966,557**
 - » **Washington County** **\$ 498,868**
 - » **Dakota County** **\$ 921,379**
 - » **MN Housing Admin.** **\$2,679,511****\$6,363,118**



Overview of changes: Minnesota Housing 2012 QAP

Overview of 2012 QAP Changes

- **Eleven principle changes**
- **Six impact scoring criteria**
- **No statutory revisions for 2012**

Per Development Cap

- **\$1,000,000 per development limit made permanent. Temporary nature removed.**
- **Helps in maximizing credit benefit, reducing gap and minimizing limit waiver requests.**

Supplemental Requests

- **Restriction to only one supplemental tax credit request re-established.**
- **Encourages developments that are ready to proceed.**

QAP Definition of Supplemental Request Revised

- **Round 2 application priority provided for projects that have previously received tax credits and have an annual tax credit shortfall of at least 5%, but not more than 33.33% of the total qualified annual tax credit amount.**
- **Potential for more funded projects in Round 2.**

Previous Award of Credits

- **Previous Award of Credits scoring criterion eliminated.**
- **Objective to help stalled developments move forward achieved.**

Leverage

- **Duplicative Leverage scoring categories and criterion eliminated.**
- **New leverage criterion established in Readiness to Proceed criterion.**
- **Provides for better evaluation efficiencies.**
- **Allows more accurate leverage measurement.**

Readiness to Proceed

- **20 point option for “No Gap and No RFP Deferred Request” application added to criterion.**
- **Maximizes scarce resources.**
- **Promotes applications ready to proceed.**
- **“Tax-Exempt” credit projects are not eligible for these points.**

Serves Lowest Income

- **“Starting point” for deeper rent restriction period clarified.**
- **“5 year” period begins at the LATEST placed in service date.**
- **Ensures related units will be rent restricted at the appropriate lower rent levels for a minimum of five years after rehabilitation is complete.**

Economic Integration

- **Definition for community economic integration expanded and tiered.**
- **Includes more expansive range of higher income communities that are close to low and moderate wage jobs to promote economic integration.**
- **Project economic integration remains unchanged.**

Project Location

- **Household and job growth scoring based on top cities/townships rather than top counties.**
- **2,000 job threshold applied.**
- **Insures job growth and job concentration exists.**
- **Enhances location viability for housing investments.**

Minimizing Transportation Costs and Promoting Access to Transit

- **Priority redefined as Minimizing Transportation Costs and Promoting Access to Transit.**
- **Transit Oriented definition expanded to include “high service” public fixed route stops.**
- **Points eligibility created for projects located within “DEED” Transit Improvement Areas.**
- **Point eligibility created for projects in rural communities having no fixed route transit services, but having walkable neighborhoods and proximity to jobs and services.**

Temporary Priority - Foreclosed Properties

- **One of Minnesota Housing's strategic priorities.**
- **Point value for the priority increased.**
- **Point values and structure of foreclosure priority areas tiered.**
- **Definition of Foreclosed Property revised to be consistent with HUD definition.**
- **NSP3 Target Areas prioritized in Metro area.**

Application Notes

- **Use 2012 Tax Credit Materials**
 - » http://www.mnhousing.gov/housing/tax-credits/allocation/MHFA_010881.aspx
- **Document, document, document**
 - » **Attach documentation to Self-Scoring Worksheet**
- **Declaration/LURA**

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Questions



Minnesota Housing finances
and advances affordable housing
opportunities for low and moderate
income Minnesotans to
enhance quality of life and foster
strong communities.

Photo by Scott Starbke

