The Multifamily Workbook (workbook) is the primary tool used to collect and analyze project-specific data for applicants seeking funds from Minnesota Housing.

This document highlights changes made to the 2/15/19 version of the workbook. The sub headers correspond to the tab names within the workbook. This workbook version must be used when applying for funding in the 2019 RFP/2020 HTC Round 1, 2020 HTC Round 2, 2020 Available Financing round, and other funding rounds as determined by Minnesota Housing. To avoid errors in the submission process, be sure to download the current version from the Multifamily Customer Portal.

NOTE: Minnesota Housing has the right to request an updated workbook at any time if the workbook template is corrupted, compromised, or the incorrect version was provided.

### Project Description

Issues Identified:

- **Property and Project Numbers.** Many customers received an error message about an incorrect Property Number (D#) or Project Number (M#) after uploading a workbook to the Multifamily Customer Portal. The required format was not clear so many customers attempted to correct and re-upload the file multiple times.

- **Latitude and Longitude ‘Not Found.’** Customers were experiencing issues with the Latitude and Longitude fields populating with ‘Not Found.’ The workbook tried to identify the coordinates based on the project’s primary address, but often couldn’t locate the coordinates for new construction or multi-building sites. The coordinates of the project site are used to help Minnesota Housing analyze how funding is distributed throughout the state.

Changes made:

- Modified the D# field to limit entry to five characters (D####). A message notifies the customer if typed incorrectly and notes the required format.

- Modified the M# field to limit entry to six characters (M#####). A message notifies the customer if typed incorrectly and notes the required format.

- Changed Latitude and Longitude fields to manual entry. For instructions on how to find the coordinates of the project site, visit the Community Profiles Maps and Data for Multifamily RFP Geographic Scoring Map to identify your project’s latitude/longitude.

### Property Information

Issues Identified:

- **Outdated or confusing federal, state, or local subsidy names.** Applicants are asked to identify any existing federal, state, or local subsidies that benefit the project. Some of the options in the drop-down list were confusing for customers or listed program names that have changed.

- **Census Tract Number.** The formatting for Census Tract Numbers resulted in inconsistent customer entries that resulted in poor data integrity.

Changes made:

- Updated the ‘Federal Subsidy’ drop-down list, including:
  - Changed description ‘Traditional Section 8’ to ‘Section 8 HAP Contract.’
  - Changed description ‘Rural Development Section 515’ to ‘Rural Development Rental Assistance.’
Multifamily Workbook Release Notes

Version 2/15/19

- Deleted ‘221(d) (3) Below Market Interest Rate.’
- Deleted ‘Section 236.’
- Deleted ‘Hollman Funds.’
- Updated the ‘State or Local Subsidies’ drop-down list by changing the ‘GRH’ to ‘Housing Support (fka GRH)’ to reflect the new program name.
- Updated the field formerly known as ‘Census Tract Number’ to ‘Tract Number,’ and revised the formatting for this field. The tract number is the last six digits of the census tract number; it excludes the portion of the census tract number for the state (27) and county. Visit the Community Profiles Maps and Data for Policy Map to identify your project’s full census tract number that can be used to determine your tract number.

Housing Income

Issues Identified:

- **Changes to the Housing Tax Credit (HTC) program.** To accommodate the newly established income averaging option in the HTC program, the workbook needed additional rent and income options in the ‘Unit/Rent Grid.’ The workbook also needed a way for customers and Minnesota Housing staff to easily calculate the income average within the project for underwriting purposes.
- **New programs not captured in the ‘Unit/Rent Grid.’** The ‘Program Type’ section of the ‘Unit/Rent Grid’ did not have a way to identify units benefiting from the National Housing Trust Fund (NHTF) or the new ‘seniors’ eligible use for Housing Infrastructure Bonds (HIB).
- **Employee Occupied, Owner Occupied, and Common Space Units.** There was confusion about when to identify a unit as Employee Occupied verses Owner Occupied and how it aligned with the treatment of a ‘Common Space Unit’ pursuant to IRS Revenue Ruling 92-61. Common Space Units impact the Applicable Fraction calculation for the HTC program.
- **Inconsistent acronyms.** You may have noticed that Minnesota Housing and HUD use slightly different acronyms when referring to the Low-Income Housing Tax Credit Program (LIHTC). There were a couple of places that accidently used the ‘LIHTC’ acronym instead of the ‘HTC’ acronym.

Changes made:

- Added additional options to the ‘Rent Limit’ drop-down to accommodate Income Averaging including 20% MTSP, 40% MTSP, 70% MTSP, and 80% MTSP.
- Added additional options to the ‘Income Limit’ drop-down to accommodate Income Averaging including 20% MTSP, 40% MTSP, and 70% MTSP, and 80% MTSP.
- Added a formula to calculate Income Average based on selection of an MTSP Income Limit and the HTC program type.
- Added a program type for ‘NHTF’.
- Added a program type for ‘HIB Senior’.
- Deleted program type ‘Empl Occ’.
- Deleted program type ‘Owner Occ’.
- Added ‘Common Space’ to the ‘Rent Limit’ drop-down. This will be used to determine Common Space Units rather than Employee Occupied and Owner Occupied program types.
  - If ‘Common Space’ is selected, all program type checkboxes except for Rent Assistance will be locked down.
  - A comment box was added to the ‘Rent Limit’ header to provide guidance about this change.
- Changed the program type ‘LIHTC’ label to ‘HTC’ to be consistent with Minnesota Housing’s naming conventions.
**Income and Expense**

Issues Identified:
- **Adjustment to the Management and Operating (M&O) expenses.** During underwriting, the agency may adjust the project’s M&Os. There was not a place to make an adjustment.

Changes made:
- Added a section above ‘Total Management and Operating’ called ‘Agency Management and Operating Adjustment.’ Customers should not use this field.

**Cash Flow**

Issues Identified:
- **Scratch Pad.** The scratch pad on the cash flow tab was located to the right of the Cash Flow calculations. Customers and staff expressed that it would be more helpful to locate the scratch pad below the Cash Flow so that it can be used to make notes or run alternate calculations in a similar layout to the Cash Flow.

Changes made:
- Added a Scratch Pad to the bottom of the Cash Flow tab.
- Named Ranges were added to many of the cells on the Cash Flow tab to facilitate Minnesota Housing’s data extraction and analysis. When users create a formula that they would like to have apply for a several year period in the Cash Flow, they will want to ensure the formula uses the cell’s location (e.g. N63) rather than the cell’s named range if they would like to be able to pull the formula across the row and have it updated to pull from the next column as the formula progresses across the row.

**Development Costs**

Issues Identified:
- **Intermediary Costs.** Additional Intermediary checkboxes in the ‘Acquisition or Refinancing Existing Debt’ section were needed, and default check-status updates were needed for several ‘Other’ fields to reflect typical categorization.
- **Architect Fees.** The contract administration portion of the total architect’s fee must be at least 25% of the total Architect’s Fee per the Minnesota Housing Architect’s. The workbook needed to be updated to allow the customer to enter the actual supervision and design breakout of the architect fee rather than automatically applying a 25%/75% split.
- **Compliance Fees.** The comment box for Compliance Fees needed to be updated to reflect fee increases that took affect this year.

Changes made:
- Added two intermediary cost checkboxes for the ‘Other’ fields in the ‘Acquisition or Refinancing Existing Debt’ section. Updated the related Total Intermediary Costs calculation.
- Updated the default checkboxes for the ‘Other’ and ‘Other fees’ sections of the ‘Professional Fees’ and ‘Financing Costs’ sections. These fields typically are considered Intermediary Costs, though they will remain editable if an adjustment is needed on a case-by-case basis.
- Updated the Architect’s Fee sections to have the customer enter the actual ‘Architect’s Fee – Design’ and ‘Architect’s Fee – Supervision.’ The entries in these fields will populate the ‘Architect’s Fee Total,’ and inform the calculation of percentage design and supervision fees.
- A comment box was added to the ‘Architect’s Reimbursable’ item to provide guidance that this field should only be used if architect’s reimbursables are not included in contract.
The comment box for Compliance Fees was updated to indicate ‘Minnesota Housing Compliance Fee is total number of units times $30.’

### Sources

**Issues Identified:**

- **Interest Rates.** To accommodate interest rates that may go to the thousandths place, the workbook needed to extend interest rates to the thousandths place. An update was also needed to display the interest rate for 0% interest rate loans.

- **Clarification of Rental Assistance (RA) and Operating Subsidy (OS) Funding section.** There was confusion about what types of RA and OS needed to be entered in this section, and a desire for clarification on the status of the request.

- **Outdated or Rental Assistance or Operating Subsidy names.** Applicants are asked to identify any New or Additional Rental Assistance and Operating Subsidy that may benefit the project. Some of the options in the drop-down list were confusing for customers or listed program names that have changed.

**Changes made:**

- Extended the display of interest rates to the thousandths place.
- Updated the sources tab to display zeroes. This allows 0% interest rates to be shown and also displays all other zeroes on the page.
- Updated the header of the Rental Assistance and Operating Subsidy Funding section to clarify that this section should reflect ‘New’ or ‘Additional’ RA and OS Funding. Typically existing RA and OS funding that is not changing/new should be recorded on the Property Information tab while new requests for RA or OS funding will be entered on the Sources tab.
- Updated the ‘New or Additional Rental Assistance or Operating Subsidy Funding,’ ‘Name of Source’ drop-down list, including:
  - Added ‘HUD CoC Rental Assistance – Project-based’.
  - Added ‘HUD CoC Rental Assistance – Sponsor based’.
  - Added ‘HUD CoC Rental Assistance – Tenant based’.
  - Deleted ‘HUD CoC RA (fka S+C).’
  - Deleted ‘Bridges’.
  - Deleted ‘Emergency Solutions Grant’.
- Updated the ‘Committed’ column under ‘New or Additional Rental Assistance or Operating Subsidy Funding’ to be ‘Secured or Applied for.’
  - Replaced committed checkboxes with drop-down list values ‘Applied for’ and ‘Secured.’
- In the Flow of Funds grid, reformatted all numerical cells to display a negative number as ‘(1,234)’ rather than ‘-1,234.’

### Housing Tax Credits Information

**Issues Identified:**

- **Changes to the Housing Tax Credit (HTC) program.** To accommodate the newly established income averaging option in the HTC program, the workbook needed an additional Minimum Set-Aside option for income averaging.

**Changes made:**

- Added Minimum Set-Aside checkbox option for ‘40% of units serving households at an average of 60% MTSP (Income Average is based on number of HTC units with MTSP Income Limits located on the Housing Income tab.’)
**Determination of Credit**

Issues Identified:

- **Employee / Common Space Units.** With the updates to how Common Space Units are indicated on the Housing Income tab, updates were needed to the Project Applicable Fraction treatment of Common Space Units pursuant to IRS Revenue Ruling 92-61. Common Space Units impact the Applicable Fraction calculation for the HTC program.

- **Equity Factor formatting.** An update was needed to the equity factor formatting to accommodate the equity factors that projects are achieving.

- **MN Housing Approved Maximum Tax Credit amount adjusted for 2020 HTC year.** The Minnesota Housing Approved Maximum Tax Credit amount is 1.25M for the 2020 HTC year.

Changes made:

- Applicable Fraction formulas for determining ‘Employee / Common Space Units’ was adjusted to be based on selection of Common Space rent limit on Housing Income tab, rather than Employer Occupied or Owner Occupied program type checkboxes which were removed from Housing Income tab.

- Formatted Equity Factor fields for both State Historic Credits and Federal Historic Credits to the ten thousandths place.

- Adjusted formula for calculating MN Housing Approved Maximum Tax Credit to 1.25M for 2020 HTC year.

**Development Team**

Issues Identified:

- **Formatting updates needed to address reporting issues.** Development Team data is extracted and used in Minnesota Housing reports. The merged cells were creating reporting issues.

Changes made:

- Rearranged the Development Team tab into a vertical list and removed all merged cells.

**Buildings**

Issues Identified:

- **Latitude and Longitude ‘Not Found.’** Customers were experiencing issues with the Latitude and Longitude fields populating with ‘Not Found.’ The workbook tried to identify the coordinates based on the building’s address, but often couldn’t locate the coordinates for new construction or multi-building sites. The coordinates of the project site are used to help Minnesota Housing analyze how funding is distributed throughout the state.

Changes made:

- Changed Latitude and Longitude fields to manual entry. For instructions on how to find the coordinates of the project site, visit the [Community Profiles Maps and Data](#) for Multifamily RFP Geographic Scoring Map to identify your project’s latitude/longitude.

**Amortization**

Issues Identified:

- **Interest Rates.** To accommodate interest rates that may go to the thousandths place, the workbook needed to extend interest rates to the thousandths place.

Changes made:
• Extended the display of interest rates to the thousandths place.

## Summary

### Issues Identified:

- **Unit Summaries.** Updated to accommodate program type changes made on the Housing Income tab.
- **Rent Grid Program Types.** Updated to accommodate program type changes made on the Housing Income tab.
- **Income & Expense, Expense Grid.** Additional row needed to accommodate new ‘Agency M & O Adjustment’ field.
- **Underwriting Assumptions Interest Rates.** Updated to extend interest rates for Loan Rate and MIP to the thousandths place.

### Changes made:

- **Updated Unit Summaries, Program Type grid:**
  - Removed rows for ‘Empl Occ’ and ‘Owner Occ’ and added row for ‘Common Space’ to accommodate Common Space changes made on the Housing Income tab.
  - Added row for ‘HOME’.
  - Added row for ‘NHTF’.
  - Added row for ‘HIB Senior’.
  - Changed ‘LIHTC’ label to ‘HTC’ to be consistent with Minnesota Housing’s naming conventions.

- **Updated Rent Grid, Program Type options:**
  - Removed columns for ‘Empl Occ’ and ‘Owner Occ’.
  - Added column for ‘HOME’.
  - Added column for ‘NHTF’.
  - Added column for ‘HIB Senior’.
  - Changed ‘LIHTC’ label to ‘HTC’ to be consistent with Minnesota Housing’s naming conventions.

- **Income & Expense, Expense Grid, added row for ‘Agency M & O Adjustment’ in the line above ‘Total M & O.’**

- **Extended the display of interest rates to the thousandths place.**

## Questions

Contact [mhfa.app@state.mn.us](mailto:mhfa.app@state.mn.us) for questions about the Multifamily Workbook.