



Introduction to the Multifamily Consolidated RFP Programs and Funding Sources



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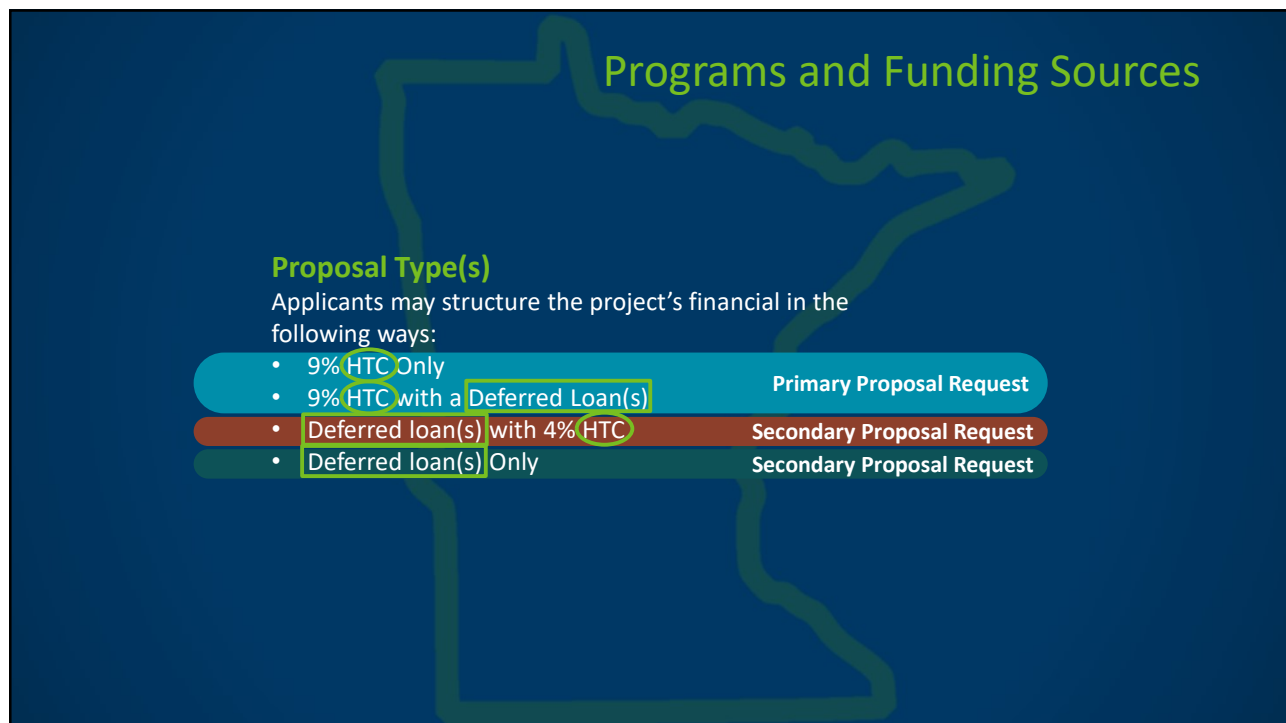
Our Mission: The Core Purpose

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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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 for a total of 30 to 50 years.
- Compliance team at Minnesota Housing

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Deferred Loan Programs

Economic Development Housing Challenge (EDHC)

Housing Infrastructure Program

Preservation Affordable Rental Investment Fund (PARIF)

Federal Programs (HOME + National Housing Trust Fund)

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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 volume 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 volume limited 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 Rent restricted General occupancy 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 | • Section 3 |
| • Uniform Relocation Act (URA) | • BABA |
| • Davis Bacon | • Others |

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Amortizing and Bridge 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 – 24 months
- **Interest Rates:** Subject to market rates
- Funded with Tax-exempt volume cap limited bonds to qualify for 4% HTCs

VQ((0

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Slide 14

VQ((0 Sara! Yes this is CORRECT. We are moving away from BL from our Pool 2. Susan wants us to emphasize on this.

Vang, Que (She/Her/Hers) (MHFA), 2025-03-11T19:45:06.387

VQ((0 0 Delete this comment when you see it.

Vang, Que (She/Her/Hers) (MHFA), 2025-03-11T19:45:20.247

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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- General RFP Questions: mhfa.consolidated.rfp@state.mn.us

Multifamily Contact Information

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Thank You!



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