



Introduction to Home Investment Partnerships
and National Housing Trust Fund Programs

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Our Mission

Housing is the foundation for success, so we collaborate with individuals, communities and partners to create, preserve and finance affordable housing.

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Overview of Tutorial

- Purpose of Programs
- Rent and Income Limits
- Initiation of Negotiations
- Choice Limiting Actions
- Bidding and Construction Standards
- Written Agreement
- Property Inspections
- Affordability Period
- Effective Period Certificate
- Next Steps



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Purpose of Programs at Minnesota Housing



Home Investment Partnerships (HOME)

- Production or preservation of rental housing affordable and available to low-income households.
- 24 CFR Part 92

National Housing Trust Fund (NHTF)

- Production or preservation of rental housing affordable and available to extremely low-income households
- 24 CFR Part 93

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Rent and Income Limits

- Published annually by HUD
- Posted on Minnesota Housing's website at www.mnhousing.gov

HOME	NHTF
Gross Rent Limits: <ul style="list-style-type: none">• 20% of units at Low HOME rents• Remaining units at High HOME rents	Gross Rent Limits: <ul style="list-style-type: none">• Capped at 30% of the income of a household whose income is 30% of area median income
Income Limits: <ul style="list-style-type: none">• 20% of units at <50% of area median income• Remaining units at ≤60% of area median income	Income Limits: <ul style="list-style-type: none">• 100% of units for extremely low-income households at ≤ 30% of area median income or the poverty line, whichever is greater

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Initiation of Negotiations



- HOME and NHTF require compliance with various cross-cutting requirements
- The Initiation of Negotiations (ION) triggers compliance with cross-cutting requirements
- The ION is the signing of the Funding Acceptance Agreement

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Choice Limiting Actions

NO choice limiting actions can be taken after the ION until (and if) Minnesota Housing has granted approval to do so.

Examples of choice limiting actions:

- Signing contracts, including architect contracts, general contractor contracts, attorney contracts, purchase contracts
- Spending money to purchase supplies and materials
- Construction or rehabilitation beyond normal, routine property maintenance

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Bidding and Construction Standards

- Developers and general contractors must agree to comply with various bidding and construction standards

HOME	NHTF
<ul style="list-style-type: none">• Davis-Bacon• Section 3• Minority Business Enterprise – Women Business Enterprise (MBE/WBE)• Debarment/Suspension	<ul style="list-style-type: none">• Section 3• Minority Business Enterprise – Women Business Enterprise (MBE/WBE)• Debarment/Suspension

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Written Agreement



- Outlines minimum responsibilities
- States the amount of the award
- Identifies number and type of units
- No construction, including early starts, prior to execution

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Property Inspections

- Projects must comply with physical condition standards
- Minnesota Housing will inspect properties

Inspection Type	Timing
<ul style="list-style-type: none"> • Initial inspection (applicable to rehabilitation and acquisition only) 	<ul style="list-style-type: none"> • Prior to bidding the project
<ul style="list-style-type: none"> • Construction inspection 	<ul style="list-style-type: none"> • During construction
<ul style="list-style-type: none"> • Final inspection 	<ul style="list-style-type: none"> • After construction completion; prior to signing the final draw
<ul style="list-style-type: none"> • Ongoing inspections 	<ul style="list-style-type: none"> • During the compliance period

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Affordability Period


- The affordability period marks the time during which HOME and NHTF units must remain in compliance with program guidelines

HOME	NHTF
Rehabilitation and Acquisition <ul style="list-style-type: none"> • 5 – 15 years 	Rehabilitation, Acquisition and New Construction <ul style="list-style-type: none"> • 30 years
New Construction <ul style="list-style-type: none"> • 20 years 	

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Effective Period Certificate

- Occurs after final draw
- Signed by developer
- Reaffirms the items in the Written Agreement (funding amount, number of units, etc.)
- Outlines the terms of the affordability period



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