

Complete this **New Construction Activity Application** and the **New Construction Workbook** if requesting value gap or interim loans to develop new construction homes. The project may include the demolition of an existing structure. Attach all documents listed in the *Required Documents* section of the Single Family RFP Application Instructions.

Prevailing wage may apply to certain new construction projects. All new construction projects must incorporate visitability requirements into the home design. Review the [Section I – Visitability](#) and [Section J – Prevailing Wage](#) sections in this document for more information.

A. Project Information

Project Overview

1. Organization Name: _____
2. Project/Program Name: _____
3. Briefly describe the proposed project. If it is part of a broader project or initiative, include the name of that project or initiative in this description. Include anything unique or interesting about the project, for example workforce training, housing for large families or seniors, etc. (2,000 character max)
4. How many lots have already been acquired? _____
5. What constraints or concerns (e.g., environmental conditions, land use constraints, etc.) are there?
6. Will any residents be displaced from their homes as a result of this project? Yes No
 - a. If yes, describe the situation and how the Applicant will minimize and manage displacement.
7. If the proposal includes Affordability Gap funds, what criteria will the Applicant use to select homebuyers who are purchasing the homes? (2,000 character max)

Target Area

1. What Target Area(s) will the Applicant serve? List each neighborhood, city, or county to be served.
2. If applying for Workforce & Affordable Homeownership Development Program funds, what is the total population in the target area(s)? _____

Income Limit

1. What is the [Impact Fund area median income \(AMI\)](#) to be served (up to 115% AMI)? _____% AMI
2. Minnesota Housing will prioritize projects serving lower-income households and reserves the right to reduce the AMI for projects selected for funding. If the project is not feasible with a lower AMI than proposed (e.g., leverage funding contingent on mixed-income development with higher income targeting), please explain. (2,000 character max)

Note: If requesting affordability gap funds, priority will be given to projects serving households at or below 80% AMI. See **Section E. Affordability Gap Funding** for more information.

B. Minnesota Housing Strategic Objectives

Minnesota Housing's [strategic objectives](#) fall into five focus areas and guide Minnesota Housing's work to ensure that affordable housing is available in communities most impacted by housing insecurity and homelessness. Review the strategic priorities in detail before answering the questions below.

Which Minnesota Housing [strategic objectives](#) does the proposed project help to advance? Read the sub-bullets and only check objectives that the proposed project will advance.

- Improve the Housing System
 - Focus on the people and places most impacted by housing instability (i.e., being cost-burdened, living in overcrowded or substandard housing, not having access to homeownership, etc.)
 - Create a more inclusive, equitable, and just housing system
 - Make housing programs more accessible and easier to use
- Preserve and Create Housing Opportunities
 - Preserve and improve the condition and affordability of existing housing
 - Increase the development of new housing that is affordable
 - Develop green, energy-efficient, climate-resilient, sustainable housing
 - Increase access to rental assistance
 - Support and preserve manufactured homes and communities
- Make Homeownership More Accessible
 - Address homeownership barriers and reduce disparities
- Support People Needing Services
 - Prevent and end homelessness
 - Support people with disabilities to live full, independent and integrated lives in the community
 - Support older adults and create age-friendly communities
- Strengthen Communities
 - Pursue equitable community development and investment
 - Support Tribal Nations and Indigenous communities

Pick the top two objectives checked above and describe how the proposed project meets the strategic objectives. The response must address the items as described in the [strategic plan](#). (2,000 character max)

C. Community Need

1. Describe the need for the specific home design in the Target Area(s) and how it best serves the needs of the intended population. Include housing market and community data (e.g., housing vacancy rates, time on market, sales prices for comparable units, workforce housing needs, supply of buildable lots, etc.). Cite data sources. (2,000 character max)

2. How does the proposal respond to the unique needs of diverse populations in the proposed Target Area (e.g., racial and ethnic communities, LGBTQI communities, (dis)ability status, Veterans, family size, etc.)? (2,000 character max)

3. A Cooperatively Developed Plan (CDP) is a community supported plan developed by a local unit of government or community group that encompasses multiple affordable housing and related service initiatives in a geographically defined area.
 - a. Is the proposed project a part of a CDP? Yes No
 - b. If yes, include the specific CDP name and its geographically defined area(s).

D. Project Feasibility

Leverage and Cost Containment

1. Do leverage sources and requested Impact Fund dollars cover all funding gaps?

2. If not, explain the plan for addressing funding gaps.

3. What types of in-kind contributions (e.g., donated materials, volunteer labor, etc.) has the Applicant secured and what are the sources of the in-kind contributions?

4. What types of regulatory incentives (e.g., fee waivers, expedited approvals and permitting, etc.) has the Applicant secured and what are the sources of the regulatory incentives?

5. What other cost containment measures will the Applicant take to reduce the total development cost (e.g., rigorous competitive bidding, use of own labor crews, below-market interim financing, etc.)?

Partnerships

1. Will the Applicant partner with other entities to complete the proposed project? Yes No
 - a. What is the Applicant's role in the proposed project?
 - b. List the names of each partner. Explain the partner's role with the proposed project and their experience completing similar projects.

2. If applying for Affordability Gap, will the Applicant partner with a processing entity to implement the affordability gap/lending portion of the project? Yes No Not applicable
 - a. Provide the name of the Processing Entity. Attach additional sheets if necessary.
Organization Name: _____
Contact Name: _____
NMLS Number: _____
 - b. Describe the role(s) and lending experience of the Applicant and/or Processing Entity.

Funds awarded under separate Impact Fund Awards—including to the Applicant, an Implementation Partner, or Processing Entity—cannot be layered in one unit.

Infrastructure Financing

Single Family RFP funds cannot be used to fund public infrastructure. Funds may be used to fund private infrastructure connecting the home to be developed to public infrastructure.

1. Does existing infrastructure need to be extended more than 100 ft. to reach the lot(s)?
Yes No
 - a. If yes, please explain.

2. Does public infrastructure have to be developed or extended prior to development of the proposed project? Yes No
 - a. If yes, how will the public infrastructure development be funded and what is the expected timeline for development of the public infrastructure?

Interim Construction/Development Financing

Interim Loans are 42-month, interest bearing, deferred, repayable loans with monthly interest payments. Loans may be secured or unsecured. The interest rate is typically lower than market rate but will be determined at a later date.

Note: Minnesota Housing staff may reach out to the Applicant to request additional financial documentation to determine eligibility for interim construction financing.

1. Is the Applicant requesting interim loan dollars through the Impact Fund? Yes No
 - a. If yes, how many units does the Applicant intend to develop at one time?

 - b. If yes, how much interim financing will the Applicant need at one time to construct the units?

2. If the Applicant is not requesting interim loan dollars through the Impact Fund, how will the Applicant finance construction?

E. Affordability Gap Funding

1. Is the Applicant requesting Single Family RFP funding for Affordability Gap for the sale of the proposed development project? Yes No

If yes, complete the Affordability Gap Worksheet in the New Construction Activity Workbook and answer these questions.

2. Applicant's Nationwide Mortgage Licensing System and Registry (NMLS) information. All Applicants that will originate and close loans must have an NMLS number or a Certificate of Exemption.
 - a. NMLS Number: _____
 - b. Certificate of Exemption: _____
 - c. If the Applicant does not have an NMLS number or a Certificate of Exemption, will the Applicant obtain an NMLS number or Certificate of Exemption before originating and closing loans? Yes No
3. Affordability Gap funding requests will be evaluated based on the extent to which they address a gap not met by existing downpayment and closing cost assistance programs. Downpayment assistance is currently available from Minnesota Housing and other sources such as counties, cities, and federal agencies. Single Family RFP Affordability Gap funds should be used as a last resort. Homebuyers must first use existing assistance if they are eligible. For more information on existing resources, see [Minnesota Housing's website](#), the Minnesota Homeownership Center's [Affordable Loan & Program Matrix](#), and [DownPayment RESOURCE™](#).

- a. What unique issues prevent target households from accessing existing downpayment assistance resources, including Minnesota Housing’s Start Up and Step Up programs, and why is there a need for additional downpayment assistance?
4. What is the program’s maximum combined loan-to-value ratio? (A combined loan-to-value ratio includes the first mortgage and all subordinate liens). _____
 5. Is the Applicant requesting affordability gap funding for, or related to, a Special Purpose Credit Program under [12 C.F.R. § 1002.8 \(Reg. B\)](#)? Yes No
 - a. If yes, how will the Special Purpose Credit Program be used? Provide all relevant proposed program information. (2,000 character max)
 - b. Describe how the proposed Special Purpose Credit Program loan terms differ from Impact Fund program requirements. (2,000 character max)
 - c. Describe how the proposed Special Purpose Credit Program specifically advances Minnesota Housing’s strategic objectives. (2,000 character max)

Note: Consideration will be given to requests to change income limits (not to exceed 115% AMI), loan terms (e.g. forgiveness timeframe), and the assignment of loans to Minnesota Housing. Except as noted specifically in the grant contract agreement, should the application be selected to receive funding, the Applicant must comply with all other policies and procedures as defined in the Procedural Manual.

The Applicant must also include Special Purpose Credit Program documentation with the Activity Application.

- If the Applicant is a nonprofit entity, include a copy of the Applicant entity’s Special Purpose Credit Program policy.
- If the Applicant is a for-profit entity, include a copy of the written plan.
- If the Applicant is a government agency, include documentation of express authorization allowing for the program.

NOTE: Minnesota Housing uses this information to determine if the Special Purpose Credit Program aligns with our strategic objectives. Minnesota Housing does not make a determination about whether the Special Purpose Credit Program meets federal requirements.

6. How is the Applicant requesting Affordability Gap funds? (Carefully read the Single Family RFP Application Instructions Eligible Uses section on Stand-Alone Affordability Gap before making a selection.)
 - a. Grants for homes that will be placed in a Community Land Trust
 - b. Forgivable loans
7. **Applicable to nonprofit Applicants:** FHA Mortgagee Letter 2014-08 states that in order to serve buyers with FHA-insured first mortgages, the Applicant must first be approved by HUD as a nonprofit authorized to offer secondary financing and be placed on HUD's Nonprofit Organization Roster. If The Applicant not on the HUD Nonprofit Organization Roster and is likely to work with FHA-eligible borrowers, explain why the Applicant is not on the roster.

F. Project Fees

Applicants may request and be compensated for both a Developer Fee and an Administration Fee if the Applicant will be the proposed project developer and administer the proposed affordability gap funding.

Developer Fee (for value gap requests)

1. Is the Applicant requesting a Developer Fee from Impact Fund dollars? Yes No

If yes, indicate the developer fee in the Project Information Financial Worksheet in the New Construction Activity Workbook. The maximum developer fee is 10% of the total development cost.

Administration Fee (for Affordability Gap requests only)

Minnesota Housing allows an Administration Fee of \$1,000/unit to be paid from Impact Fund dollars. The Fee may not exceed actual costs of administering Affordability Gap funds, which include household education specific to the loan or grant, lender coordination, document preparation, and other uses identified in the [Procedural Manual](#) section 6.07.

1. Is the Applicant requesting an Administration Fee with the Affordability Gap funding?
Yes No

If yes, indicate the Administration Fee in the Affordability Gap Worksheet in the Activity Workbook.

2. If the Applicant will provide services beyond the costs of administering Affordability Gap funds noted above, the Applicant may request an amount greater than \$1,000/unit. Detail the additional services the Applicant will provide and substantiate the request with a demonstration of associated costs. (2,000 character max)

An Administration Fee paid from Impact Fund dollars will be in the form of a grant and cannot be rolled into a deferred loan to the homebuyer.

G. Organizational Capacity

Experience

1. Over the past five years, how many new construction projects has the Applicant completed? _____
2. Describe the types of new construction homes the Applicant has completed and how they compare to the proposed project. (2,000 character max)
3. If the Applicant has not completed new construction or similar projects in the past five years, explain how the Applicant has the capacity to complete the proposed project (e.g., training, new staff, partnerships, etc.). (2,000 character max)
4. How many open new construction awards does the Applicant have, and will the Applicant be able to complete those open awards without future extension requests? Applicants with few or no open new construction awards will be viewed favorably. _____

H. Funding Priorities

Before completing this section, refer to the following information:

- Single Family RFP Application Instructions for funding priority guidance
- Minnesota Housing's **funding priority methodologies** located on the [Impact Fund webpage](#)
- Minnesota Housing's [Community Profiles for Scoring in 2025 Consolidated RFP](#) → Single Family Consolidated RFP Geographic Scoring Map

Equitable Access to Homeownership

1. Provide the number and percentage of households the Applicant has served over the past five years that meet the criteria in the grid below:

	2024	2023	2022	2021	2020
% Indigenous, Black and Households of Color					
% Households with a Person with a Disability					
Total # Households Served					

2. List the counties that the Applicant has predominately served over the past five years.
3. Describe how the proposal will support one or more of the following outcomes: "address housing disparities, build power in communities most impacted by housing challenges and disparities, pilot innovative challenges, and support inclusive communities." (2,000 character max)
4. Describe how the Applicant plans to measure the success of this outcome. (2,000 character max)

Business Entities Owned or Led by People of Color, Indigenous Individuals, and/or Women

1. Is the owner or executive director (or equivalent) of the Applicant entity any of the following?
- a. Black or Person of Color Yes No
 - b. Indigenous Individual and/or Tribal Entity Yes No
 - c. Woman Yes No

Serve Housing Needs Within a Community

1. **Universal Design/Accessibility:** Will the Applicant complete at least one unit that meets the [Universal Design Standards](#) for new construction or [Type A Accessible unit standards](#)?
Yes No
2. **Large Family Housing:** Will the Applicant complete at least one unit with 4+ bedrooms and/or a unit with an accessory dwelling unit? Yes No
3. **Senior Housing:** Are there any features of the project designed specifically to enable seniors (those aged 62 years or over) to age in place? Yes No

Homeownership or Financial Education and Counseling

1. Will the Applicant require homebuyers to complete pre-purchase homeownership, financial education or counseling from a Qualified Provider? Yes No

A Qualified Provider is a [HUD-approved housing counseling agency](#), a member of the Minnesota Homeownership Center's [Homeownership Advisors Network](#), a provider of [Framework](#), Pathways to Homeownership, or a Minnesota Housing [Homeownership Capacity Provider](#).

Workforce Training Programs

1. Will the Applicant utilize any workforce training programs? Yes No

Efficient Land Use

1. Is the proposed housing being developed on in-fill lots or a new subdivision?
In-fill lots New subdivision
- a. If the Applicant is proposing to develop a new subdivision, will the new construction units have an adverse impact on existing community services and utilities? Yes No
- b. If yes, please explain.
2. Does the proposal minimize the loss of agriculture land and green space? Yes No

Advancement of Housing Innovation and Technology

1. Will the Applicant use volumetric modular construction, cross-laminated lumber, panelized, robotics, 3D printing, and/or other innovative construction methods to construct homes?
Yes No
- a. If yes, please describe the technology and how it will be used, including how this technology will affect the cost of the project. (2,000 character max)

Long-Term Affordability

1. Will the Applicant impose restrictions (e.g., deed restrictions, resale restrictions, etc.) for three or more years to enhance long term affordability? Yes No
2. Describe how will the Applicant enforce long term affordability.

I. Visitability Requirement

Visitability unit design and construction allows people with mobility impairments to enter and comfortably stay for a duration and is required under [Minn. Stat. § 462A.34](#). All new construction units must incorporate all of the following elements:

- 32-inch clear opening doorways throughout the unit;
- At least one no-step entrance; and
- A half bath, or larger bathroom, on the main level.

1. Will all New Construction units incorporate all three Visitability elements? Yes No

If no, please review the "Visitability Waivers" section below.

Visitability Waivers

In limited circumstances and on a home-by-home basis, Minnesota Housing may waive the following visitability elements for the following reasons:

- No-step entrance: Site conditions make the requirement impractical, or it reduces affordability for the targeted population.
- One half bath: Reduces affordability for the targeted population.

Minnesota Housing cannot waive the 32-inch clear opening doorways requirement.

J. Prevailing Wage

Awards made through the Impact Fund may trigger state prevailing wage requirements under [Minn. Stat. § 116J.871](#). In broad terms, the statute applies to awards that meet the following conditions:

1. New housing construction (not rehabilitation); and
2. A single entity receives \$200,000 or more of grant proceeds or \$500,000 of loan proceeds from Minnesota Housing under one award.

If a project meets both requirements above, it may be exempt from prevailing wage if one or more of the of the conditions below is true:

1. Housing construction in which total financial assistance for a single project site is less than \$100,000; and/or
2. Financial assistance for the new construction of fully detached single-family affordable homeownership units for which the financial assistance covers no more than ten fully detached single-family affordable homeownership units.

Please note the following statutory provisions that apply to this funding:

- A state agency may provide financial assistance to an Administrator only if the Administrator receiving or benefiting from the financial assistance certifies to the Commissioner of Minnesota Department of Labor and Industry that laborers and mechanics at the project site during construction, installation, remodeling, and repairs for which the financial assistance was

provided will be paid the prevailing wage rate as defined under the [Prevailing Wage Act](#), including [Minn. Stat. § 177.42, subd. 6](#); [Minn. Stat. § 116J.871, subd. 2](#), and any applicable Rules ([Minn. R. 5200.1000- 5200.1120](#)).

- It is a misdemeanor for a person who has certified that prevailing wages will be paid to laborers and mechanics under [Minn. Stat. § 116J.871, subd. 2](#), to subsequently fail to pay the prevailing wage. Each day a violation of this subdivision continues is a separate offense. [Minn. Stat. § 116J.871, subd. 3](#).

If the project site is used for a building that is publicly owned or leased, additional statutory requirements may apply.

After evaluation and scoring, but prior to selection, Minnesota Housing may contact Applicants for revised information (e.g., project costs, etc.) to include prevailing wage costs. Any such request for information must be provided within the timeline specified by Minnesota Housing.

If awarded funding, Applicants will be required to complete and submit a [Prevailing Wage Certification](#) before starting construction.

K. Green Communities Criteria

All new construction units receiving Single Family RFP funds for Value Gap or Interim Loan financing must comply with the [2020 Enterprise Green Communities Criteria](#) as modified by the [2023-2024 Minnesota Overlay to the 2020 Green Communities Criteria](#) (collectively, the “Green Communities Criteria”) or a more recent version.

Minnesota Housing may consider waivers to certain criteria on a case-by-case basis but will not allow blanket waivers. The Green Communities Criteria and Waiver Request form are available on the [Impact Fund webpage](#).

All **funded** Applicants will be required to submit the Minnesota Housing Green Communities Intended Methods Worksheet.

L. Required Documents

Applicants must submit the required documents identified in the Single Family RFP Application Instructions. If Applicants are unable to provide a required document, include a description as to why.

Label documents with this file name format: “Organization_Activity Type_Document Name. For example, organization “ABC Community Development” should save this document as “ABCCD_NC_Activity_Application.”