

The Multifamily Underwriting Standards (standards) 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 April 2021 version of the standards. The sub-headers correspond to the sections within the standards. The April 2021 standards must be used when applying for funding in the 2021 Request for Proposals (RFP)/2022 Housing Tax Credit (HTC) Round 1, 2022 HTC Round 2, and 2021 Available Financing round and other funding rounds as determined by Minnesota Housing.

NOTE: Minnesota Housing, at its sole discretion, may update the Multifamily Underwriting Standards at any time. Owners, developers, and other entities are responsible for reviewing, understanding, and complying with the most recent and applicable updates.

2.02 Supportive Housing Standards

- Language updated to reflect current rates and effective dates
- Limit on gross rent for 15% of the Housing Support units to help allow for tenants to transition from Housing Support to Minnesota Supplemental Aid (MSA) Housing Assistance
- **May 13, 2021 correction—the recommended gross rent for 15% of the Housing Support units has been corrected to \$734 (rather than \$754 as originally published).**

4.03 Developer Fee Limits

- Documented Minnesota Housing’s practice that the total developer fee shall not be increased from the amount approved at initial funding or HTC selection. This is a long-held requirement that was not previously documented.

5.05 Tax and Insurance Escrows

- Section 5.05 is a new section documenting long-held requirements that Minnesota Housing will establish and maintain tax and insurance escrow accounts for all developments funded with a Low and Moderate Income Rental (LMIR) Amortizing loan, Housing Infrastructure Bonds (HIB), or other first mortgage loans.
- The timing of establishment of the escrows is also addressed
- The escrows may not be included in the development budget nor funded with development sources

6.03 Loan-To-Value (LTV)

- This information was formerly only found in Chapter 8: Appraisals; it has now been added to section 6.03

Chapter 9 Types of Sources

- Clarified that state prevailing wage statute, Minn. Stat. § 177.41-.43, (which applies to buildings that are publicly owned or leased), will apply regardless if it is new construction or an existing building

Chapter 10 Relocation and Involuntary Replacement

- Clarified that relocation and involuntary replacement requirements also apply for HTC applicants
- Clarified that relocation and involuntary replacement requirements are triggered at time of application

11.03 Cost Savings at End of Construction

- Clarified that remaining funds from HIB, HOME, or National Housing Trust Fund (NHTF) are not allowed to be used to fund any reserve account.

Questions?

Contact mhfa.MFTechAssist@state.mn.us for questions related to the Multifamily Underwriting Standards.