



# 2024 Single Family Request for Proposals Information Session

April 2024

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# Agenda

- Key Details and Definitions
- Eligible Activities
- Application Materials
- [10-Minute Break]
- Scoring and Selection
- Tips and Technical Assistance
- Questions



# Our Mission

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.



# Deadline and Submission

## Deadline:

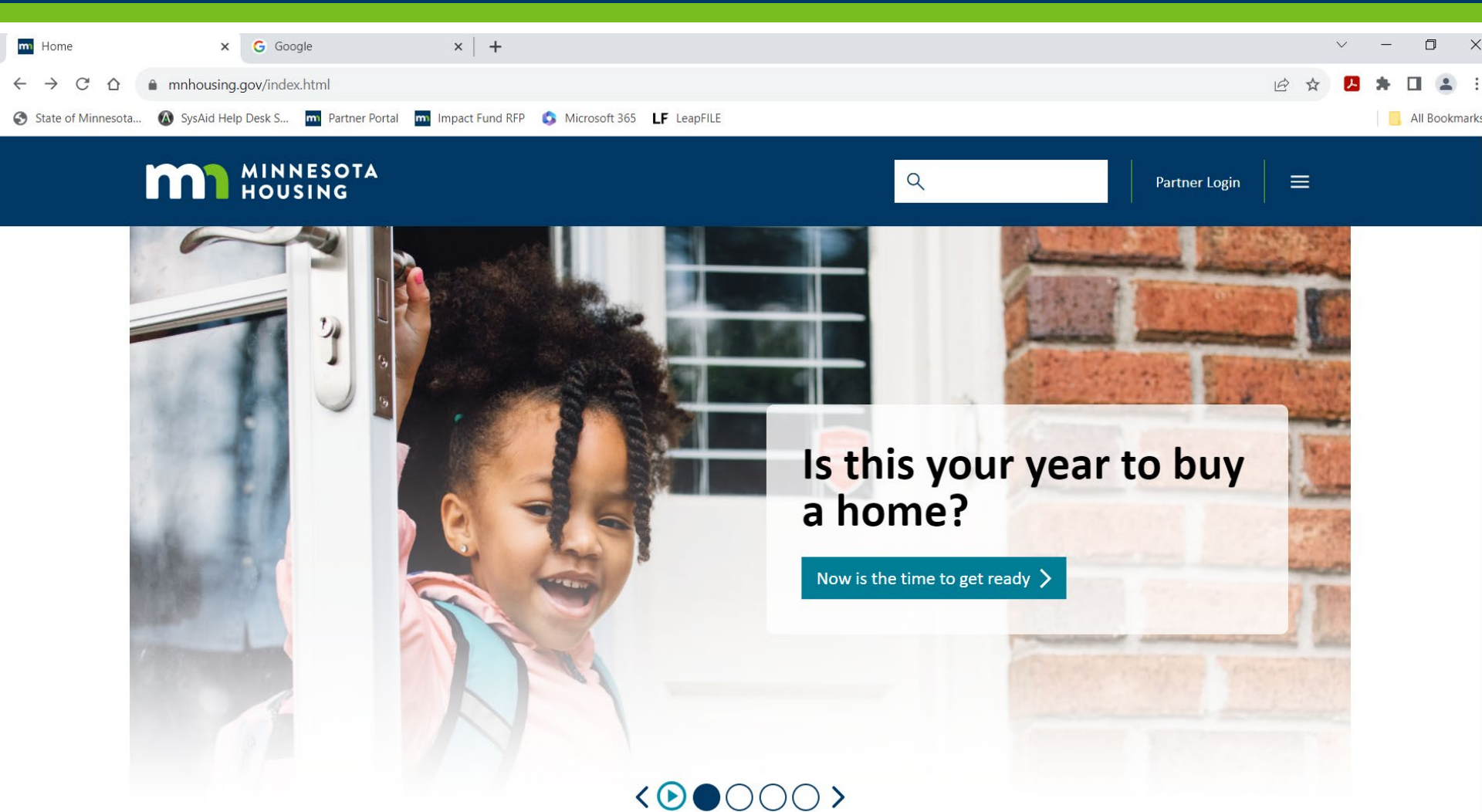
All application materials must be received by Minnesota Housing on or before:

**Thursday, July 11, 2024, at 12:00 p.m.**

## Upload:

Upload your application using the [Single Family Secure File Exchange](#) to the email address: [impact.fund.mhfa@state.mn.us](mailto:impact.fund.mhfa@state.mn.us)

# Locating the Impact Fund Webpage www.mnhousing.gov



# Available Funds



## Minnesota Housing:

- Economic Development and Housing Challenge Funds (Challenge)
- Housing Infrastructure Bond Proceeds
- Housing Infrastructure Appropriations
- Workforce Affordable Housing Development
- Interim Construction Loans



# Interim Loans

- 42-month deferred, repayable loans
- Below market interest rate
- Combine with other construction financing
- Use with value gap and affordability gap
- Interest accrues when funds are disbursed
- No prepayment penalty



# Greater Minnesota Housing Fund



## *Single Family Gap Financing*

332 Minnesota Street • St. Paul, MN 55101 • 651-221-1997





## Eligible Applicants include

- Cities
- Federally recognized American Indian Tribes or Subdivisions located in Minnesota
- Tribal housing corporations
- Private developers
- Nonprofit organizations
- School districts, cooperative units, or charter schools

# Affordability Gap & Value Gap



 **Sell for Market Value**

# Value Gap Scenario



## Housing Activities:

- New Construction
- Acquisition, Rehab, Resale

Total Development Cost	<b>\$375,000</b>
Fair Market Sale Price	<b><u>(-) \$250,000</u></b>
<b>Value Gap</b>	<b>\$75,000</b>

# Affordability Gap Scenario



Purchase Price	<b>\$250,000</b>
Buyer's First Mortgage	<b><u>(-) \$200,000</u></b>
<b>Affordability Gap</b>	<b>\$50,000</b>

## Examples:

- Downpayment Assistance
- Closing Cost Assistance

# Total Unit Subsidy Scenario



Total Development  
Cost:  
\$325,000

**Value Gap:**  
\$75,000

Fair Market  
Sale Price:  
\$250,000

**Affordability  
Gap:**  
\$50,000

Buyer's first  
mortgage:  
\$200,000

Value Gap subsidy	\$75,000
Affordability Gap subsidy	<u>(+) \$50,000</u>
<b>Total Unit Subsidy</b>	<b>\$125,000</b>

## Eligible Activities include:

- Acquisition, Rehabilitation, Resale
- New Construction
- Owner-Occupied Rehabilitation
- Stand-Alone Affordability Gap
- Tribal Indian Housing Program



# Acquisition, Rehabilitation, Resale



## Eligible Uses:

- Value Gap
- Affordability Gap
- Land acquisition, utility connections, demolition (CLTs only)

## Special requirements:

- Minnesota Green Communities criteria
- Lead Safe rules

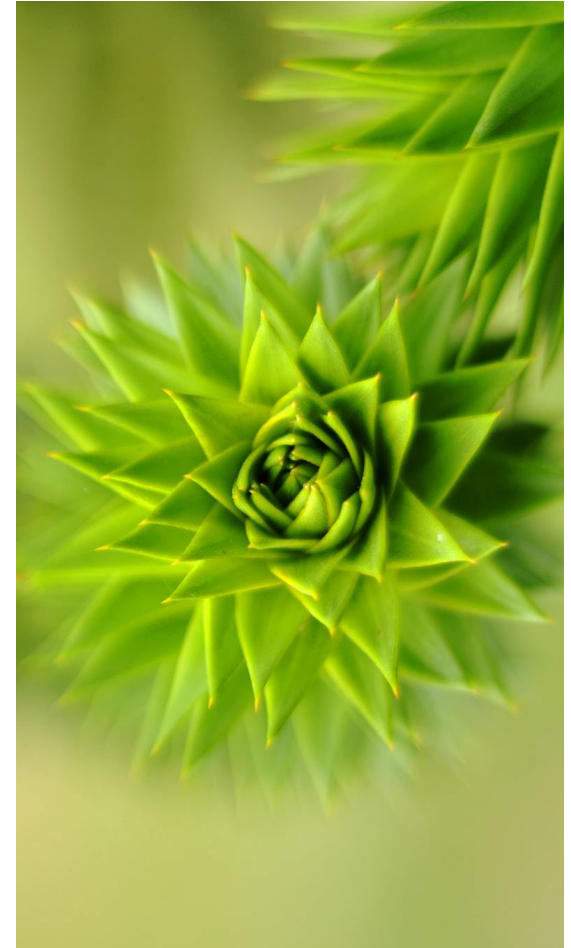
# Minnesota Green Communities

## Criteria applies to:

- Acquisition, Rehabilitation, Resale
- New Construction

## Single Family Green Community Resources:

- 2023-2024 Minnesota Overlay & Guide to the 2020 Green Communities Criteria
- 2020 Green Communities Criteria



# New Construction, 1



## Types of Units

- Stand-alone single-family homes
- Duplex, triplex, quadplex (1 unit owner-occupied)
- Townhomes, rowhomes, condos

## Design examples

- Large family homes
- Accessory dwelling units
- Accessible homes

## Eligible Uses

- Value Gap
- Affordability Gap
- Land acquisition, utility connections, demolition (CLTs only)

## Special Requirements

- Minnesota Green Communities criteria
- Visitability
- Prevailing Wage



## Visitable Unit Design

- 32” Clear opening doorways
- At least 1 no-step entrance
- ½ Bath or larger on main level

## Waivers

- Limited circumstance, home-by-home basis
- No blanket waivers

## Prevailing Wage Triggers

- New Construction project, **and**
- \$200,000 or more in grant proceeds, **or**
- \$500,000 or more in loan proceeds

## Exemptions

- Total financial assistance less than \$100,000 for a single project site
- No more than 10 fully detached single family units





# Owner-Occupied Rehabilitation

## Types of Repairs

- Safety, habitability, preservation, energy efficiency
- Owner-occupied homes

## Eligible Uses

- Grants for homes that will be placed in land trusts
- Forgivable loans
- Community Fix Up Loan interest rate write-down

## Special Requirement: Lead Safe Standards



# Affordability Gap Options

Need-based assistance for buyers purchasing homes.

## **Additional Affordability Gap Options**

- Minnesota Housing Programs
  - Deferred Payment loans
  - Monthly Payment loans
- Greater Minnesota Housing Fund
- Other local programs



# Affordability Gap Requirements

## Household Eligibility

- 25% Housing expense to Gross Income ratio
- Waivers allowed by request on case-by-case basis

## Eligible Uses

- Grants for homes that will be placed in land trusts
- Forgivable loans

# Forgivable Loan Overview

## Loans are 0% Interest, deferred, forgivable

- Income Limit: 80% AMI
- Variable loan length based on loan amount
- Repayable upon qualifying event
- Loans assigned to Minnesota Housing

### Affordability Gap & Owner-Occupied Rehabilitation Loan Structure

Loan Term	10 Years	20 Years
Maximum Loan Amount	\$50,000	\$100,000
Forgiveness Schedule	1/10 <sup>th</sup> per year	1/20 <sup>th</sup> per year
Maximum Forgiven per Year	\$5,000	\$5,000



# Tribal Indian Housing Program

**Eligible Applicants:** Current Tribal Indian Housing Program administrators

**Eligible Use:** Recapitalize Tribal Indian Housing Program revolving funds

Use of funds must be consistent with current two-year Tribal Indian Housing Program plans

# Income Limits



## Impact Fund Income Limits

Effective for Impact Fund units completed or closed on or after **June 1, 2023**.

Gross Household Income	11-County Twin Cities Metro Area*	Rochester MSA**	Balance of State
50%	\$62,500	\$61,600	\$55,900
60%	\$75,000	\$74,000	\$67,100
80%	\$100,000	\$98,600	\$89,400
100%	\$124,900	\$123,200	\$111,700
115%	\$143,700	\$141,700	\$128,500

\*Counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington and Wright.

\*\*Dodge and Olmsted counties.



## Administration Fee

- **Maximum Fee Amount:** \$1,000 per unit
- **Eligible costs:** application intake, household eligibility, loan origination and processing, document preparation, tracking and reporting
- **Ineligible costs:** subsidies for marketing, loans not funded, etc.
- **Exceptions:** may request a higher fee when going above and beyond covered services

## Application Types

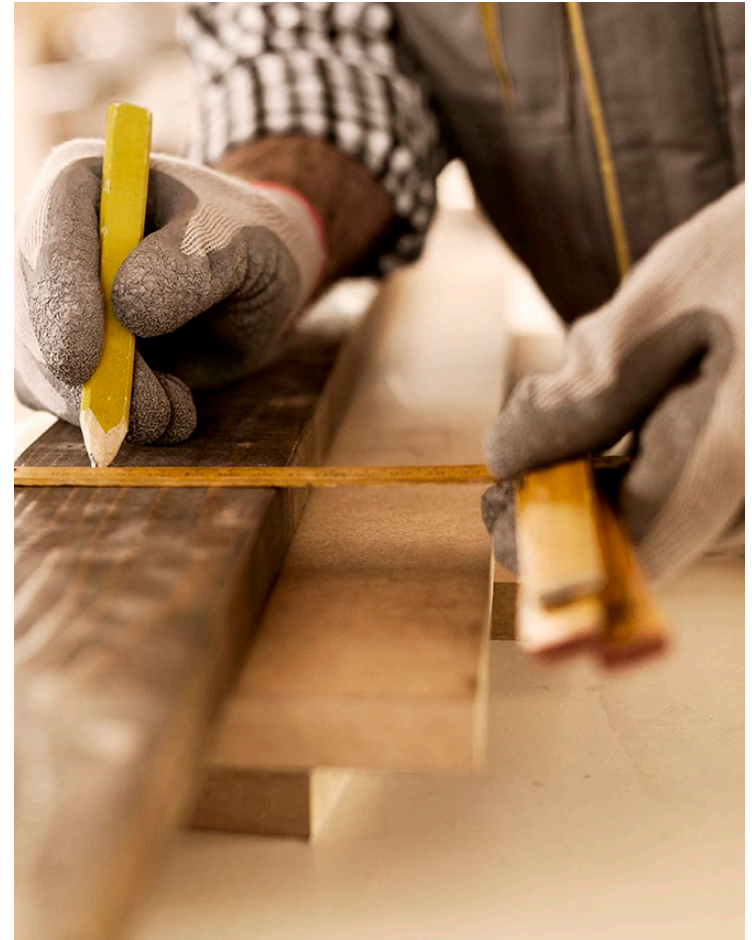
- Acquisition, Rehabilitation, Resale
- New Construction

## When to use:

- Direct involvement, primary responsibility for construction

## Maximum Developer Fee:

- 10% of Total Development Costs



# General Application

## 2024 Single Family Request for Proposals (RFP)

*If using Firefox, you may be prompted to open the file or save the file. Please use "Save As" option to download all Excel files rather than "Open."*

### Application Materials

- [Single Family RFP Application Instructions](#)
- [Income Limits](#)

### General Application

*All applicants must complete the General Application and applicable Risk Assessment form. Nonprofit organizations and for-profit business entities must also complete the applicable Internal Controls Certification form.*

- [General Application](#)
- [Risk Assessment Form - For-Profit Business Entities](#)
- [Risk Assessment Form - Nonprofit Organizations](#)
- [Risk Assessment Form - Political Subdivisions](#)
- [Internal Controls Certification - For-Profit Business Entities](#)
- [Internal Controls Certification - Nonprofit Organizations](#)

# Activity Application

## Additional Submission Items by Proposal Housing Activity Type

*Only complete the applicable Activity Section(s).*

*New Community Land Trust applicants that have not applied through the Single Family RFP previously must complete the Community Land Trust Supplemental Application.*

### Acquisition/Rehabilitation/Resale Housing Activity Section

- [Acquisition/Rehabilitation/Resale Activity Application](#)
- [Acquisition/Rehabilitation/Resale Activity Workbook](#)
- Also see the Single Family Green Communities Resources section below.

### Stand-Alone Affordability Gap Activity Section

- [Affordability Gap Application](#)
- [Affordability Gap Workbook](#)

### New Construction Activity Section

- [New Construction Activity Application](#)
- [New Construction Workbook](#)
- [Prevailing Wage Certification](#) (if applicable)
- Also see Single Family Green Communities Resources section below

### Owner-Occupied Rehabilitation Activity Section (includes CFUL Write Down)

- [Owner-Occupied Rehabilitation Application](#)
- [Owner-Occupied Rehabilitation Workbook](#)
- Also see the Lead-Based Paint Guidebook in the Green Resources section below

### Tribal Indian Housing Program (TIHP) Activity Section

- [Tribal Indian Housing Program Application](#)
- [Tribal Indian Housing Program Workbook](#)

# How to Request Affordability Gap

## Which application should I use to request Affordability Gap?

Are you also requesting Value Gap?

**Yes**

- Acquisition, Rehab, Resale Application
- New Construction Application

**No**

- Stand-Alone Affordability Gap Application



# Multiple Applications

## When do I complete multiple applications?

- Applying for more than one Activity type
- Substantial differences between projects of the same Activity type

## Requirements

- 1 General Application and set of Risk Assessment/Internal Controls forms
- Unique Activity Application and Workbook for each Project

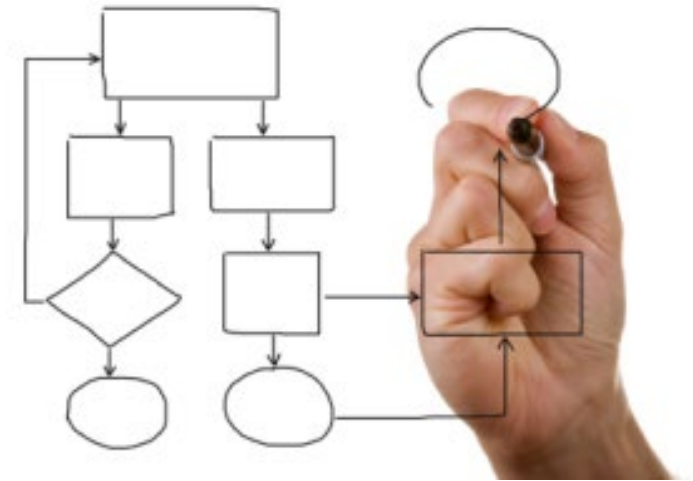


# 10-Minute Break

# Scoring and Selection

## Scoring & Selection Process

- Reviewed and scored by staff
- Reviewed and prioritized by Selections Committee
- Reviewed and voted on by Minnesota Housing board of directors





## Will your application qualify for review?

It must be:

- Submitted by an **eligible applicant**
- Complete**
- Submitted **by the application deadline**

**Thursday, July 11, 2024, at 12:00 p.m.**



# Competitive Selection Criteria

## How scoring works

- Three competitive selection criteria
- Scored from 0-5 points each
- 15 possible points

## Competitive Selection

- Organizational Capacity
- Project Feasibility
- Community Need



# Organizational Capacity

## Organizational Capacity

- Experience with similar projects or programs
- Roles of applicant and organizational partners
- Organization financial health
- Past performance

# Project Feasibility



Cost Reasonableness

Economic Viability

- Vacancy rates
- Workforce growth
- Housing affordability
- Condition of housing stock

Able to complete within 36 months

Development readiness



# Community Need

- What is the housing need in your **Target Area** based on population, local economic factors, and housing conditions? For example:
  - Clear demand for affordable housing.
  - Deteriorated housing stock.
- What is unique about the need in your area?
- How is your proposal best suited to meet the need?

## Funding Priorities

- Efficient Use of Resources
- Focus on Households Most Impacted
- Supporting Community and Economic Development
- Increasing and Maintaining the Supply of Affordable Housing



- **Committed leverage**
- **Documentation:**
  - Funding commitment letter, signed and dated, describing funding amount and timeframe
  - Dedicated funds in board-approved strategic plan, budget
- **Project-specific: Good**
- Complete the “Leverage and Cost Containment” Worksheet

## For example, you have...

- Applied for project support, but funds have **not yet** been approved.
- Dedicated funds to the project in your budget, but do **not** have approval from your board or council.

## Pending Leverage Deadline:

**September 1, 2024**



# Community Partnerships

- Partnerships establish connection to community
- Partners can include local government, lenders, contractors, homebuyer educators, realtors, etc.
- Strengthens organizational capacity
- Demonstrates project readiness



# Funding Recommendations

## Award Decisions

- Minnesota Housing Board will consider funding recommendations on **December 19, 2024**.
- Greater Minnesota Housing Fund board meeting date may vary.



## Selection notification via letter

- Within 10 working days of Board approval



# Post-Award Information

## **Debriefing Meetings** – for applicants not selected

- cover why not funded
- tips for reapplying

## **Launch Meetings** – for selected applicants

- Impact Fund Contract
- Program Requirements
- Disbursement process
- Reporting/monitoring



# Application Tips

- Read the RFP, application and workbook
- Start early!
- Use the RFP Checklist and include all required attachments
- Double check for consistency throughout
- Submit your application on time:

**Thursday, July 11, 2024, at 12:00 p.m.**

## **Yes! We would love to help.**

- How application materials work
- Program requirements

## **No, we can't do that for you.**

- Make suggestions
- Proofread applications

**Deadline for TA: Thursday, June 20th**

## Minnesota Housing Impact Fund

Email: [Impact.fund.mhfa@state.mn.us](mailto:Impact.fund.mhfa@state.mn.us)

Website: [www.mnhousing.gov](http://www.mnhousing.gov)

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# Questions

