



MEETINGS SCHEDULED FOR APRIL

Location:

Minnesota Housing
400 Sibley Street, Suite 300
St. Paul, MN 55101

THURSDAY, APRIL 25, 2013

Audit Committee Meeting
State Street Conference Room - First Floor
1:00 p.m.

Regular Board Meeting
State Street Conference Room - First Floor
1:30 p.m.**

***Not time certain. Regular meeting will begin immediately following the conclusion of the audit committee meeting.*

NOTE: The information and requests for approval contained in this packet of materials are being presented by Minnesota Housing staff to the Minnesota Housing Board of Directors for its consideration on Thursday, April 25, 2013.

Items requiring approval are neither effective nor final until voted on and approved by the Minnesota Housing Board.

The Agency may conduct a meeting by telephone or other electronic means, provided the conditions of Minn. Stat. §462A.041 are met. In accordance with Minn. Stat. §462A.041, the Agency shall, to the extent practical, allow a person to monitor the meeting electronically and may require the person making a connection to pay for documented marginal costs that the Agency incurs as a result of the additional connection.

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400 Sibley Street | Suite 300 | Saint Paul, MN 55101-1998 | 651.296.7608
800.657.3769 | fax: 651.296.8139 | tty: 651.297.2361 | www.mnhousing.gov
Equal Opportunity Housing and Equal Opportunity Employment

DATE: April 18, 2012
TO: Minnesota Housing Board Members
FROM: Mary Tingerthal
Commissioner
SUBJECT: **Audit Committee Meeting**

A meeting of the Audit Committee has been scheduled for:

Thursday, April 25, 2013 at 1:00 p.m.

Location: Minnesota Housing
Jelatis Conference Room
400 Sibley Street, Suite 300
St. Paul, MN 55101

The topic for discussion at this meeting is:

- A. Audit Risk Assessment Standards and Audit Planning



AGENDA ITEM: A
MINNESOTA HOUSING AUDIT COMMITTEE MEETING
April 25, 2013

ITEM: Audit Risk Assessment Standards and Audit Planning

CONTACT: Terry Schwartz, 651-296-2404
terry.schwartz@state.mn.us

Bill Kapphahn, 651-215-5972
william.kapphahn@state.mn.us

REQUEST:

- Approval Discussion Information

TYPE(S):

- Administrative Commitment(s) Modification/Change Policy Selection(s) Waiver(s)
 Other: _____

ACTION:

- Motion Resolution No Action Required

SUMMARY REQUEST:

Representatives from CliftonLarsonAllen, the Agency’s external audit firm, will discuss audit risk assessment standards and audit planning for the 2013 engagement.

FISCAL IMPACT:

None.

MEETING AGENCY PRIORITIES:

- Promote and support successful homeownership Preserve federally-subsidized rental housing
 Address specific and critical needs in rental housing markets Prevent and end homelessness
 Prevent foreclosures and support community recovery Strengthening Organizational Capacity

ATTACHMENT(S):

None.



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A G E N D A

Minnesota Housing Finance Agency Board Meeting

Thursday, April 25, 2013

1:30 p.m.

State Street Conference Room – 1st Floor
 400 Sibley Street, St. Paul, MN 55101

- 1. Call to Order**
- 2. Roll Call**
- 3. Agenda Review**
- 4. Approval of Minutes**
 - A. Regular Meeting of April 4, 2013.
- 5. Reports**
 - A. Chair**
 - B. Commissioner**
 - C. Committee**
 1. Report of the April 25, 2013 Audit Committee meeting
- 6. Consent Agenda**
 - A. Resolution Authorizing Execution And Delivery of First Amendment to Standby Bond Purchase Agreement with Wells Fargo Bank, National Association
- 7. Action Items**
 - A. Resolution Authorizing Issuance and Sale of Minnesota Housing Finance Agency Residential Housing Finance Bonds, 2013 Series A, Minnesota Housing Finance Agency Residential Housing Finance Bonds, 2013 Series B, And Minnesota Housing Finance Agency Residential Housing Finance Bonds, 2013 Series C
 - B. Housing Tax Credit (HTC) Program- 2013 Round 2 Selections and Waiting List
 - C. Commitment and Selection, Bridges Rental Assistance
- 8. Discussion Items**
 - A. Resolutions Delegating Certain Authorities to the Commissioner
 - Single Family Delegations
 - o Approval of Tribal Indian Housing Corporation Housing Plans and Administrative Budgets
 - o Approval of Pipeline Program Lenders and Servicers
 - o Approval of Pipeline and Deferred Loan Waivers
 - Multifamily Delegations
 - o LMIR Loan Funding Modifications
 - o Deferred Loan Funding Modifications
 - o Asset Management and Preservation Loan Funding Modifications
 - o Deferred Loan Debt Forgiveness

- Deferred Loan Assumptions
- Loan Commitment Extensions
- Amortizing Loan Prepayment Prohibition Waivers
- General Delegations
 - Non-material Changes to Agency Guides.
 - Non-material Changes to the Affordable Housing Plan.
 - Changes to Programs and Guides Due to Federal Changes
 - Waiver of Agency Program Requirements Incident to Natural Disaster
- B. Agency Website and Community Profiles Demonstration

9. Informational Items

None.

10. Other Business

11. Adjournment

MINUTES

MINNESOTA HOUSING FINANCE AGENCY BOARD MEETING**Thursday, April 4, 2013**

1:00 p.m.

State Street Conference Room – 1st Floor

400 Sibley Street, St. Paul, MN 55101

1. Call to Order.

Chair Ken Johnson called to order the regular meeting of the Board of the Minnesota Housing Finance Agency at 1:04 p.m.

2. Roll Call.

Members present: Gloria Bostrom, John DeCramer, Rebecca Otto, Joe Johnson, Ken Johnson, and Steve Johnson. Stephanie Klinzing joined the meeting at 1:06 p.m.

Minnesota Housing staff present: Tal Anderson, Paula Beck, Jim Cegla, Jessica Deegan, Phil Hagelberger, Susan Haugen, Anne Heitlinger, Bill Kapphahn, Kurt Keena, Janine Langsjoen, Julie LaSota, Jane Loechler, Diana Lund, Nira Ly, Eric Mattson, Tonja Orr, John Patterson, Devon Pohlman, Bob Porter, Leslee Post, Mary Ruch, Joel Salzer, Becky Schack, Emily Strong, Kim Stuart, Susan Thompson, Will Thompson, Mary Tingerthal, LeAnne Tomera, Dan Walsh, Heidi Welch, Don Wyszynski.

Others present: Robyn Bipes, Greater Minnesota Housing Fund; Leigh Rosenberg, Minnesota Housing Partnership; Celeste Grant, Office of the State Auditor.

3. Agenda Review

Two revisions to item 7.B.; “Revised Cost Containment Methodology” and “Distribution of Annual Tax Credits for 2014 and 2015” were announced and distributed. Multiple corrections to the minutes were announced.

4. Approval of the Minutes.**A. Regular Meeting of January 24, 2013.**

Auditor Otto moved approval of the minutes with the following corrections: correction of the voting record for the minutes; call to order of the meeting by Vice Chair Joe Johnson rather than Chair Ken Johnson, and the inclusion of the attendance of Celeste Grant. Mr. Joe Johnson seconded the motion to approve the minutes as revised. Motion carries 7-0.

5. Reports**A. Chair**

Chair Ken Johnson thanked Vice Chair Joe Johnson for chairing the previous month’s meeting.

B. Commissioner

Commissioner Tingerthal requested that a meeting of the audit committee be convened at 1:00 p.m. on Thursday, April 25. The purpose of the meeting is to have a briefing with the auditors prior to commencing with the audit for the year. Following the audit committee meeting, the regular board meeting would convene.

Commissioner Tingerthal reported the following:

- Barry Zigas who has worked with Fannie Mae and the National Low Income Housing Coalition is in Minnesota. Mr. Zigas presented “Housing America’s Future,” a report of the findings of the Bipartisan Policy Center’s (BPC) Commission on Housing at the Minnesota Housing Partnership Investors Council and will have a discussion with staff following the board meeting. Also at the Investor’s Council, Congressman Ellison presented his common sense housing bill, which includes modifying the mortgage interest deduction and change it into a capped credit and redirect the savings to a series of rental housing buckets, including low-income housing tax

credits, public housing renovation, an increase in Section 8 vouchers, and into the National Affordable Housing Trust. The National Affordable Housing Trust fund was created in 2008 and intended to be funded through earnings from Fannie Mae and Freddie Mac, who have not had earnings since the Fund's creation until this year.

- It's a quiet time at the legislature; all the appropriations bills have been heard. Housing bills have fared very well so far, but we have not heard from either the House or the Governor's Office regarding the bonding bill but it is believed there will be a bonding bill and that housing will be included. There are big differences in the budget plans that came out of the House, Senate and Governor's office and a fair amount of work will be needed to reach an agreement. A few housing policy bills have been introduced, including one that would keep the disaster recovery money for the NE Minnesota flood area available a little longer and one that pertains to lowering the property tax rate for affordable housing. The Compensation Council has released a set of recommendations regarding salaries for legislators, the executive branch and commissioners. There will be a series of hearings. A bill has been introduced in the Senate but there is not yet a House author. The recommendation most relevant for Minnesota Housing is a change to the cap on Commissioner's salaries, which have been frozen for 12 years at 95% of the Governor's salary. The recommendation increases the cap to 135% of the Governor's salary and removes some language prohibiting professional salaries from exceeding that of the Commissioner. This change would improve the ability of agencies to attract top talent to positions like CFOs and engineers.
- There continues to be a flood of product development within the Agency. Today's Mortgage Credit Certificate presentation introduces the final piece of the puzzle for the mortgage program changes. Today members will see a presentation that provides background on Mortgage Credit Certificates, a federal tool that has never before been used by the Agency. The Agency has been approved as an FHA Lender and is moving full speed ahead to review our amortizing first mortgages and revitalizing them product wise. Keeping up with the aggressive pace of program changes requires a remarkable group of staff in order to keep up.
- At the last meeting, the board approved a resolution to refund many bonds that were issued to the Treasury under the New Issue Bond Program. The market was not quite where staff needed it to be and did not proceed with the sale. Staff will again test the market this month.

Tal Anderson was invited to introduce the following new employees:

- Nira Ly joins the Single Family community development team and will work with the NSP program. Ms. Ly was most recently a foreclosure prevention counselor at the Hmong American Partnership. She recently completed law school and has experience working in community development programs, including NSP, while working in Washington, D.C.
- Heidi Welch is the newest member of the partner solutions team, a new team whose focus is to work more effectively and efficiently with partners; lenders and real estate professionals in particular. Ms. Welch comes to the Agency from Wells Fargo, where she specialized in first-time homebuyer loans.

C. Committee

There were no committee reports.

6. Consent Agenda

- A. Loan Modification, Low and Moderate Income Rental Program (LMIR) - East Village North, Minneapolis.**
- B. Appointment of Responsible Authority, Minnesota Government Data Practices Act**
- C. Program Waiver, Homeownership Assistance Fund**

MOTION: Mr. Joe Johnson moved approval of the consent agenda. Mr. John DeCramer seconded the motion. Motion carries 7-0.

7. Action Items

A. Program Concept, Mortgage Credit Certificate Program.

Kirsten Partenheimer presented a request for approval of the Mortgage Credit Certificate program, which would offer a Federal tax credit and is used in conjunction with a first mortgage product. The credit is equal to a percentage of the mortgage interest paid and is claimed on taxes after all other deductions, subtractions and credits have been taken. If the MCC credit exceeds the homeowners' tax liability in a given year, excess credit may be carried over up to three years. Homeowners will continue to deduct the requisite mortgage interest. The requirements for issuing MCCs are similar to the requirements for using mortgage revenue bonds and the Agency's program would have the same income limits as the Start Up and Step Up programs.

The Agency has selected a 35% credit rate based on average home prices, the maximum credit rate allowed, the tax liability of buyers (derived from a tax incidence model created by the Department of Revenue), and surveys of HFAs across the country, most of whom offer between 20% and 30% credit rates. Lower rates are typically used in areas with higher property values, and the rate selected by Minnesota Housing is comparable to other rates selected by HFAs with similar home prices as in this market. Another consideration in setting the credit rate is whether or not bonding is a scarce resource and if the Agency wants to provide the maximum benefit to a limited number of people or a lesser benefit to a greater number of people; Minnesota Housing's objective is to serve as many households as possible with the MCC program while using all available credit authority within the specified timeframe.

In response to a question from Mr. Joe Johnson, it was stated that the money currently authorized for the MCC program will expire at the end of 2014. At that time, staff would determine whether more bonding authority should be converted for use in the MCC program; the current money was derived from Single Family bonding authority that was set to expire. The program can be one-time or ongoing, but any money used for the MCC program would not be available for funding mortgages if the Agency elects to convert additional bonding authority to extend the MCC program. The program is heavily dependent upon the bond market and a consideration for choosing to continue the MCC program would be demand for Agency mortgages and whether there is excess bonding authority. This is the first time the Agency has been in a position to offer MCCs because, since December, 2012, we have been able to offer loans in the secondary market rather than financing them with bonds. A buyer cannot "double up" on the benefits of a tax exempt bond funded loan and a mortgage credit certificate.

The lender application fee for lenders new to Minnesota Housing bond programs will be \$250 which provides access to all Minnesota Housing home mortgage programs including the MCC program; existing Minnesota Housing lenders who have already paid the \$250 lender fee will incur no additional fees to offer the MCC program, though a supplemental MCC lender participation agreement is required for all MCC lenders. The borrower fee structure for an MCC-only loan that is not combined with a Minnesota Housing first-time homebuyer loan will be 1% of the purchase price. This borrower fee is waived for first-time homebuyers using the MCC program in conjunction with a Minnesota Housing first-time homebuyer loan as a result of system and processing efficiencies. If the borrower is using a Minnesota Housing product, the originating lender would determine eligibility during review of the mortgage application. Ms. Bostrom requested that staff use care to ensure that the Agency does not imply that our products must be used in order to receive an MCC.

A buyer must have a property identified for purchase if they will use the MCC product; there is no pre-qualification situation for using an MCC. While Federal law requires that MCCs be available to qualified applicants irrespective of where the loan was originated, HFAs currently offering MCCs have not typically seen use of the product by buyers other than those whose loan was originated by, sold to or securitized by the HFA issuing the MCC. Mike Haley provided some background about MCCs, stating that, when first introduced in the early 1980s, the idea was that homeowners would adjust their tax withholdings to increase their take-home pay and the lender would give the buyer credit for that increased pay and, in theory, the additional take home pay would go towards the buyer's homeownership expense. The program provides a degree of affordability but use of the product is not considered overall in a formal underwriting review.

Staff is unsure at this time of the average loan amount for loans in conjunctions with MCCs and the average loan amount will determine the number of MCCs that can be issued. With a new program, it is challenging to gauge demand or if there is sufficient, or excess, funding. While the product is new for Minnesota Housing, Dakota County currently offers MCCs and the Cities of Minneapolis and Saint Paul have offered them in the past. Lenders have inquired about the program and staff intends to aggressively market the program, which will be first-come, first-served and will initially be offered for an 18-month period. Usage of the MCC program versus the MRB program will be reviewed to determine if the MCC program should continue.

In response to a question from Ms. Bostrom, it was stated that if an owner sells the home, they cannot take the MCC with them. The HFA has the option of reissuing the MCC if the owner were to refinance. The program is subject to a subsidy recapture for the first nine years, the same as under the mortgage revenue bond program. There are three tests for the subsidy recapture and all three must occur in order to trigger a recapture.

In response to a question from Ms. Klinzing, Mr. Haley stated that staff believes there will be good market acceptance of the program and there are likely to be some differences between MCC program participants and those who use the MRB program due to the tax liability structure of likely MCC beneficiaries. It is the Agency's expectation and intention to make clear to lenders to work responsively with potential MCC borrowers to determine their potential tax liability benefit under the MCC program. Rising interest rates and home prices will make the program more attractive as the credit becomes more valuable in reducing Federal taxes.

Mr. Haley recognized Ms. Partenheimer, Devon Pohlman, Kim Stuart and others in the division for the enormous amount of work they put in to introduce this new concept. **MOTION:** Auditor Otto moved approval. Mr. Joe Johnson seconded the motion. Motion carries 7-0.

B. Qualified Allocation Plan (QAP) and Procedural Manual, 2014 and 2015 Housing Tax Credit (HTC) Program

Bob Porter, the interim team lead for the tax credit team, summarized the changes that were made since the Board reviewed the initial proposed changes at its January meeting. Several of the proposed changes had received no comments and had no changes. Public comments, including some not specifically related to the proposed changes, were received and reviewed by staff; some of which resulted in changes. These changes were outlined in the board report. Portions with changes resulting from public comment included household targeting with an emphasis on special populations and minimum point threshold for tax-exempt bond projects seeking 4% tax credits.

Ms. Julie LaSota provided the board with information regarding changes to pertaining to preservation or stabilization, noting that the priorities are made as explicit as possible to ensure a fair and predictable process. Clarifications were provided in several areas and some changes were made to definitions. A key clarification is that projects may claim points under one preservation risk category only. Another change was an increase of bonus points under preservation of federally assisted units for projects of under 61 to 100 units from five to seven points. There are fewer of these projects overall, but they can leverage significantly more rental subsidies than smaller projects. There also was a change to the high risk category to include an additional group of properties. This change was the result of an inadvertent omission not as a result of public comment. LaSota shared that, overall, comments regarding preservation were favorable. Applicants are being encouraged to seek technical assistance as soon as possible as there are significant changes related to preservation and stabilization.

Mr. John Patterson spoke to the board regarding cost containment, stating that after reviewing almost 200 developments, staff did not find any competitive advantages or disadvantages in cost containment scoring between Greater Minnesota and the Metro area and between new construction and rehabilitation, but the development community has remained concerned. As a result, staff developed a new approach to cost containment that involves a competition among similar projects in similar areas. The 50 percent of proposals within each group with the lowest TDC per unit will receive four cost containment points. Mr. Patterson also pointed out a clarification that the cost containment methodology applies only to applicants seeking 9% credits.

Regarding Geographic Priority Points, Patterson stated that there are concerns that the proposed criteria and scoring favors some categories of communities over others, such as high-income versus low-income or center cities versus outer-ring suburbs. When all the geographic points criteria are combined, staff analysis shows that the high point areas include a wide range of communities, including both high-income and low-income and both center city and outer-ring suburbs. Thus, there are no changes to any of the geographic-based scoring criteria other than a couple clarifications and corrections.

Auditor Otto thanked staff for the data analyses and comments provided, noting that both cost containment and quality materials are important; we really want high quality affordable housing and staff architects are key to ensuring that cost containment does not result in unintended consequences. Chair Johnson expressed appreciation for the transparency in staff responses to the comments received. **MOTION:** Ms. Klinzing moved approval. Mr. Steve Johnson seconded the motion. Motion carries 7-0.

8. Discussion Items

A. Rental Rehabilitation Deferred Loan Pilot Program (RRDL) Progress Report

Susan Haugen presented a progress report and proposed changes to the RRDL pilot program, for which seven program administrators and five projects had been approved. The Agency has seen successes in the larger projects. These projects, with 60 or more units and existing Federal financing have been moving smoothly but there have been challenges with locally administered programs, particularly those targeting small projects, where just over half of the available funds have been reserved. Staff had anticipated a better take-up of funds. Smaller building owners often have capacity issues that prevent them from participating in the program. Additionally, much of the financing of smaller buildings in Greater Minnesota is through commercial lending, whose products are not compatible with those of the Agency. The following steps have been or will be taken to refine the program: reducing the number of initial submission items from 40 to 20; improve the

community profiles to ease the burden on owners and administrators to identify good markets and priorities; tailor some of the “green” standards so that they are specific to smaller properties; modify underwriting and due diligence standards for properties owned by a sole proprietor; and adoption of a more flexible commercial loan policy that will make eligible fully amortizing adjustable rate mortgages, provided a repricing will not trigger subordination of an Agency loan. It is expected that production under the program will increase as a result of these changes, coupled with aggressive marketing and working closely with partners to continue to refine the program.

In response to a question from Chair Johnson, Ms. Haugen stating that staff are working with the Agency communications team to develop marketing materials to be sent to administrators and also to DEED customers. Training sessions are being added and advertised as well. Staff have also had contacts with local rental property owners whose properties receive rental assistance.

In response to a question from Ms. Klinzing, Ms. Haugen stated that staff have determined that sole proprietors must provide a schedule on their income tax returns that contains much of the information that would be included in corporate financials. This schedule can be used in place of a pro forma for an initial application and saves a lot of time and expense for the owners.

9. Informational Items

A. Report of Complaints Received by Agency or Chief Risk Officer

Information item, no action needed.

10. Other Business

None.

11. Adjournment.

The meeting adjourned at 2:33 p.m.



AGENDA ITEM: 6.A
MINNESOTA HOUSING BOARD MEETING
April 25, 2013

ITEM: Resolution Authorizing Execution and Delivery of a First Amendment to Standby Bond Purchase Agreement with Wells Fargo Bank, National Association

CONTACT: Don Wyszynski, 651-296-8207
 don.wyszynski@state.mn.us

Joe Gonnella, 651-296-2293
 joe.gonnella@state.mn.us

REQUEST:

Approval Discussion Information

TYPE(S):

Administrative Commitment(s) Modification/Change Policy Selection(s) Waiver(s)

Other: Financial

ACTION:

Motion Resolution No Action Required

SUMMARY REQUEST:

Authorize the Agency to enter into a first amendment to standby bond purchase agreement with Wells Fargo Bank, National Association, to conform certain provisions of the standby bond purchase agreement to the standby bond purchase agreements entered into with Wells Fargo last month. Section 1 of the attached resolution provides additional background information.

FISCAL IMPACT:

None.

MEETING AGENCY PRIORITIES:

- Finance New Opportunities for Affordable Housing
- Mitigate Foreclosure Impact Through Prevention and Remediation
- Build our Organizational Capacity to Excel and Achieve Our Vision
- Preserve Existing Affordable Housing Prevent and End Long-term Homelessness

ATTACHMENT:

- Resolution

**MINNESOTA HOUSING FINANCE AGENCY
400 Sibley Street, Suite 300
St. Paul, Minnesota 55101**

RESOLUTION NO. MHFA 13-___

**RESOLUTION AUTHORIZING EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO STANDBY
BOND PURCHASE AGREEMENT WITH WELLS FARGO BANK, NATIONAL ASSOCIATION**

BE IT RESOLVED BY THE MINNESOTA HOUSING FINANCE AGENCY:

Section 1. Recitals. The Agency has issued and there are outstanding variable rate demand obligations entitled Residential Housing Finance Bonds, 2005 Series M (the "2005 Series M Bonds"). The payment of the purchase price on the Outstanding Bonds when subject to an optional or mandatory tender by the owners thereof is secured by standby bond purchase agreement provided in July 2012 by Wells Fargo Bank, National Association ("Wells Fargo"). In March 2013, the Agency entered into standby bond purchase agreements with Wells Fargo supporting five series of variable rate demand obligation Residential Housing Finance Bonds to replace expiring standby bond purchase agreements. Staff proposes to amend the standby bond purchase agreement relating to the 2005 Series M Bonds in a first amendment to conform certain provisions of that agreement to the standby bond purchase agreements entered into with Wells Fargo last month.

Section 2. Authorization and Approval of First Amendment to Standby Bond Purchase Agreement. The Chief Financial Officer or the Finance Director is hereby authorized to execute, in the name and on behalf of the Agency, a first amendment to standby bond purchase agreement with Wells Fargo (the "First Amendment") as described in Section 1, substantially in the form submitted with such changes as shall be approved by the officer executing the First Amendment. Either such officer is further authorized to execute and deliver any other documents necessary or convenient in connection with the execution and delivery of the First Amendment.

Adopted this 25th day of April, 2013.

By: _____
Chair



AGENDA ITEM: 7.A
MINNESOTA HOUSING BOARD MEETING
April 25, 2013

ITEM: Resolution Authorizing Issuance and Sale of Minnesota Housing Finance Agency Residential Housing Finance Bonds, 2013 Series A, Minnesota Housing Finance Agency Residential Housing Finance Bonds, 2013 Series B, And Minnesota Housing Finance Agency Residential Housing Finance Bonds, 2013 Series C

CONTACT: Don Wyszynski, 651-296-8207
 don.wyszynski@state.mn.us

Joe Gonnella, 651-296-2293
 joe.gonnella@state.mn.us

REQUEST:

Approval Discussion Information

TYPE(S):

Administrative Commitment(s) Modification/Change Policy Selection(s) Waiver(s)

Other: Bond Transaction

ACTION:

Motion Resolution No Action Required

SUMMARY REQUEST:

Agency staff is preparing to issue bonds to provide funds to refund certain Residential Housing Finance Bonds issued in 2004 (the 2013 Series A and Series B bonds) and to provide for the acquisition of newly originated mortgage backed securities (the 2013 Series C bonds). Kutak Rock LLP, the Agency's bond counsel, will send the resolution and Preliminary Official Statement describing the transaction under separate cover. The Board will be asked to adopt a resolution approving the terms of the bond issue on a not-to-exceed basis.

FISCAL IMPACT:

The transaction will result in the Agency earning the maximum allowable spread on both the refunding bonds and the new money bonds, and generating additional excess spread which can be utilized by the Agency to continue to subsidize interest rates on future loan production.

MEETING AGENCY PRIORITIES:

Promote and support successful homeownership Preserve federally-subsidized rental housing
 Address specific and critical needs in rental housing markets Prevent and end homelessness
 Prevent foreclosures and support community recovery Strengthening Organizational Capacity

ATTACHMENT(S):

None.

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AGENDA ITEM: 7.B
MINNESOTA HOUSING BOARD MEETING
April 25, 2013

ITEM: Housing Tax Credit (HTC) Program - 2013 Round 2 Selections and Waiting List

CONTACT: Bob Porter, 651-297-5142
 Robert.porter@state.mn.us

REQUEST:

Approval Discussion Information

TYPE(S):

Administrative Commitment(s) Modification/Change Policy Selection(s) Waiver(s)

Other: _____

ACTION:

Motion Resolution No Action Required

SUMMARY REQUEST:

Staff requests board adoption of the attached Resolution authorizing the selections and reservation/increased reservation of housing tax credits for Round 2 of the 2013 Housing Tax Credit Program year and as credits become available, and subject to final reviews, the projects on the Waiting List.

FISCAL IMPACT:

Housing tax credits are a federal resource and therefore do not adversely impact the Agency's financial condition.

MEETING AGENCY PRIORITIES:

Promote and support successful homeownership Preserve federally-subsidized rental housing
 Address specific and critical needs in rental housing markets Prevent and end homelessness
 Prevent foreclosures and support community recovery Strengthening Organizational Capacity

ATTACHMENT(S):

- Background
- HTC Round 2 Selections and Waiting List
- Resolution

BACKGROUND

Minnesota Housing received applications for the final 2013 HTC application round (Round 2) on January 29, 2013. In Round 2, applications are selected without regard to geographic distribution. Projects that have previously received tax credits and have a shortfall of at least 5 percent, but not more than 33.33 percent, of the total qualified annual tax credit amount have priority over other applications.

The total credit availability for the 2013 HTC program is currently \$12,103,062 based upon \$2.25 per capita and adjustments for updated population numbers. In the 2013 HTC Round 1 (Round 1), a total of \$11,599,782 in credits, as adjusted, was allocated against a total Round 1 credit availability of \$12,025,937. A total of \$1,018,711, as detailed below, is currently available for Round 2.

2013 Round 1 remaining balance, as adjusted	\$426,155
Increase due to update of population.	\$77,125
Returned credits	\$515,431
National Pool (estimated)	=TBD
2013 Current Balance (available to Round 2)	\$1,018,711

In May, the Agency will apply for tax credits from the National Pool. Due to per capita and state allocation variables, it is not possible to estimate the credits that may be available from the National Pool at this time. The Agency may also allocate all unused and/or returned credits from previously allocated projects returned to the Agency prior to October 1, 2013 in accordance with the requirements of Section 42.

The Agency received 10 applications requesting a total of \$4,603,047 of Round 2 tax credits. Four applications had previously received awards of tax credits either from Minnesota Housing or from one of the sub-allocators. Two of these qualified for the Round 2 supplemental request priority. The remaining 6 applications are new request applications.

All applications were ranked in accordance with the selection criteria outlined in the 2013 HTC Qualified Allocation Plan (QAP). In accordance with the 2013 QAP, the two supplemental applications were reviewed on a priority basis. A total of \$362,548 in tax credits is recommended for the two supplemental applications. An amount of \$647,420 is recommended for the highest competitive non-supplemental priority proposal, which is a new request application. The proposed Round 2 housing credit awards will leave a credit balance of approximately \$8,743 which is insufficient to substantially fund any remaining proposal. This amount, plus any returned credits and/or National Pool credits will be evaluated for use with proposals which are placed on the 2013 Waiting List. The proposals recommended for placement on the Waiting List have received preliminary review and are subject to final reviews should sufficient credits become available to substantially fund another project.

Staff's recommendations for 2013 Round 2 tax credit selections and the 2013 Waiting List are attached.

WAIVER OF DEVELOPMENT CREDIT ALLOCATION LIMITS:

Article 8.0 of the 2013 QAP states that no developer or general partner may receive tax credits in excess of 10 percent of the state's per capita volume in any calendar year and no individual development may receive credits in excess of \$1,000,000. This limitation is subject to review and waiver by the Agency Board. Chapter 3.E. of the 2013 HTC Procedural Manual also states that, at the sole discretion of the Agency, these limits may be waived for projects that involve community revitalization, historic preservation, preservation of existing federally assisted housing, housing with rents affordable to

households at or below 30 percent of median income, in response to significant proposed expansions in area employment or natural disaster recovery efforts.

Staff is recommending waiver to the \$1,000,000 per development cap to allow for an aggregate amount of \$1,023,155 for the following development submitted by SCI Associates, LLC (Sand Companies, Inc.) and Aurora St. Anthony Development Corporation. The amount of the waiver request is \$23,155.

Old Home Plaza

This 57 unit development requesting a total of \$1,023,155 in tax credits is in part adaptive reuse of an existing building which also includes the utilization of federal and state historic tax credits. The development is part of the City of St. Paul's Hamline, Victoria and Western Station Area Plan that provides for community revitalization. The development also includes seven units serving Long Term Homeless households. In addition, six of these units will have the benefit of project-based voucher Section 8 assistance, and through this assistance, rents will be affordable to households at or below 30 percent of area median income.

HTC 2013 Round 2 Selections and Waiting List – January 29, 2013**Selection Summary**

<u>Project Number</u>	<u>Project Name</u>	<u>HTC Awarded</u>
16420	Old Home Plaza, St. Paul	\$ 277,548
16425	South Quarter Phase IV, Minneapolis	\$ 85,000
16417	Sprucewood Townhomes, Baxter	\$ 647,420

TOTAL CREDITS AWARDED: \$ 1,009,968
3 Projects

2013 Waiting List *

<u>Project Number</u>	<u>Project Name</u>	<u>HTC Requested</u>
16426	Ebenezer Tower Apartments	\$ 820,000
16422	The Groves	\$ 519,488
16418	River Pointe Townhomes	\$ 461,240
16423	Bass Creek Townhomes	\$ 701,000
16424	Bottineau Ridge Apartments	\$ 29,952
16421	Compass Pointe	\$ 948,196
16419	Greenwood Terrace	\$ 113,203

TOTAL CREDITS REQUESTED: \$3,593,079
7 Projects

***NOTE:** Projects on the waiting list appear in ranked order based on preliminary market and feasibility reviews. If funds become available, the project will then be fully evaluated for underwriting, market and financial viability. Following this review, if the project fails to meet the required underwriting, market and feasibility review standards, staff funding considerations will move to the next qualified project on the list.

MINNESOTA HOUSING FINANCE AGENCY
400 Sibley Street
St. Paul, Minnesota 55101

RESOLUTION NO. MHFA 13-

**RESOLUTION RESERVING FEDERAL LOW-INCOME HOUSING
CREDITS FOR CALENDAR YEAR 2013 TO CERTAIN
QUALIFIED LOW INCOME HOUSING PROJECTS
2013 - ROUND 2**

WHEREAS, in accordance with the Tax Reform Act of 1986 and the provisions of Minnesota Statutes Sections 462A.221-462A.225, the Minnesota Housing Finance Agency (the Agency) has received applications as a duly designated housing credit agency for allocations to certain projects of the Low-Income Housing Credit provided by Section 42 of the Internal Revenue Code of 1986 (the Code); and

WHEREAS, Agency staff has applied to said applications the criteria set forth for selection in the Qualified Allocation Plan (QAP) and Procedural Manual for Low Income Housing Tax Credit Program (the Manual), duly adopted by the Board for 2013; and

WHEREAS, Agency staff has determined to reserve, for future allocation, portions of the state ceiling of the Low Income Housing Credit to the projects identified below, pending the final staff review and delivery by the applicants of additional certifications and information required for the Agency's issuance of such allocations.

WHEREAS, upon meeting the requirements for allocation contained in the Manual and QAP, Agency staff recommends allocating additional portions of the state ceiling of Low Income Housing Credits to the projects as follows:

Projects Receiving Additional Housing Tax Credits

Project Number	Project Name	Additional HTC Awarded
16420	Old Home Plaza, St. Paul	\$ 277,548
16425	South Quarter Phase IV, Minneapolis	\$ 85,000

Projects Receiving a New Award of Housing Tax Credits

Project Number	Project Name	HTC Awarded
16417	Sprucewood Townhomes, Baxter	\$ 647,420

Projects on the 2013 Waiting List

Project Number	Project Name	
16426	Ebenezer Tower Apartments	\$ 820,000
16422	The Groves	\$ 519,488
16418	River Pointe Townhomes	\$ 461,240
16423	Bass Creek Townhomes	\$ 701,000
16424	Bottineau Ridge Apartments	\$ 29,952
16421	Compass Pointe	\$ 948,196
16419	Greenwood Terrace	\$ 113,203

NOW, THEREFORE, BE IT RESOLVED:

1. THAT, pursuant to the above-referenced statutes and the allocation ranking factors contained in the Manual when applied to the applications submitted, the Board hereby modifies the previous adopted reservations for calendar year 2013 of the Low Income Housing Credit, upon compliance with all of the requirements contained in the Manual and QAP; and
2. THAT the Board approves a waiver of the \$1,000,000 per development cap for Old Home Plaza; and
3. THAT the Agency Commissioner is authorized to allocate the portions of the state ceiling of Low Income Housing Credits to the developments identified, and in the amounts, but not limited to the amounts set forth above; and
4. THAT the Agency Commissioner may, as funds become available, allocate to the highest ranked projects on the 2013 Waiting List portions of the state ceiling of Low Income Housing Credits. Allocations to Waiting List projects may be made only to the highest ranking projects following a full underwriting, market and feasibility review; and
5. THAT notification letters concerning the above be provided to the approved applicants.

Adopted this 25th day of April, 2013.

CHAIRMAN



AGENDA ITEM: 7.C.
MINNESOTA HOUSING BOARD MEETING
April 25, 2013

ITEM: Bridges Rental Assistance Program

CONTACT: Carrie Marsh, 651-215-6236
 carrie.marsh@state.mn.us

Elaine Vollbrecht, 651-296-9953
 Elaine.vollbrecht@state.mn.us

REQUEST:

Approval Discussion Information

TYPE(S):

Administrative Commitment(s) Modification/Change Policy Selection(s) Waiver(s)

Other: _____

ACTION:

Motion Resolution No Action Required

SUMMARY REQUEST:

Subject to Legislative appropriation, staff requests the adoption of the attached Resolution authorizing \$5,423,000 in Bridges funding and \$489,000 in Ending Long Term Homelessness Fund (ELHIF) funding to be administered through the Bridges Rental Assistance program. This action will renew 19 existing grants, and create two new ELHIF grants, providing up to 24 months of funding from July 1, 2013 through June 30, 2015.

FISCAL IMPACT:

While the Bridges budget has not yet been approved by the Legislature, the proposed budget from the Governor maintains the program's current base level of funding, which is typical of previous biennial appropriations. The Bridges funding is a State appropriated resource and does not have an adverse financial impact on the Agency's financial position. The recommended funding amount under ELHIF is available in the current 2013 Affordable Housing Plan (AHP), and has not been identified for any other purpose. Additional ELHIF funding in the amount of \$79,000 will be carried forward from the 2011-2013 Bridges ELHIF grants.

MEETING AGENCY PRIORITIES:

Promote and support successful homeownership Preserve federally-subsidized rental housing
 Address specific and critical needs in rental housing markets Prevent and end homelessness
 Prevent foreclosures and support community recovery Strengthening Organizational Capacity

ATTACHMENT(S):

- Background
- Bridges and ELHIF Funding Recommendations
- Resolution

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BACKGROUND:

Bridges began as a housing initiative for persons with serious and persistent mental illness at the Minnesota Department of Human Services (DHS) with legislative funding in 1991. In 1993, Minnesota Legislature authorized and appropriated funds to Minnesota Housing under provisions of Minnesota Statutes Section 462A.2097 to operate a rental assistance program for persons with mental illness.

In 2005, the Agency Board authorized and appropriated funds from the Ending Long Term Homelessness Initiative Fund (ELHIF) to be administered through the Bridges Program, with provision that households assisted with ELHIF meet the Bridges Program Requirements and the definition of long-term homelessness. In 2009, DHS and Minnesota Housing changed the Bridges program definition of eligible persons to those with a serious mental illness in order to align with trends towards increased community based mental health services.

In 2012, DHS funded a pilot program, known as Bridges RTC, for persons leaving the Anoka Metro Regional Treatment Center. This allows for up to 77 individuals per month to exit mental health hospitalization and live in and receive services in communities across the state.

Funds available under the Bridges Rental Assistance program provide temporary rental subsidy payments and, in some instances, security deposits for persons with a serious mental illness who meet the program criteria. The program requires registration on a waiting list (or commitment to register when waiting lists open) for permanent rental subsidies, primarily Section 8 Housing Choice Vouchers. ELHIF funds are used, operating under the same program rules, in order to provide additional opportunities for households with a serious mental illness who have also experienced long-term homelessness.

The Bridges Rental Assistance program is cooperatively administered, monitored, and evaluated by Minnesota Housing and the Minnesota Department of Human Service Adult Mental Health Division (DHS-AMH). The collaboration of Minnesota Housing and DHS-AMH continues to be essential to the effective operation of the Bridges Rental Assistance program, as does the collaboration at the local level of housing and mental health authorities. A goal of the program is to maintain and foster the integration of persons with serious mental illness into their communities through a partnership of housing subsidy and supportive services.

This funding round, as in 2011, was limited to renewal of existing Bridges administrators. Minnesota Housing and DHS-AMH staff reviewed renewal applications and performance of existing grants and found them all to be in good standing. One grantee, Moorhead PHA, declined to renew their ELHIF grant. This allowed two new administrators to apply for and be recommended to receive ELHIF funds to supplement their existing Bridges programs. Funding recommendations are based on utilization of the current grant, actual and anticipated costs per household, and to some extent demonstrated need.

The renewal application allowed administrators to request up to \$5 per household per month increase in administrative fees. Six of the 15 did request an increase, plus one additional administrator who later requested to amend their request. This may result in up to \$17,000 less available for direct assistance; however, the increase was determined to be reasonable. The range will now be from \$40 to \$50 per household.

Fifteen housing agencies administer the Bridges Rental Assistance programs in 58 counties across the Minnesota in order to provide affordable housing opportunities. Households pay 30% of their income for qualified units. Over the last state fiscal year (SFY12):

- 47% of households were in the metro area; 53 percent were in greater Minnesota
- 35% of households were families; 65 percent were single adults
- 16% were households with long histories of homelessness
- \$9,432 median annual household income
- 32 months average length of subsidy
- 56% of households had increased income from when they began the program
- 52% of households who left Bridges moved to Section 8 or another permanent subsidy

Financing Plan

\$5,991,000 will assist approximately 500 households each month from 7/1/2013 – 6/30/2015:

- \$5,276,000 in anticipated SFY14-15 Bridges funding
- \$147,000 in unexpended SFY12-13 Bridges funding
- \$489,000 in ELHIF funding designated for Bridges under the 2013 AHP
- \$79,000 in unexpended ELHIF funding from the 2012-2013 Bridges Grant Agreements

Board Agenda Item: 7.C.
Attachment: Funding Recommendations

Bridges Funding Recommendations 2013-2015

	Requested Target # Bridges HH/Month	Recommended Target # Bridges HH/Month	7/2011-2013 Average Monthly Cost (Inc. RA, SD & Admin)	Requested Amount	Bridges Funding Recommendation
METRO					
Dakota County	34	34	\$ 623	\$ 524,108	\$ 508,000
Metro HRA	185	185	\$ 575	\$ 2,708,400	\$ 2,650,000
Scott/Carver Counties	14	11	\$ 558	\$ 187,800	\$ 150,000
Washington County	19	19	\$ 403	\$ 209,980	\$ 200,000
METRO TOTAL	252	249		\$ 3,630,288	\$ 3,508,000

GREATER MN					
Bemidji	25	14	\$ 353	\$ 216,700	\$ 117,000
Blue Earth County EDA	9	6	\$ 413	\$ 98,406	\$ 59,000
Cambridge	21	21	\$ 456	\$ 234,000	\$ 234,000
Douglas County	9	9	\$ 319	\$ 70,200	\$ 70,000
Duluth	46	44	\$ 413	\$ 517,800	\$ 441,000
Moorhead PHA	28	20	\$ 383	\$ 272,488	\$ 184,000
Morrison County	14	14	\$ 347	\$ 119,800	\$ 114,000
Owatonna/CREST	29	29	\$ 416	\$ 280,616	\$ 265,000
St. Cloud	25	24	\$ 501	\$ 278,002	\$ 278,000
Tri-Valley	6	6	\$ 340	\$ 52,180	\$ 50,000
Willmar	13	13	\$ 305	\$ 103,140	\$ 103,000
GREATER MN TOTAL	225	200		\$ 2,243,332	\$ 1,915,000
STATEWIDE BRIDGES TOTAL	477	449		\$ 5,873,620	\$ 5,423,000

Bridges ELHIF Funding Recommendation 2013-2015

LTH Applicant	Requested Target # Bridges LTH HH/Month	Recommended Target # Bridges LTH HH/Month	7/2009-2011 Average Monthly Cost (Inc. RA, SD & Admin)	Requested Amount	Est. ELHIF Commitments to be Extended	New ELHIF Funding Recommendation
METRO						
Dakota County	5	5	\$ 486	\$ 65,440	\$ 6,000	\$ 60,000
Scott/Carver Counties*	2	2	n/a	\$ 35,100	\$ -	\$ 35,000
Washington County	9	10	\$ 579	\$ 143,560	\$ 5,000	\$ 135,000
METRO TOTAL	16	17		\$ 244,100	\$ 11,000	\$ 230,000
GREATER MN						
Moorhead PHA	0	0	\$ 328	\$ -	\$ 9,000	\$ -
Owatonna/CREST	15	15	\$ 469	\$ 153,200	\$ 50,000	\$ 102,000
St. Cloud	13	13	\$ 482	\$ 132,998	\$ 9,000	\$ 131,000
Tri-Valley*	3	3	n/a	\$ 26,090	\$ -	\$ 26,000
GREATER MN TOTAL	31	31		\$ 312,288	\$ 68,000	\$ 259,000
STATEWIDE						
Bridges ELHIF TOTAL	47	48		\$ 556,388	\$ 79,000	\$ 489,000
*new grants in 2013						

MINNESOTA HOUSING FINANCE AGENCY
400 Sibley Street, Suite 300
St. Paul, MN 55101

RESOLUTION NO. MHFA 13-

**RESOLUTION APPROVING SELECTION/COMMITMENT BRIDGES AND BRIDGES ENDING LONG TERM
HOMELESSNESS (ELHIF)**

WHEREAS, the Minnesota Housing Finance Agency (Agency) has received applications to provide rental assistance for persons with mental illnesses and persons with mental illness who also have long histories of homelessness.

WHEREAS, the Agency staff has reviewed the applications and determined that they are in compliance under the Agency's rules, regulations and policies; that such grants are not otherwise available, wholly or in part, from private lenders or other agencies upon equivalent terms and conditions; and that the applications will assist in fulfilling the purpose of Minn. Stat. ch. 462A.

NOW THEREFORE, BE IT RESOLVED:

THAT, the Board hereby authorizes Agency staff to enter into grant agreements using State and Agency resources as set forth below, subject to the availability of state appropriations and also subject to changes allowable under the multifamily funding modification policy, upon the following conditions:

1. The Agency staff shall review and approve the Grantees the total recommended for two years;

Bridges Grantee	D Number	Award
Bemidji	D4616	\$ 117,000
Blue Earth County EDA	D5530	\$ 59,000
Cambridge	D3736	\$ 234,000
Dakota County	D3739	\$ 508,000
Douglas County	D3827	\$ 70,000
Duluth	D3740	\$ 441,000
Metro HRA	D3741	\$ 2,650,000
Moorhead PHA	D3828	\$ 184,000
Morrison County	D2002	\$ 114,000
Owatonna/CREST	D4265	\$ 265,000
Scott/Carver Counties	D3534	\$ 150,000
St. Cloud	D3745	\$ 278,000
Tri-Valley	D3853	\$ 50,000
Washington County	D1968	\$ 200,000
Willmar	D3829	\$ 103,000

Bridges ELHIF Grantee	D Number	Award
Dakota County	D3739	\$ 60,000
Owatonna/CREST	D4265	\$ 102,000
St. Cloud	D3745	\$ 131,000
Washington County	D1968	\$ 135,000
Tri-Valley HRA	D3853	\$ 26,000
Scott/Carver Counties	D3534	\$ 35,000

2. The issuance of grant agreements in form and substance acceptable to the Agency staff and the closing of the individual grants shall occur no later than six months from the adoption date of this Resolution; and
3. The sponsors and such other parties shall execute all such documents relating to said grant, to the security therefore, as the Agency, in its sole discretion, deems necessary.

Adopted this 25th day of April, 2013.

CHAIRMAN



AGENDA ITEM: 8.A
MINNESOTA HOUSING BOARD MEETING
April 25, 2013

ITEM: Resolutions Delegating Certain Authorities to the Commissioner

CONTACT: Mary Tingerthal, 651-296-5738
mary.tingerthal@state.mn.us

REQUEST:

Approval Discussion Information

TYPE(S):

Administrative Commitment(s) Modification/Change Policy Selection(s) Waiver(s)

Other: _____

ACTION:

Motion Resolution No Action Required

SUMMARY REQUEST:

The Commissioner is requesting that the Commissioner be granted authority to authorize certain actions that currently are brought to the Board for approval and to reapprove certain authority which has been previously delegated to the Commissioner. Granting the requested delegated authority will allow the Agency to react to time sensitive issues in a more expedient matter and will also improve the efficiency of the loan and grant process. The draft resolutions presented today are for discussion only and will be revised based on Board feedback. The final resolutions will be presented for approval at the May 2013 Board meeting. For most of the delegated authorities, the Commissioner will make a written report to the Board at least annually describing the actions taken utilizing that authority and also indicate whether the parameters of any delegated authority merit revision. For a few of the delegated authorities, the Commissioner will inform the Board of the action taken at the next regularly scheduled Board meeting. All of the delegated authorities may be amended or revoked by the Board at any time.

FISCAL IMPACT:

None.

MEETING AGENCY PRIORITIES:

Promote and support successful homeownership Preserve federally-subsidized rental housing
 Address specific and critical needs in rental housing markets Prevent and end homelessness
 Prevent foreclosures and support community recovery Strengthening Organizational Capacity

ATTACHMENT(S):

- Summary of requests for delegated authority
- Single Family detailed requests for delegated authority and draft resolutions
- Multifamily detailed requests for delegated authority and draft resolutions
- General detailed requests for delegated authority and draft resolutions

Summary of Delegations Requested**Single Family Delegations**

Topic	Brief Description of Authority Delegated	Delegation Type	Delegation Number
Approval of Tribal Indian Housing Corporation Housing Plans and Administrative Budgets	Commissioner may approve housing plans and administrative budgets developed by tribal Indian Housing Corporations for use with Agency programs.	Reaffirming	001
Approval of Pipeline Program Lenders and Servicers	Commissioner may approve lenders for participation in loan programs.	Reaffirming	002
Approval of Pipeline and Deferred Loan Waivers	Commissioner may approve waivers allowing funding to proceed in the event of minor lender errors.	New	003

Multifamily Delegations

Topic	Brief Description of Authority Delegated	Delegation Type	Delegation Number
LMIR Loan Funding Modifications	Commissioner may make certain loan funding modifications under the LMIR Program. (Supersedes Board Report dated September 26, 2002)	Reaffirming (with change)	004
Deferred Loan Funding Modifications	Commissioner may authorize certain loan funding modifications under deferred loan programs. (Supersedes Board Report dated December 20, 2001)	Reaffirming (with change)	005
Asset Management and Preservation Loan Funding Modifications	Commissioner may approve certain loan funding modifications under the asset management and preservation programs. (Supersedes Board Report dated July 22, 2004)	Reaffirming (with change)	006
Deferred Loan Debt Forgiveness	Commissioner may forgive deferred loans equal to or less than \$250,000. (Supersedes Board Report dated February 28, 2008)	Reaffirming	007
Deferred Loan Assumptions	Commissioner may approve assumptions of deferred loans.	New	008
Loan Commitment Extensions	Commissioner may approve up to two 12-month loan commitment extensions.	New	009
Amortizing Loan Prepayment Prohibition Waivers	Commissioner may approve waivers to amortizing loan pre-payment prohibitions.	New	010

General Delegations

Topic	Brief Description of Authority Delegated	Delegation Type	Delegation Number
Non-material Changes to Agency Guides	Commissioner may approve non-material changes to Agency guides.	New	011
Non-material Changes to the Affordable Housing Plan.	Commissioner may approve adjustments to the Affordable Housing Plan that do not result in material changes to the Agency's production goals or expenditures.	New	012
Changes to Programs and Guides Due to Federal Changes	Commissioner may update program and Agency guides in accordance with published Federal changes.	New	013
Waiver of Agency Program Requirements Incident to Natural Disaster	Commissioner may waive program requirements in the event of a disaster.	New (formerly a Board policy)	014

REAFFIRMING DELEGATED AUTHORITY – SINGLE FAMILY**Approval of Tribal Indian Housing Corporation Housing Plans and Administrative Budgets**

The Commissioner is requesting delegated authority to maintain the past practice of permitting Agency staff to approve housing plans and administrative budgets developed by tribal Indian housing corporations and program administrators.

The statute pertaining to American Indian housing programs (Minn. Stat. sec. 462A.07, subd. 14) provides for Agency approval of housing plans and administrative budgets developed by tribal Indian housing corporations or program administrators. In the late 1980's, Board members noted that these were the only programs or organizations for which the Board reviewed such information, and felt it appropriate that such negotiations and approvals to be conducted between staff and program administrators as opposed to the Board. For a number of years, new state appropriations for such programs have not been granted, and program activities are conducted through prepayments and repayments of program revolving funds. However, new state appropriations may be granted in the future.

MINNESOTA HOUSING FINANCE AGENCY

400 Sibley Street, Suite 300

St. Paul, Minnesota 55101

RESOLUTION NO. MHFA 13-

BOARD DELEGATION NO. 001

RESOLUTION DELEGATING AUTHORITY TO THE COMMISSIONER REGARDING APPROVAL OF TRIBAL INDIAN HOUSING CORPORATION HOUSING PLANS AND ADMINISTRATIVE BUDGETS

WHEREAS, the Minnesota Housing Finance Agency (“Agency”) Commissioner (“Commissioner”) has requested the Minnesota Housing Finance Agency Board (“Board”) to delegate to the Commissioner certain authority regarding the administration of loans and grants in order to improve the efficiency of the Agency’s loan and grant programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED that the Board delegates the authority described below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to approve housing plans and administrative budgets submitted to the Agency by tribal Indian housing finance corporations or other designated entities responsible for administering Indian housing programs established by statute.

PARAMETERS OF DELEGATED AUTHORITY

The housing plan and budget must be reviewed by an appropriate person or committee designated by the Commissioner.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority and shall indicate whether the parameters of the delegated authority merit revision.

OTHER CONSIDERATIONS

None.

Adopted this ____ day of ____, 2013

CHAIRMAN

REAFFIRMING DELEGATED AUTHORITY – SINGLE FAMILY**Approval of Pipeline and Deferred Loan Program Lenders and Servicers**

The Commissioner is requesting delegated authority to maintain the past practice authorized by the Board pertaining to the selection of program lenders and servicers.

Under most single family loan programs lender applications for program participation are received pursuant to program requirements on a monthly basis. Such applications are submitted pursuant to requirements established in the applicable program procedural manual or process guide and, occasionally, the requirements established by Agency counterparties including guarantors, mortgage insurers and master servicers. Though less common, servicer applications are also received pursuant to requirements prescribed by the Agency.

This delegation improves the efficiency of the pipeline and deferred loan programs.

MINNESOTA HOUSING FINANCE AGENCY

400 Sibley Street, Suite 300

St. Paul, Minnesota 55101

RESOLUTION NO. MHFA 13-

BOARD DELEGATION NO. 002

RESOLUTION DELEGATING AUTHORITY TO THE COMMISSIONER REGARDING APPROVAL OF PIPELINE PROGRAM LENDERS AND SERVICERS

WHEREAS, the Minnesota Housing Finance Agency (“Agency”) Commissioner (“Commissioner”) has requested the Minnesota Housing Finance Agency Board (“Board”) to delegate to the Commissioner certain authority regarding the administration of loans and grants in order to improve the efficiency of the Agency’s loan and grant programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED that the Board delegates the authority described below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to approve lenders and servicers for single family loan pipeline programs.

PARAMETERS OF DELEGATED AUTHORITY

The approval of the lenders and servicers must be in accordance with the terms and conditions specified in the procedural manual or process guide established for the applicable program, as well as the requirements established by loan insurers, guarantors or counterparties with which the Agency has entered into agreements pertaining to lender selection.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority and shall indicate whether the parameters of the delegated authority merit revision.

OTHER CONSIDERATIONS

None.

Adopted this ____ day of ____, 2013

CHAIRMAN

NEW DELEGATED AUTHORITY – SINGLE FAMILY

Approval of Pipeline and Deferred Loan Waivers

The Commissioner is requesting Board delegated authority to take corrective action in situations where minor program requirement errors have been made by lenders or administrators.

Single Family program lenders and administrators occasionally make errors in violation of the Agency's program requirements under its pipeline and deferred loan programs. These waivers typically pertain to program income limits, house price (acquisition cost) limits, the conversion of HOME Homeowner Entry Loan Programs to deferred downpayment assistance loans, and other de minimus program requirements pertaining to such programs.

MINNESOTA HOUSING FINANCE AGENCY

400 Sibley Street, Suite 300

St. Paul, Minnesota 55101

RESOLUTION NO. MHFA 13-

BOARD DELEGATION NO. 003

RESOLUTION DELEGATING AUTHORITY TO THE COMMISSIONER REGARDING WAIVERS FOR SINGLE FAMILY PIPELINE AND DEFERRED LOAN PROGRAMS

WHEREAS, the Minnesota Housing Finance Agency (“Agency”) Commissioner (“Commissioner”) has requested the Minnesota Housing Finance Agency Board (“Board”) to delegate to the Commissioner certain authority regarding the administration of loans and grants in order to improve the efficiency of the Agency’s loan and grant programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED that the Board delegates the authority described below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to grant program waivers for single family pipeline and deferred loan programs, including waivers pertaining to program income limits, house price (acquisition cost) limits, the conversion of HOME Homeowner Entry Loan Programs to deferred downpayment assistance loans, and other de minimus program requirements pertaining to such programs.

PARAMETERS OF DELEGATED AUTHORITY

1. Waivers of program income and house price limits must meet the requirements of applicable federal law and be within 5% of published program limits.
2. Waivers must be provided in a manner in which program lenders or administrators are discouraged from repeating such mistakes.
3. Waivers must be reviewed by an appropriate person or committee designated by the Commissioner.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority and shall indicate whether the parameters of the delegated authority merit revision.

OTHER CONSIDERATIONS

None.

Adopted this ____ day of ____, 2013

CHAIRMAN

REAFFIRMING DELEGATED AUTHORITY WITH REVISION - MULTIFAMILY**Funding Modifications**

The Commissioner is requesting continuation of Board-delegated authority, with a proposed revision, to make funding modifications for several Agency loan program.

Current Practice

In 2000, the Board delegated to staff the authority to make funding modifications to loans selected under the Multifamily Request for Proposals (RFP) for deferred loan programs within certain guidelines. Agency staff was required to report activity on an annual basis to the Board. Funding Modification Guidelines were developed by staff and approved in 2001.

Similarly, in 2002, the Board delegated to staff the authority to make funding modifications to loans committed under the Low and Moderate Income Rental program (LMIR).

In 2004, the Board delegated to staff the authority to make funding modifications to Asset Management and Preservation loans.

Under current delegated authority, Agency staff is authorized to make the following deferred loan modifications for RFP selections:

1. Make a dollar-for-dollar funding swap from one RFP program to another, including funding partners' programs, based upon fund availability;
2. Consolidate funding from multiple programs to one program to simplify a development's financing (total dollar amount remains the same), based upon fund availability; and
3. Increase funding for a development so long as the increased funding is less than the greater of \$50,000 or 10 percent of all RFP funding in the development, including funding partners and Agency first mortgage loans, up to a maximum total increase of \$200,000.

Under current delegated authority, Agency staff is also authorized to make changes to loan commitment amounts for the Low and Moderate Income Rental Program (LMIR), Preservation Affordable Rental Investment Fund Program (PARIF) and or Asset Management Fund (AMF) Loans under the following conditions:

1. The Board commitment for the has not expired, and
2. The increase in the loan amount is less than 10 percent.

Requested Revision to Delegated Authority

The Commissioner is requesting the same delegated RFP deferred funding change authority with one revision. The funding modification limits were established in 2000 and have not changed since that time. It is requested that the delegated RFP deferred loan funding modification authority limits be increased to less than the greater of \$100,000 or 15 percent of all RFP funding in a development, including funding partners and Agency first mortgage loans up to a maximum of \$300,000 (rather than less than the greater of \$50,000 or 10 percent of all RFP funding in the development up to a maximum of \$200,000). The rationale for the increase is the costs of developments and the loans amounts have increased due to inflation.

The Commissioner is also requesting the same prior delegated loan modification authority regarding other types of loans with one requested revision; namely to raise the amount of allowed increase in a loan amount from 10 percent to 15 percent. The rationale for the increase is the costs of developments and the loans amounts have increased due to inflation.

MINNESOTA HOUSING FINANCE AGENCY

400 Sibley Street, Suite 300

St. Paul, Minnesota 55101

RESOLUTION NO. MHFA 13-

BOARD DELEGATION NO. 004

RESOLUTION DELEGATING AUTHORITY TO THE COMMISSIONER REGARDING MULTIFAMILY LOW AND MODERATE INCOME RENTAL PROGRAM LOAN MODIFICATIONS

WHEREAS, the Minnesota Housing Finance Agency (“Agency”) Commissioner (“Commissioner”) has requested the Minnesota Housing Finance Agency Board (“Board”) to delegate to the Commissioner certain authority regarding the administration of loans and grants in order to improve the efficiency of the Agency’s loan and grant programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED that the Board grants the delegated authority below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to make certain loan funding modifications under the Low and Moderate Income Rental (LMIR) Program.

PARAMETERS OF DELEGATED AUTHORITY

1. The Board commitment for the LMIR loan must not have expired.
2. The increase to the LMIR loan amount must be less than 15 percent of the originally committed LMIR loan amount.
3. The Agency Clearinghouse Committee must approve the funding modification.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority and shall indicate whether the parameters of the delegated authority merit revision.

OTHER CONSIDERATIONS

Supersedes Board Report dated September 26, 2002.

Adopted this ____ day of ____, 2013

CHAIRMAN

MINNESOTA HOUSING FINANCE AGENCY

400 Sibley Street, Suite 300

St. Paul, Minnesota 55101

RESOLUTION NO. MHFA 13-

BOARD DELEGATION NO. 005

RESOLUTION DELEGATING AUTHORITY TO THE COMMISSIONER REGARDING
MULTIFAMILY DEFERRED LOAN FUNDING MODIFICATIONS

WHEREAS, the Minnesota Housing Finance Agency (“Agency”) Commissioner (“Commissioner”) has requested the Minnesota Housing Finance Agency Board (“Board”) to delegate to the Commissioner certain authority regarding the administration of loans and grants in order to improve the efficiency of the Agency’s loan and grant programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED that the Board delegates the authority described below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to make certain funding modifications under the deferred loan programs.

PARAMETERS OF DELEGATED AUTHORITY

1. An increase in deferred loan funding must be less than the greater of \$100,000 or 15 percent up to a maximum of \$300,000 of all deferred loan/grant funding in the proposal, including funding partners.
2. A loan modification may be a dollar for dollar funding swap from one deferred loan/grant program to another, including funding partners’ programs, based on fund availability.
3. A loan modification may be a consolidation of funding from multiple programs to one program to simplify the development’s financing (total dollar amount remains the same), based upon fund availability.
4. The Agency Clearinghouse Committee must approve all deferred loan funding modifications.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority and shall indicate whether the parameters of the delegated authority merit revision.

OTHER CONSIDERATIONS

Supersedes Board Report dated December 20, 2001.

Adopted this ____ day of ____, 2013

CHAIRMAN

MINNESOTA HOUSING FINANCE AGENCY

400 Sibley Street, Suite 300

St. Paul, Minnesota 55101

RESOLUTION NO. MHFA 13-

BOARD DELEGATION NO. 006

RESOLUTION DELEGATING AUTHORITY TO THE COMMISSIONER REGARDING MULTIFAMILY ASSET
MANAGEMENT AND PRESERVATION FUNDING LOAN MODIFICATIONS

WHEREAS, the Minnesota Housing Finance Agency (“Agency”) Commissioner (“Commissioner”) has requested the Minnesota Housing Finance Agency Board (“Board”) to delegate to the Commissioner certain authority regarding the administration of loans and grants in order to improve the efficiency of the Agency’s loan and grant programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED that the Board grants the delegated authority below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to make funding loan modifications for the Asset Management or Preservation Affordable Rental Investment Fund (“PARIF”) programs.

PARAMETERS OF DELEGATED AUTHORITY

1. The Board commitment for the Asset Management or PARIF loan has not expired.
2. The increase to the loan amount must be less than 15 percent of the originally committed loan amount.
3. The Agency Clearinghouse Committee must approve the funding modification.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority and shall indicate whether the parameters of the delegated authority merit revision.

OTHER CONSIDERATIONS

Supersedes Board Report dated July 22, 2004.

Adopted this ____ day of ____, 2013

CHAIRMAN

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REAFFIRMING DELEGATED AUTHORITY WITH REVISION - MULTIFAMILY**Forgiveness of Deferred Loans**

The Commissioner is requesting a continuation of delegated authority regarding deferred loan forgiveness.

Current Practice

The Board previously approved a deferred loan debt forgiveness policy in 2008.

Deferred loans are necessary to ensure the affordability of rental developments at various targeted incomes in order to meet specific strategic priorities and mission objectives. The resources for these loans include Pool 3, Financing Adjustment (FA), Financing Adjustment Factor (FAF), debt service savings and State appropriations.

In recent years, the size of deferred loans has increased as it becomes more costly to develop housing and as incomes and rents stagnate and expenses continue to rise. These large loans have been underwritten with the expectation that they will provide affordability for their underwritten term and represent a significant investment by the Agency.

However, as with any loan portfolio, a certain percentage of loans will fail. The deferred loan portfolio is by its nature higher risk, due to the lower income populations being served and their limited ability to pay rent. Because these are higher risk loans, they are reserved at 100% of the loan amount at the time they are made, resulting in an immediate capital charge; therefore, forgiving these deferred loans later does not have any further adverse fiscal impact on the Agency.

This portfolio is also aging, and while the loans have enabled the provision of thousands of affordable units for many years, there are some instances where the continued success of the underlying asset is no longer economically feasible. This failure may precipitate a request to the Agency for loan forgiveness.

Currently, deferred loan debt forgiveness requests by borrowers are submitted through the Agency's Multifamily Request for Action process. Staff performs an analysis of the request utilizing established criteria. Examples of the considerations include, but are not limited to, the following:

1. Whether there still a market for the intended use;
2. Whether the building has been damaged or is in disrepair, whether the development remains economically feasible, and whether it is financially prudent to rebuild or repair the building;
3. Whether there is a viable owner/manager for the housing in the area;
4. Whether the value of the property is greater than the total debt; and
5. Whether the legal cost of recovering the debt exceeds the amount of the debt.

Often there are other funders involved that participate in the discussion and subsequent workout. Strategies considered during the workout may include extending loan terms, reduction of interest rates, if applicable, or finding new owners. However, there are occasional circumstances where a building is no longer viable.

Approved deferred loan debt forgiveness requests are evaluated first by the Agency Clearinghouse Committee and then are submitted to the Mortgage Credit Committee for approval.

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MINNESOTA HOUSING FINANCE AGENCY

400 Sibley Street, Suite 300

St. Paul, Minnesota 55101

RESOLUTION NO. MHFA 13-

BOARD DELEGATION NO. 007

RESOLUTION DELEGATING AUTHORITY TO THE COMMISSIONER REGARDING MULTIFAMILY DEFERRED
LOAN DEBT FORGIVENESS

WHEREAS, the Minnesota Housing Finance Agency (“Agency”) Commissioner (“Commissioner”) has requested the Minnesota Housing Finance Agency Board (“Board”) to delegate to the Commissioner certain authority regarding the administration of loans and grants in order to improve the efficiency of the Agency’s loan and grant programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED that the Board delegates the authority described below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to forgive deferred loans in an amount equal to or less than \$250,000.

PARAMETERS OF DELEGATED AUTHORITY

1. Considerations for the deferred debt forgiveness:
 - Is there a market for the intended use of the property?
 - If the property has been damaged or is in disrepair, is it not economically feasible and desirable to rebuild or repair the property?
 - Is there a viable owner/manager for the property in the area?
 - Is the value of the property less than the total debt?
 - Is the cost to the Agency of recovering the debt more than the amount of the debt?
 - Other considerations identified by Agency staff?
2. The amount of debt forgiveness must be equal to or less than \$250,000.
3. The Agency Clearinghouse Committee must approve the debt forgiveness.
4. The Agency Mortgage Credit Committee must approve the debt forgiveness.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority and shall indicate whether the parameters of the delegated authority merit revision.

OTHER CONSIDERATIONS

Supersedes Board Report dated February 28, 2008.

Adopted this ____ day of ____, 2013

CHAIRMAN

NEW DELEGATED AUTHORITY - MULTIFAMILY**Deferred Loan Assumptions**

The Commissioner is requesting delegated authority to permit the assumption of deferred loans.

In certain situations (usually in connection with the sale or transfer of properties), the need arises for a borrower to have an Agency deferred loan assumed by another entity.

Currently, assumption requests are submitted by borrowers through the Agency's Multifamily Request for Action process. Staff is assigned to do a detailed analysis of the request. Staff presents the request to Agency's Clearinghouse Committee for approval. The Clearinghouse Committee is comprised of staff representing risk management, preservation, legal, asset management, compliance, and underwriting. Approved deferred loan assumption requests are then submitted to the Mortgage Credit Committee, which is chaired by the Commissioner, for approval.

This delegated authority would improve the efficiency of the loan process.

MINNESOTA HOUSING FINANCE AGENCY
400 Sibley Street, Suite 300
St. Paul, Minnesota 55101

RESOLUTION NO. MHFA 13-
BOARD DELEGATION NO. 008

RESOLUTION DELEGATING AUTHORITY TO THE COMMISSIONER REGARDING MULTIFAMILY DEFERRED
LOAN ASSUMPTIONS

WHEREAS, the Minnesota Housing Finance Agency (“Agency”) Commissioner (“Commissioner”) has requested the Minnesota Housing Finance Agency Board (“Board”) to delegate to the Commissioner certain authority regarding the administration of loans and grants in order to improve the efficiency of the Agency’s loan and grant programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED that the Board grants the delegated authority below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to approve the assumption of multifamily deferred loans.

PARAMETERS OF DELEGATED AUTHORITY

1. It must be in the best interests of the Agency to approve the loan assumption.
2. The Agency Clearinghouse Committee must approve the loan assumption.
3. The Agency Mortgage Credit Committee must approve the loan assumption.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority and shall indicate whether the parameters of the delegated authority merit revision.

OTHER CONSIDERATIONS

None.

Adopted this ____ day of ____, 2013

CHAIRMAN

NEW DELEGATED AUTHORITY - MULTIFAMILY**Loan Commitment Extensions**

The Commissioner is requesting delegated authority to extend a loan commitment up to two times.

Current Practice

The Board currently approves loan commitments for developments selected under the Multifamily Request for Proposals (RFP) and pipeline process.

Within the time frames listed below, a development selected by the Board to receive a loan must either enter into a Construction Loan closing agreement with the Agency or enter into an End Loan Commitment with the Agency to meet the initial loan commitment period.

At the time of selection:

- A deferred loan programs enters into a 20 month loan commitment
- A 501 (c) (3) program loan enters into a 12 month loan commitment
- A Low and Moderate Income Rental program (LMIR) loan enters into a 6 month loan commitment
- Rental Assistance and Operating Subsidy Grants enters into a 20 month loan commitment, if tied to a capital award
- Rental Assistance and Operating Subsidy grants have enter into a 12 month loan commitment
- Rental Assistance and Operating Subsidy Grants enter into a 20 month loan commitment, if tied to a capital award

If the development elects the End Loan Commitment, the development is given 18 months to complete construction from the date of End Loan Commitment and the end loan commitment overrides the initial loan commitment date.

Sometimes it is necessary for a loan commitment to be extended due to delays in processing the loan. In those cases, requests for loan commitment extensions are brought to the Board for approval.

The requested delegated authority would improve the efficiency of the loan process.

MINNESOTA HOUSING FINANCE AGENCY

400 Sibley Street, Suite 300

St. Paul, Minnesota 55101

RESOLUTION NO. MHFA 13-

BOARD DELEGATION NO. 009

RESOLUTION DELEGATING AUTHORITY TO THE COMMISSIONER REGARDING MULTIFAMILY LOAN COMMITMENT EXTENSIONS

WHEREAS, the Minnesota Housing Finance Agency (“Agency”) Commissioner (“Commissioner”) has requested the Minnesota Housing Finance Agency Board (“Board”) to delegate to the Commissioner certain authority regarding the administration of loans and grants in order to improve the efficiency of the Agency’s loan and grant programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED that the Board delegates the authority described below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to approve loan commitment extensions for deferred loans, Low and Moderate Income Rental (LMIR) program loans, 501 (c) (3) program loans and Rental Assistance and Operating Subsidy grants.

PARAMETERS OF DELEGATED AUTHORITY

1. Only two loan commitment extensions are permitted. The extension period of each extension must not exceed twelve months.
2. The Agency Mortgage Credit Committee must approve the loan commitment extension.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority and shall indicate whether the parameters of the delegated authority merit revision.

OTHER CONSIDERATIONS

None.

Adopted this ____ day of ____, 2013

CHAIRMAN

NEW DELEGATED AUTHORITY - MULTIFAMILY**Amortizing Loan Prepayment Prohibition Waivers**

The Commissioner is requesting delegated authority to waive the loan prepayment prohibition in certain amortizing loans when warranted. This request excludes loans financed with the Agency's tax exempt bonds or governed by specific program rules (e.g., Rule 49.00.0010, subp. 7 regarding Redefined Equity loans).

Within its first mortgage amortizing portfolio, the Agency has loans that are structured so that owners are prohibited from prepaying prior to a date certain as outlined in the mortgage loan document. Currently, a loan prepayment prohibition waiver request is submitted by the borrower through the Agency's Multifamily Request for Action process. Staff performs an analysis of the request utilizing established criteria. Examples of the considerations include, but are not limited to:

1. The loan has less than 12 months left in its lock out period and is part of an effort to align with a new financing package.
2. It is important to preserve the subsidy and affordability as long as possible (an attempt is made to scale an affordability extension to number of months waived).
3. The property is located in a high growth area and/or high need area for affordable housing.
4. The prepayment is in conjunction with preservation or stabilization effort.

Staff presents the request to Agency's Clearinghouse Committee for approval.

Approved loan prepayment waiver requests are then submitted to the Mortgage Credit Committee for approval.

The requested delegated authority would improve the efficiency of the loan process.

MINNESOTA HOUSING FINANCE AGENCY
400 Sibley Street, Suite 300
St. Paul, Minnesota 55101

RESOLUTION NO. MHFA 13-
BOARD DELEGATION NO. 010

RESOLUTION DELEGATING AUTHORITY TO THE COMMISSIONER REGARDING WAIVER OF AMORTIZING
LOAN PREPAYMENT PROHIBITION

WHEREAS, the Minnesota Housing Finance Agency (“Agency”) Commissioner (“Commissioner”) has requested the Minnesota Housing Finance Agency Board (“Board”) to delegate to the Commissioner certain authority regarding the administration of loans and grants in order to improve the efficiency of the Agency’s loan and grant programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED that the Board grants the delegated authority below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to waive the prohibition against amortizing loan prepayments.

PARAMETERS OF DELEGATED AUTHORITY

1. It must be in the best interests of the Agency to approve the waiver.
2. The Agency Clearinghouse Committee must approve the waiver.
3. The Agency Mortgage Credit Committee must approve the waiver.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority and shall indicate whether the parameters of the delegated authority merit revision.

OTHER CONSIDERATIONS

None.

Adopted this ____ day of ____, 2013

CHAIRMAN

NEW DELEGATED AUTHORITY – GENERAL**Non-Material Changes to Agency Guides**

The Commissioner is requesting delegated authority to make non-material changes to Agency guides (commonly referred to as manuals).

Agency guides are manuals required by Agency rules to be prepared by the Commissioner that set forth uniform procedures by which applications for loans or grants shall be submitted, the contents thereof, and the conditions upon which loans or grants shall be made.

The term “material” means that there is a substantial likelihood that a Board member would reasonably rely on the substance of the change in its management and control of the Agency. In deciding the materiality of the change, the change should be reviewed from three Agency vantage points: legal, financial and policy. Some examples of changes which are not material include format changes, correction of typographical errors and clarification language.

The requested delegated authority would improve the efficiency of the loan process.

MINNESOTA HOUSING FINANCE AGENCY

400 Sibley Street, Suite 300

St. Paul, Minnesota 55101

RESOLUTION NO. MHFA 13-

BOARD DELEGATION NO. 011

RESOLUTION DELEGATING AUTHORITY TO THE COMMISSIONER REGARDING NON-MATERIAL CHANGES TO AGENCY GUIDES

WHEREAS, the Minnesota Housing Finance Agency (“Agency”) Commissioner (“Commissioner”) has requested the Minnesota Housing Finance Agency Board (“Board”) to delegate to the Commissioner certain authority regarding the administration of loans and grants in order to improve the efficiency of the Agency’s loan and grant programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED that the Board delegates the authority described below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to make non-material changes to Agency guides.

PARAMETERS OF DELEGATED AUTHORITY

1. The term “non-material change” means that there is a substantial likelihood that a Board member would not reasonably rely on the substance of the change in its management and control of the Agency.
2. All “non-material changes” must be approved by the appropriate person or committee designated by the Commissioner and an attorney employed by, or assigned to, the Agency.

REPORTING REQUIREMENTS

A red-lined copy of the guide showing the non-material changes will be provided to the Board at its next regularly scheduled meeting.

OTHER CONSIDERATIONS

None.

Adopted this ____ day of ____, 2013

CHAIRMAN

NEW DELEGATED AUTHORITY - GENERAL**Non-material Changes to the Affordable Housing Plan**

The Commissioner is requesting delegated authority to make non-material changes to the Agency's Affordable Housing Plan. Specifically, delegated authority is requested to:

1. Adjust the allocation of funding under Housing Infrastructure Bonds and Economic Development and Housing Challenge (EDHC) among the eligible uses of the funds – for example, the estimated split of EDHC funds between single family and multifamily.
2. Adjust program funding levels when federal funding is finalized or changed, including Housing Opportunities for People with AIDS (HOPWA), HOME, Section 8, Section 236, and Low-Income Housing Tax Credits.
3. Adjust estimated funding activity in revolving loan accounts, as long as the accounts have sufficient funds to accommodate additional activity.
4. Adjust program funding levels as estimates of contributions from partner organizations, loan repayments, uncommitted balances that carry forward, and other receipts are updated or revised.
5. Increase funding for programs funded with Mortgage Revenue Bonds or Pool 2 by no more than 10% of the budgeted amount, if there are sufficient resources to do so.

The requested delegated authority would improve the efficiency of the loan process.

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MINNESOTA HOUSING FINANCE AGENCY
400 Sibley Street, Suite 300
St. Paul, Minnesota 55101

RESOLUTION NO. MHFA 13-
BOARD DELEGATION NO. 012

RESOLUTION DELEGATING AUTHORITY TO THE COMMISSIONER REGARDING CERTAIN CHANGES TO THE
AFFORDABLE HOUSING PLAN

WHEREAS, the Minnesota Housing Finance Agency (“Agency”) Commissioner (“Commissioner”) has requested the Minnesota Housing Finance Agency Board (“Board”) to delegate to the Commissioner certain authority regarding the administration of loans and grants in order to improve the efficiency of the Agency’s loan and grant programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED that the Board grants the delegated authority below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to make certain changes to the Affordable Housing Plan.

PARAMETERS OF DELEGATED AUTHORITY

1. Adjustments may be made to the allocation of funding under Housing Infrastructure Bonds and Economic Development and Housing Challenge (EDHC) among the eligible uses of the funds.
2. Adjustments may be made to program funding levels when federal funding is finalized or changed, including Housing Opportunities for People with AIDS (HOPWA), HOME, Section 8, Section 236, and Low-Income Housing Tax Credits.
3. Adjustments may be made to estimated funding activity in revolving loan accounts, as long as the accounts have sufficient funds to accommodate additional activity.
4. Adjustments may be made to program funding levels as estimates of contributions from partner organizations, loan repayments, uncommitted balances that carry forward, and other receipts are updated or revised.
5. Funding for programs funded with Mortgage Revenue Bonds or Pool 2 maybe increased by no more than 10% of the budgeted amount, if there are sufficient resources to do so.

REPORTING REQUIREMENTS

The Commissioner shall report to the Board any changes made at the next regularly scheduled Board meeting.

OTHER CONSIDERATIONS

None.

Adopted this ____ day of ____, 2013

CHAIRMAN

NEW DELEGATED AUTHORITY - GENERAL**Changes to Programs and Guides Due to Federal Changes**

The Commissioner is requesting delegated authority to make changes to programs and guides due to Federal changes.

For many of its loan programs, the Agency relies on Federal figures in calculating income levels, rent levels and house price limits.

For single family transactions, income and house price (acquisition cost) limits are established pursuant to publication of certain indices designed for such purposes. Typically, such indices are published by either the U.S. Department of Housing and Urban Development or the Internal Revenue Service. The percent of such indices by which such limits are determined are provided in federal law, state statute or within procedural manuals or guides approved by the Board. The Board has typically allowed staff to adjust limits in accordance with program requirements upon publication of the applicable index.

For multifamily transactions, HUD publishes updated median family income, Multifamily Tax Subsidy Projects (MTSP) limits and Fair Market Rents (FMRs) annually. The Agency uses the updated limits for administering and monitoring the respective programs for which they are intended (e.g., Section 8, HOPWA, HOME, tax credit, tax exempt bonds). In addition, as required by statute and/or rule, the Agency uses the HUD published incomes as the basis for calculating income and rent limits for the Agency's loan programs (e.g., LMIR, EDHC, and HTF).

Since the Federal changes must be reflected in those Agency's loan programs and guides that rely on the Federal figures and the Agency is required to comply with the Federal figures, it would be more efficient to not bring those changes to the Board.

MINNESOTA HOUSING FINANCE AGENCY

400 Sibley Street, Suite 300

St. Paul, Minnesota 55101

RESOLUTION NO. MHFA 13-

BOARD DELEGATION NO. 013

RESOLUTION DELEGATING AUTHORITY TO THE COMMISSIONER TO MAKE CHANGES TO PROGRAMS AND GUIDES DUE TO FEDERAL CHANGES.

WHEREAS, the Minnesota Housing Finance Agency (“Agency”) Commissioner (“Commissioner”) has requested the Minnesota Housing Finance Agency Board (“Board”) to delegate to the Commissioner certain authority regarding the administration of loans and grants in order to improve the efficiency of the Agency’s loan and grant programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED that the Board delegates the authority described below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to make changes to programs and guides due to Federal changes.

PARAMETERS OF DELEGATED AUTHORITY

1. The term “Federal changes” refers to Federal figures used or relied upon in calculating income levels, rent levels and house price limits.
2. All changes to the Agency programs and guides must be made in accordance with the provisions established in program procedural manuals or process guides.
3. All changes to the Agency programs and guides must be in compliance with state and federal law pertaining to the program or activity.

REPORTING REQUIREMENTS

A copy of the guide showing the changes will be provided to the Board at its next regularly scheduled meeting.

OTHER CONSIDERATIONS

None.

Adopted this ____ day of ____, 2013

CHAIRMAN

NEW DELEGATED AUTHORITY - GENERAL**Waiver of Agency Program Requirements Incident to Natural Disaster**

The Commissioner is requesting delegated authority to waive program requirements in the event of a natural disaster.

This authority was previously in the form of a Board policy, attached to the proposed resolution. It has been determined that such authority is more properly a delegation matter rather than a policy matter.

In December 2000, the Board amended a policy originally established in 1992 which provides the Commissioner with broad authority to waive Agency program requirements to enable staff to respond quickly to the unique circumstances often incident to a natural disaster. This authority is limited to the extent that the Commissioner may not waive requirements prescribed in federal law pertaining to such programs.

This delegated authority permits the Commissioner to act quickly in order to help those persons and families impacted by a natural disaster.

MINNESOTA HOUSING FINANCE AGENCY

400 Sibley Street, Suite 300

St. Paul, Minnesota 55101

RESOLUTION NO. MHFA 13-

BOARD DELEGATION NO. 014

RESOLUTION DELEGATING AUTHORITY TO THE COMMISSIONER REGARDING WAIVER OF AGENCY PROGRAM REQUIREMENTS INCIDENT TO NATURAL DISASTER RESPONSE

WHEREAS, the Minnesota Housing Finance Agency (“Agency”) Commissioner (“Commissioner”) has requested the Minnesota Housing Finance Agency Board (“Board”) to delegate to the Commissioner certain authority regarding the administration of loans and grants in order to improve the efficiency of the Agency’s loan and grant programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED that the Board grants the delegated authority below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to grant program waivers which will enhance the ability of the Agency to respond to natural disasters which result in the destruction of, or damage to, real property. Such waivers include, but are not limited to, increases in program income and house price limits for Agency programs as well as other waivers necessary to provide access to or repair of living space for individuals and households affected by the disaster.

PARAMETERS OF DELEGATED AUTHORITY

1. All waivers of program requirements must not be in violation of federal or other statutory requirements pertaining to such programs.
2. All waivers must not adversely affect state access to federal resources that may be applied in response to a natural disaster.

REPORTING REQUIREMENTS

The Commissioner shall report to the Board pertaining to waivers approved at its next regularly scheduled meeting.

OTHER CONSIDERATIONS

This Resolution rescinds and replaces the Board’s Natural Disasters Policy, as amended.

Adopted this ____ day of ____, 2013

CHAIRMAN



AGENDA ITEM: 8.B
MINNESOTA HOUSING BOARD MEETING
April 25, 2013

ITEM: Agency Website and Community Profiles Demonstration

CONTACT: Megan Ryan, 651-297-3566 Jessica Deegan, 651-297-3120
 megan.ryan@state.mn.us jessica.deegan@state.mn.us

REQUEST:

Approval Discussion Information

TYPE(S):

Administrative Commitment(s) Modification/Change Policy Selection(s) Waiver(s)
 Other: _____

ACTION:

Motion Resolution No Action Required

SUMMARY REQUEST:

Staff will provide the Board with a demonstration of the Agency's newly launched redesigned website as well as a demonstration of the Community Profiles tool.

FISCAL IMPACT:

None.

MEETING AGENCY PRIORITIES:

Promote and support successful homeownership Preserve federally-subsidized rental housing
 Address specific and critical needs in rental housing markets Prevent and end homelessness
 Prevent foreclosures and support community recovery Strengthening Organizational Capacity

ATTACHMENT(S):

None.