

# DEFERRED LOANS

## Publicly Owned Housing Program (POHP)

### Program Overview

General Obligation (GO) bonds are issued by the state of Minnesota. Proceeds are allocated to Minnesota Housing, and they must fund a public purpose.

### Application Process

POHP applications are accepted through a Request for Proposals (RFP). The RFP is traditionally held the same year as a legislative bonding year. If GO bonds are appropriated for the POHP program, an RFP will traditionally follow within months.

### Lending Terms

- Eligible Properties:** Public housing development(s) owned by a local unit of government, including a city, county, or a housing and redevelopment authority.
- Loan Purpose:** Rehabilitation of public housing, particularly to address health, safety, accessibility and conservation issues of a capital nature. Please review the POHP Program Manual found at [www.mnhousing.gov](http://www.mnhousing.gov) for more information. POHP funds cannot be used for operating costs, reserves or recurring improvements such as appliance replacement, flooring, painting, etc., unless in conjunction with an approved rehabilitation activity. Minnesota Housing must approve all rehabilitation activities.
- Design and Construction Review:** All rehabilitation activities are subject to Minnesota Housing's Rental Housing Design/Construction Standards (with the exception to sustainability). Compliance is confirmed through plan review by a Minnesota Housing staff architect at application, project processing and before final loan closing.
- Occupancy Requirements:** **Income Limits:** Household income of all units at the time of initial occupancy may not exceed the limits set forth by the U.S. Department of Housing and Urban Development (HUD).  
**Temporary Housing During Rehabilitation:** Applicants must submit a temporary housing plan for tenants who may need to be asked to temporarily relocate during rehabilitation; the temporary housing plan must include a comprehensive plan for the coordination of moving tenants, and it must include details associated with the budgeting of those moves during rehabilitation.
- Monitoring:** Owners must submit an owner's certification and report occupancy data annually using Minnesota Housing's online reporting tool. Properties will be inspected periodically. Owners may also be required to submit annual operating data.
- Loan Amount:** No minimum or maximum loan amount.
- PHAS Score:** Must have a current audited Public Housing Assessment System (PHAS) composite score of 80+.

<b>Term:</b>	Zero percent interest deferred loan forgiven after 20 years, if no event of default. Applicant is required to continue to own and operate the development for a public purpose until the property is sold in conformance with program requirements.
<b>Transfers of Ownership:</b>	Any transfer of ownership requires pre-approval from Minnesota Housing and Minnesota Management and Budget (MMB).
<b>Third Party Reports:</b>	Sustainability requirements, including compliance with Buildings, Benchmarking and Beyond (B3), along with the state of Minnesota's predesign for projects with construction costs in excess of \$ 1.5 million are required. All POHP projects will be required to complete state jobs reporting requirements.
<b>Loan Amount:</b>	No minimum or maximum loan amount.

## Questions

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