

These application instructions apply to the following Minnesota Housing Finance Agency (Minnesota Housing) Request for Proposals processes:

- The Multifamily Consolidated RFP
- Housing Tax Credits Round 1
- Housing Tax Credits Round 2

The Multifamily Consolidated RFP, offered once per year, provides a means of "one stop shopping" by consolidating and coordinating multiple housing resources into one multifamily application process. Applicants request funding for a specific housing development and/or activities that meet a specific housing need and generally do not apply for specific funding sources.

Minnesota Housing, in conjunction with its funding partners, will select developments and award the most appropriate funding. Funding partners include the Metropolitan Council, Greater Minnesota Housing Fund, Metro Housing and Redevelopment Agency (Metro HRA) and the Saint Paul Public Housing Agency (PHA).

The Family Housing Fund, Hennepin County, Ramsey County, the City of Minneapolis (CPED), the City of Saint Paul, the Minnesota Department of Human Services, Washington County CDA, Federal Home Loan Bank, Dakota County CDA, the United States Department of Housing and Urban Development (HUD) and the United States Department of Agriculture (USDA) participate in the review of proposals.

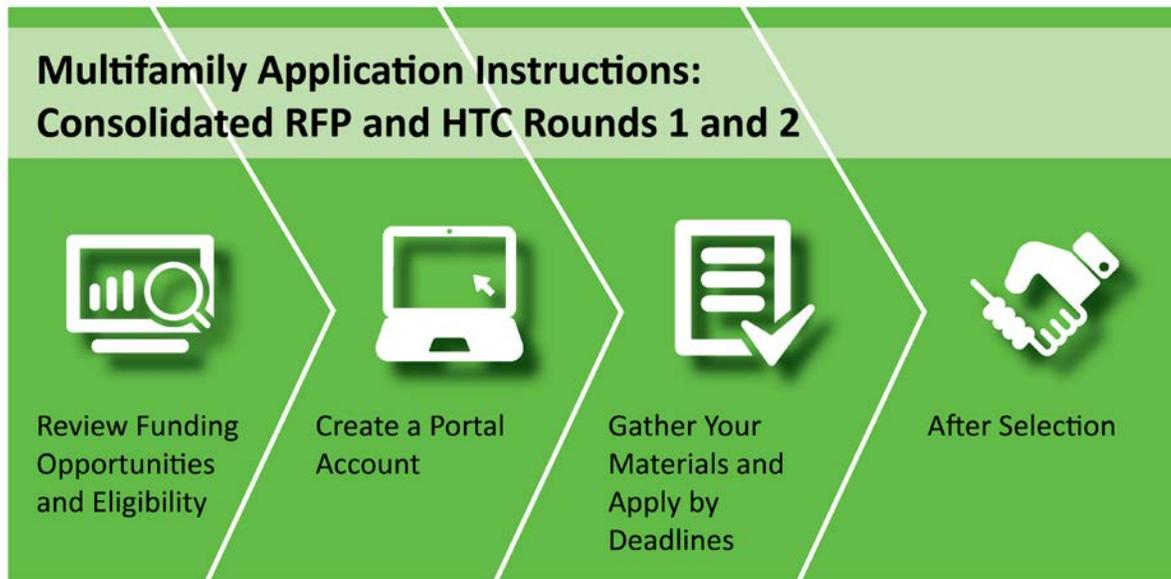
Housing Tax Credits (HTC) Round 1 is offered through the Multifamily Consolidated RFP and uses a forward selection process, with selections taking place in the fall of the year preceding the allocation year of the credits.

Housing Tax Credits (HTC) Round 2 makes available for allocation any tax credits remaining or returned since HTC Round 1. Additionally, HTC Round 2 establishes a waiting list for tax credits that may be returned. In HTC Round 2, all projects located in suballocator jurisdictions may apply directly to Minnesota Housing.

For more information on the HTC application cycle and who is eligible to apply for HTC Round 1 and/or HTC Round 2, refer to the current [HTC Program Procedural Manual](#).

This document is intended to provide general instructions and information regarding Minnesota Housing's process. Each housing resource is subject to specific requirements and limitations that are not set out in detail, or modified by, this document. The allocation of tax credits is governed by the HTC Qualified Allocation Plan (QAP), HTC Program Procedural Manual, and the HTC Self-scoring worksheet, and applicants for 9% or deferred with a 4% financial structure should consult those documents.

How to Get Started:



Review Funding Opportunities and Eligibility

Available Funding

Consolidated RFP/ HTC Round 1	HTC Round 2
<ul style="list-style-type: none">• Amortizing mortgages• Housing Tax Credits (9%)• Deferred loans• Project-based Rental Assistance from Metro HRA and Saint Paul PHA	<ul style="list-style-type: none">• Amortizing mortgages• Housing Tax Credits (9%)• Deferred loans, subject to funding availability

A number of funding sources depend on availability of state or federal resources. Notification of state resources and amounts available will be provided following the conclusion of Minnesota's legislative session.

Consolidated RFP: Funding Partner Programs

[Review a complete list and overview](#) of our funding partner programs and priorities.

Project Eligibility, Feasibility and Organizational Capacity

Projects must fall into the categories listed below in order to be eligible for funding:¹

Eligible Housing Types	Eligible Projects	Eligible Activities
<ul style="list-style-type: none"> • Permanent general occupancy rental housing • Senior housing • Permanent supportive housing 	<ul style="list-style-type: none"> • Have a minimum of four units • Scattered site buildings on different tracts of land if the project is 100 percent rent and income restricted 	<ul style="list-style-type: none"> • New construction • Acquisition of land or existing structures • Rehabilitation of housing • Adaptive reuse/conversion to housing from another use • Preservation • Demolition • Construction financing • Permanent financing • Rental assistance • Operating assistance if eligible for capital funding from the National Housing Trust Fund

¹Tax credit eligibility is governed by the HTC QAP, HTC Program Procedural Manual, and HTC Self-scoring Worksheets.

NOTE: Developments with age restrictions may not be eligible under some funding sources.

Applicants must also satisfy the following feasibility and capacity funding requirements, including:

Overall Project Feasibility	Organizational Capacity
<ul style="list-style-type: none"> • Whether the proposed site is appropriate for the proposed housing • Whether the proposed housing is needed in the intended market based upon population, job growth and very low housing vacancy rates • Whether the costs of developing the housing are reasonable • Whether the applicant has demonstrated cost containment efforts for all stages and aspects of the development without compromising overall development quality • Whether the housing is economically viable • For permanent supportive housing, whether the service model, staffing and secured funding are adequate to address the needs of the population to be served 	<ul style="list-style-type: none"> • The applicant's related housing experience • Whether the applicant has successfully completed similar projects or is partnering with other organizations that have successfully completed similar projects • Whether the applicant has strong current and expected ongoing capacity to complete the proposed housing as well as other proposals being developed by the organization • Whether the applicant has the capacity to maintain the rental housing long term

Ineligible Projects

Any residential rental unit that is part of a hospital, nursing home, sanitarium, life care facility, trailer park or intermediate care facility for the mentally and physically handicapped is not considered for use by the general public; therefore, it is not eligible for housing tax credits under Section 42. Projects with buildings having four or fewer residential units must comply with 42(i)(3)(c). Some programs may have other ineligible project types; refer to specific program manuals/guides available on Minnesota Housing's website for additional details.

Strategic Priorities and Selection Priorities

When determining funding awards, Minnesota Housing will give priority to those proposals that best meet the greatest number of [Strategic and Selection Priorities](#). These priorities reflect Minnesota Housing's strategic policy goals outlined in the current funding round. Proposals must meet at least one strategic priority to be eligible for funding from Minnesota Housing, and developments that best meet the most of these criteria will receive priority.

NOTE: Minnesota Housing evaluates geographic balance throughout the state when making Consolidated RFP selection decisions.

Deferred Loan Funding Sources

Minnesota Housing offers different sources of deferred funding through the Consolidated RFP, which are typically comprised of federally appropriated funds, state appropriated funds and Agency allocated funds. Minnesota Housing evaluates the deferred loan funding need of competitive proposals for the best deferred loan funding source subject to available funds. Minnesota Housing publishes program guides and manuals for specific funding sources. Projects interested in and eligible for Housing Infrastructure Bonds (HIB) proceeds are encouraged to review the HIB webpage for additional information.

Under certain circumstances, awards of state-appropriated funds, such as the Economic Development and Housing Challenge (EDHC) Program, may trigger state prevailing wage requirements under Minn. Stat. § 116J.871. In broad terms, the statute applies to awards that meet the following conditions: (1) new housing construction (not rehabilitation); and (2) a single entity receives from Minnesota Housing \$200,000 or more of grant proceeds or \$500,000 of loan proceeds. The statute excludes new housing construction in which total financial assistance at a single project site is less than \$100,000.

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

- A state agency may provide financial assistance to a person only if the person receiving or benefiting from the financial assistance certifies to the commissioner of labor and industry that laborers and mechanics at the project site during construction, installation, remodeling, and repairs for which the financial assistance was provided will be paid the prevailing wage rate as defined in section 177.42, subdivision 6. Minn. Stat. § 116J.871, subd. 2.
- It is a misdemeanor for a person who has certified that prevailing wages will be paid to laborers and mechanics under subdivision 2 [see above] to subsequently fail to pay the prevailing wage. Each day a violation of this subdivision continues is a separate offense. Minn. Stat. § 116J.871, subd. 3 .

In addition, a separate prevailing wage statute, Minn. Stat. § 177.41-.43, may apply if funds are used for a building that is publicly owned or leased.

After evaluation and scoring, but prior to selection, Minnesota Housing may contact applicants whom the Agency anticipates are in the running to receive EDHC funds for their project subject to state prevailing wage and will ask them to resubmit project cost information via the Workbook, which must include any cost adjustment due to prevailing wage. Any such request for information must be provided with the timeline specified by the Agency.

Underwriting and Design Standards

Minnesota Housing Multifamily Underwriting Standards

Refer to the Minnesota Housing [Multifamily Underwriting Standards](#) for information on Minnesota Housing's underwriting standards. These standards are generally relied upon by Minnesota Housing for underwriting and sizing of all funding awards, including housing tax credits.

Payment Standards

Public housing agencies (PHAs) adopt payment standard schedules that establish the Housing Choice Voucher (HCV) and the Veterans Affairs Supportive Housing (VASH) voucher payment standards amounts for unit sizes in the PHA jurisdiction. Minnesota Housing encourages developers to be aware of the payment standards in the project area so that units seeking Minnesota Housing financing are accessible to voucher holders.

Rent and Income Limits

Minnesota Housing will require income and rent limits consistent with those specified in the owner's application, and as underwritten by Minnesota Housing for selected projects, provided that they are not higher than applicable program statutory income and rent limits.

Multifamily Design Standards

Minnesota Housing is committed to constructing or rehabilitating multifamily housing to a standard that when properly maintained, remains decent, safe and affordable for a long-term duration.

Applications are subject to an architectural concept review that is conducted by the Minnesota Housing staff architect assigned to the project. In evaluating various design/construction alternatives available to a particular project, Minnesota Housing seeks to find solutions that create the most lasting value with the lowest life-cycle costs, while maintaining a reasonable initial cost. Design concept changes may be required as a condition of selection.

Minnesota Housing has established minimum design standards that are applicable to the construction/rehabilitation project being proposed. Minnesota Housing's Rental Housing Design and Construction Standards incorporate requirements from a variety of sources to further the Agency's charge to facilitate the provision of decent, safe and sanitary housing in the state. Some provisions are requirements of federal programs, some stem from the Fair Housing Act, and some stem from building codes or other areas of state statute. Overall, our standards ensure that affordable housing financed by the Agency is sustainable, cost-effective, healthy, and energy efficient. The type of housing and funding program often dictates which standards apply. Refer to the Minnesota Housing [Building Standards](#) webpage for the Rental Housing Design/Construction Standards and other design information.

NOTE: If claiming points for universal design, refer to the design requirements in the [HTC Self-scoring Worksheet and Deferred Loan Priority Checklist](#) associated with universal design.

Tenant Selection Plans

Each property funded through Minnesota Housing must have a tenant selection plan. Projects that are selected to serve specific populations (e.g., high priority homeless, people with disabilities or behavioral health needs, seniors) must have tenant selection plans that specifically address the specified population. Minnesota Housing will review tenant selection plans prior to loan closing, at HTC carryover (9%), or 42 M application (4%) to ensure the plan is structured to adequately reach the intended population.



Create a Portal Account

Applicants apply for funding through Minnesota Housing’s online Portal, which allows them to log in, custom build an application checklist based on the type of proposal they will submit and upload all application materials. **Each item has descriptive help text for submission.** [Review instructions on how to navigate the Portal and submit an application.](#)

To apply through the Portal, applicants will need to request a user account. To request an account, please complete the [online form](#).

NOTE: Refer to the [Multifamily Customer Portal User Guide](#) for more information.

Property and Project Numbers

On many Minnesota Housing forms, applicants are asked to provide a property number (D#) and a project number (M#). A D# is a four digit number assigned by Minnesota Housing to represent the property. Applicants will receive an email notification once a D# is assigned. For the 2019 RFP/2020 Consolidated Multifamily RFP and HTC Round 1, the Portal will automatically assign an M# and a secondary M# number in case applicants are submitting a dual application.

Applicants need to list the primary M# in their workbook and the HTC Self-scoring Worksheet and Deferred Loan Priority Checklist. Enter the secondary M# in the dual application workbook and dual HTC Self-scoring Worksheet and Deferred Loan Priority Checklist.

The D#, M# and secondary M# can be found in the project detail section of an applicant’s project.

The screenshot shows a web interface for a project. At the top, there are tabs for 'Funding Round' and 'Projects'. Below the tabs, the page title is 'Project Sample Project' with a 'Printable View' link. A 'Back to List' link is also present. Under 'Project Phases [1]', there is a 'Project Detail' section. This section contains a table with the following information:

Project Name	Sample Project	Funding Round	2018 RFP/2019 HTC Round 1
Primary Address	400 Wabasha Street	Project #	M17836
City	Saint Paul	Secondary Project #	M17837
ZIP Code	55101	D #	D0484
County	Ramsey		
Project Status	In Process		



Gather Your Materials and Apply by Deadlines

Applicant Responsibilities

Applicants are responsible to know all requirements that are needed in order to submit a complete application based on the specific housing proposal and activity type.

Required Submission Items	How to Submit	Application Due Date
Consolidated RFP (including HTC Round 1)		
Preservation Pre-application	Multifamily Customer Portal	May 2, 2019 by 5:00 pm
Intent to Apply (<i>includes site control</i>)	Multifamily Customer Portal	May 17, 2019 by 5:00 pm
Qualification Forms and Financial Information <ul style="list-style-type: none"> Development Team Sponsor 	Multifamily Secure Upload Tool	May 17, 2019 by 5:00 pm
Project Based Voucher-only applications NOTE: <i>applicants seeking Project-based Vouchers without a capital request, complete the Project-based Vouchers only checklist. The Intent to Apply application checklist is not required for Project-based only applicants</i>	Multifamily Customer Portal	May 17, 2019 by 5:00 pm
Fee Remittance Form , including supporting documentation <ul style="list-style-type: none"> LMIR Application Fee Tax Credit Application Fee NOTE: All fees are non-refundable	Minnesota Housing Attention: Tamara Wilson 400 Wabasha Street North, Suite 400 St. Paul, MN 55102	May 17, 2019 by 5:00 pm. If received by mail. Note: If hand delivering the deadline is 4:30 pm when the Minnesota Housing office closes.
Application Package	Multifamily Customer Portal	June 3, 2019 by 5:00 pm
HTC Round 2 – Projected Due Dates		
Preservation Pre-application	Multifamily Customer Portal	January 2, 2020 by 5:00 pm
Intent to Apply	Multifamily Customer Portal	January 16, 2020 by 5:00 pm
Qualification Forms and Financial Information <ul style="list-style-type: none"> Development Team Sponsor 	Multifamily Secure Upload Tool	January 16, 2020 by 5:00 pm
Fee Remittance Form , including supporting documentation <ul style="list-style-type: none"> LMIR Application Fee HTC Application Fee NOTE: All fees are non-refundable	Minnesota Housing Attention: Tamara Wilson 400 Wabasha Street North, Suite 400 St. Paul, MN 55102	January 16, 2020 by 5:00 pm. If received by mail. Note: if hand delivering, the deadline is 4:30 pm when the Minnesota Housing office closes.
Application Package	Multifamily Customer Portal	(tentative) January 31, 2020 by 5:00 pm

The Consolidated Multifamily RFP, HTC Round 1 and HTC Round 2 are highly competitive in nature. A typical funding round will result in requests equal to four to five times the amount of funding that is available; therefore, incomplete applications will not be processed and resubmission will not be allowed during these funding rounds.

NOTE: Applicants must use the most current version of application forms, which can be found in the Portal or each funding round.

Application Reference Materials

Consult the following resources for scoring guidance when applying for funds from Minnesota Housing:

Application Type	Scoring Guide	HTC Self-scoring Worksheet (9%)	Deferred Loan Priority Checklist
Consolidated RFP	x	If applying for tax credits, refer to HTC guidance	x
HTC Round 1	X	x	
HTC Round 2	X	x	

In addition,

- Refer to the [Application Resources page](#), which contains links to various materials that may be utilized in completing the application package.
- The [Multifamily Financing Product Summary](#) provides basic information on multifamily housing resources available through the Multifamily Consolidated RFP and the year-round funding process.
- Many of Minnesota Housing’s funding sources and programs have [information sheets](#) that provide additional information about eligible activities and program funding sources.
- [Training tutorials](#) are also available on Minnesota Housing’s website.

Consolidated RFP: Financial Structuring and Dual Application Guidance

A dual application is an application for projects that are financed and structured with 9% HTCs and have a simultaneous application for deferred funding with a 4% financial structure, or, in certain circumstances, deferred loan funding only. Minnesota Housing will not issue tax-exempt bonds for developments located in Minneapolis, St. Paul or Dakota County unless the development receives an award of Housing Infrastructure Bonds (HIB). In order to be considered as a dual application, you must submit the required dual application checklist items in the Portal.

Minnesota Housing may, in limited circumstances, structure projects that apply as a deferred application with a 4% financial structure as a deferred only structure. Some funding sources do not work with 9% HTCs, so being able to structure proposals under either scenario allows more resources to be deployed and more projects to be selected in the funding round.

Why Submit a 9% HTC Dual Application?

Minnesota Housing will review the application and score it as a 9% HTC proposal and as a deferred with a 4% financial structure per the respective criteria and priorities as outlined in Minnesota Housing’s Qualified Allocation Plan (QAP). The two proposals should have the same structure and selection priorities (same unit mix, tenant population, design/scope of work, management and operating expenses, rent structure, etc.). If Minnesota Housing determines that deferred funding with a 4% financial structure would be appropriate, Minnesota Housing will work with the developer to adjust the proposal accordingly.

In light of available resources, Minnesota Housing may structure projects that apply as a deferred application with a 4% financial structure as a deferred only structure.

Required 9% HTC Dual Application Proposals: Preservation

Proposals that meet the Preservation strategic priority and/or selection criterion and contain 40 units or more, as defined in the HTC Self-scoring Worksheet, are required to submit a dual 9% and deferred funding request with a 4% financial structure.

Optional 9% HTC Dual Applications

Other project types including permanent supportive housing, workforce or senior projects that meet one or more of the Strategic Priorities, or projects that meet the Preservation strategic priority and/or selection criteria and contain less than 40 units may choose to submit a dual application for 9% HTCs and deferred funding with a 4% financial structure, or in certain circumstances, deferred loan funding only.

For projects that choose to submit a 9% Dual Application, the deferred application with a 4% financial structure must meet one of the following size criteria:

- The project has more than 40 units and has \$2.5 million or more in equity proceeds
- The project has fewer than 40 units or has less than \$2.5 million in equity proceeds, and the application includes a detailed Letter of Interest from an investor or a syndicator that documents that initial underwriting has taken place and that preliminary terms are included. The Letter of Interest must be signed by both the investor and applicant.

Additional Guidance for 9% HTC Dual Applications

- Applicants should submit the HTC Self-scoring Worksheet and Deferred Loan Priority Checklist reflecting both the 9% and deferred with a 4% financial structure proposals. The 9% Dual Application should be structured as the same project (unit mix, tenant population, design/scope of work, management and operating expenses, rent structure, etc.) and with only minor variations due to the deferred with a 4% financial structure.
- Minnesota Housing may make adjustments to selection conditions on applications chosen and scored for deferred funding with a 4% financial structure (or deferred only), including changes to rent structure and tenant population. Any modifications to the scoring as a deferred with a 4% financial structure (or deferred only) will be communicated at, or shortly after, selection.
- Minnesota Housing will not issue tax-exempt bonds where the amount necessary to meet the 50 percent test is less than \$2,000,000.

Housing Infrastructure Bond (HIB) eligible projects and 9% HTC Dual applications

Projects applying for 9% HTCs that are also eligible for HIBs must submit a 9% Dual Application in order to be considered for HIBs and to maximize funding opportunities.

Ineligible Applications

Applications that fail to meet one or more the following conditions will be considered ineligible for further processing:

- Submission of complete Intent to Apply (ITA) checklist items as outlined in the online Portal by the ITA deadline
- Submission of the Qualification Forms and complete financial information, used by Minnesota Housing to determine adequate financial capacity within the proposed ownership structure, by the ITA deadline
- Submission of any of the required application fees, as applicable and as required by the deadline
- Demonstrate acceptable evidence of title/site control, which includes the following: purchase commitment, option or letter of intent from a governmental body for a sole developer. If there is no transfer of ownership, then the warranty deed or contract for deed is acceptable. **The evidence of site control must be current, fully executed, include the legal description of land, and extend to the anticipated date of the funding recommendation.**

- Submission of either of the following application materials by the application deadline: The Multifamily Workbook or the HTC Self-Scoring Worksheet and/or the Deferred Loan Priority Checklist.

NOTE: To be considered for a 9% HTC project or a deferred with a 4% financial structure project, the HTC tab in the workbook must be completed

- For HTC projects, submission of the market study



After Selection

If a project is selected for further processing, Minnesota Housing will send a letter to applicants detailing the terms and conditions of funding along with next steps.

All selected proposals will be subject to funding priorities and conditions of selection for the term of the loan or applicable period set out in the loan or HTC document