



Preservation

2019 Request for Proposals and
2020 Housing Tax Credits

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Our Mission

Housing is the foundation for success, so we collaborate with individuals, communities and partners to create, preserve and finance affordable housing.

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Agenda

- Website
- Pre-application
- Criteria Overview
- Risk of Loss Thresholds
- Project Types
- Dual Applications

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Locating the Preservation Webpage

www.mnhousing.gov > Multifamily Rental Partners > Apply for Funding > Preservation

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Preservation Webpage

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Preservation Pre-application

- Required if applying for 9% housing tax credits
- Deadline is Thursday, May 2, 2019
- The sooner the pre-application is submitted, the sooner staff can provide the Preliminary Letter of Determination
- The pre-application must be submitted in its entirety, and no changes will be accepted
- Technical assistance meetings are no longer required, but they are strongly encouraged
- It is recommended that some materials be submitted to staff prior to the technical assistance meeting

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Preservation Criteria Overview

- Risk of Loss thresholds
- 15 year threshold
- Project type
 - Existing Federal Assistance
 - Critical Affordable Units

Refer to the "Multifamily 2020 Housing Tax Credit (HTC) Self-scoring Worksheet and 2019 Deferred Loan Priority Checklist" and the "2020 HTC Scoring and 2019 Deferred Priority Checklist Guide."

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Risks of Loss Thresholds

Market Conversion	Critical Physical Needs	Ownership Capacity/ Program Commitment
<ul style="list-style-type: none">• Property may be converted to market rate in next five years given physical condition and local housing market• Evidenced by a Rent Comparability Study or a Minnesota Housing commissioned appraisal or a market study approved by Minnesota Housing	<ul style="list-style-type: none">• Housing assistance is at risk given that the property's critical physical needs exceed available reserves by more than \$5,000 per unit• Evidenced by Three Year Capital Needs Model	<ul style="list-style-type: none">• Property and housing assistance are at risk given a decline in capacity of current owner• At risk given owner intent to exit federal assistance program• Requires ownership transfer to an unrelated party

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Project Types

Existing Federally Assisted	Critical Affordable Units
<ul style="list-style-type: none">• Project-based rental assistance or operating subsidies under HUD, Rural Development, NAHASDA or other program not scheduled to sunset or expire• Projects that converted assistance under RAD 2 or RAD for PRAC are also eligible• Assistance must have been committed 15 years prior to the year of application	<ul style="list-style-type: none">• Public housing units (including RAD 1 conversions)• RD units without rental assistance• Current recorded deed restriction (such as tax credits), or• Income restrictions at or below greater of 80 percent of statewide AMI or AMI• Must meet "Serves Lowest Income" criteria, except for certain RAD 1 projects

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Dual Applications

- An application submitted with two financial structures, one of which is a 9% housing tax credit request
- Required for preservation projects with 40 or more units submitting a 9% housing tax credit application
- Refer to the 2020 Housing Tax Credit Scoring and 2019 Deferred Priority Checklist on the website



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Thank you!

Contact:
Anne Heitlinger
anne.heitlinger@state.mn.us
651.296.9841

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