



## MEETINGS SCHEDULED FOR JULY

Date: 07/25/24, 1 p.m.

### HYBRID OPTION AVAILABLE:

*In Person:* Minnesota Housing, Lake Superior Conference Room, 400 Wabasha Street N. Suite 400 St. Paul, MN 55102

*Conference Call:* Toll Free: 1.877.309.2071 Access Code: 137-530-360

### 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, July 25, 2024.

**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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## Agenda: Minnesota Housing Board Meeting

Date: 07/25/2024, 1 p.m.

### Our Mission and Vision

*Mission:* Housing is foundational to a full life and a thriving state, so we equitably collaborate with individuals, communities and partners to create, preserve and finance housing that is affordable.

*Vision:* All Minnesotans live and thrive in a stable, safe and accessible home they can afford in a community of their choice.

### 1. Call to Order

### 2. Roll Call

### 3. Agenda Review

### 4. Approval of Minutes

- a. (page 5) Regular meeting of June 27, 2024

### 5. Reports

- Chair
- Commissioner
- Committee

### 6. Consent Agenda

- A. (page 11) Approval, Community Stabilization Program Guide Amendment
- B. (page 37) Approval, Waiver of Loan Assumption Fee- Perspectives, D5230, St. Louis Park

## **7. Action Items**

- A. (page 41) Approval, Manufactured Home Community Redevelopment Program Procedural Manual Changes
- B. (page 77) Forbearance Extension, Preservation Affordable Rental Investment Fund (PARIF) Loan - Willow Wood Estates, D3427, Plymouth
- C. (page 81) Funding Modification and Waiver of the Predictive Cost Model Threshold – Kyle Garden Square, D8407, Minneapolis
- D. (page 101) Commitment, Limited Partner Buy-Out Loan -West View Estates, D6680, Plymouth
- E. (page 117) Resolution supplementing and amending Resolution No. MHFA 22-062, including authorizing additional projects to be financed from the proceeds of previously authorized State Appropriation Bonds (Housing Infrastructure)

## **8. Discussion Items**

- A. (page 123) Olmstead Overview

## **9. Information Items**

- A. (page 135) Post Sale Report, Residential Housing Finance Bonds, Series 2024 JK
- B. (page 147) Post Sale Report, Residential Housing Finance Bonds, Series 2024 LMN

## **10. Other Business**

None.

## **11. Adjournment**

None.





## Meeting Minutes: Minnesota Housing Board Meeting

Date: Thursday, June 27, 2024, at 1 p.m.

### 1. Call Attendance

Chair DeCramer called to order the regular meeting of the Board of Minnesota Housing Finance Agency at 1:01 p.m.

### 2. Roll Call

**Members present via hybrid:** Chief Executive Benjamin, Auditor Blaha, Eric Cooperstein, Chair DeCramer, Stephanie Klinzing, Stephen Spears and Terri Thao.

**Minnesota Housing staff present in person:** Anbar Ahmed, Tom Anderson, Ryan Baumtrog, Susan Bergmann, Judd Berthiaume, Nick Boettcher, Sondra Breneman, Cassandra Busch, Matt Dieveney, Michelle Doyal, Kathy Engstrom, Jennifer Finnesgard, Jessica Fowler, Rachel Franco, Emily Fulton-Foley, Rachel Ganani, Vanessa Haight, Jennifer Halpaus, Jody Hanson, Amanda Hedlund, Anne Heitlinger, Darryl Hennen, Jennifer Ho, Jon Holmseth, Heidi Hovis, John Hudson, Karen Johnson, Irene Kao, Katey Kinley, Dan Kitzberger, Greg Krenz, Laurie Krivitz, Janine Langsjoen, Debbi Larson, Song Lee, Ed LeTourneau, Nira Ly, Rachel Mahon Bosman, Eric Mattson, Jill Mazullo, David McGee, Rashmi Mehta, Amy Melmer, Rudi Mohamed, Gary Mortensen, Brittany Rice, Paula Rindels, Cheryl Rivinius, Rachel Robinson, Kayla Schuchman, Nellie Sears, Katie Seipel-Anderson, Mike Solomon, Jodell Swenson, Susan Thompson, Mike Thone, Mike Tobias, Jeramiah Townsend, Monica Tucker, Nancy Urbanski, Kayla Vang, Teresa Vaplon, Manire Vaughn, Amanda Welliver, Alyssa Wetzel-Moore, Beverly Wilharm, and Kristy Zack.

**Others present via hybrid:** Michelle Adams, Kutak Rock; Ramona Advani, Office of the Minnesota State Auditor; Anne Mavity, Minnesota Housing Partnership.

### 3. Agenda Review

None.

## 4. Approval

### Regular Meeting Minutes of May 23, 2024

**Motion:** Auditor Blaha moved to approve the May 23, 2024, Regular Meeting Minutes. Seconded by Chief Executive Benjamin. Roll call was taken. Motion carries 7-0. All were in favor.

## 5. Reports

### Chair

None.

### Commissioner

Commissioner Ho shared the following with the Board:

- Welcome new employees
- Meetings
- Program Updates

### Committee

None.

## 6. Consent Agenda

### A. Approval, Impact Fund Award Modifications

Board Member Cooperstein requested that this item move to Action. Amanda Hedlund presented to the board a request for Approval of the Impact Fund Award Modifications. Board members asked questions and staff provided answers.

**Motion:** Eric Cooperstein moved Approval, Impact Fund Award Modifications. Seconded by Stephanie Klinzing. Roll call was taken. Motion carries 7-0. All were in favor.

## 7. Action Items

### A. Approval of Submission of the HUD 2024 Annual Action Plan

Rachel Ganani presented to the board a request for approval of the State of Minnesota's Annual Action Plan for Federal Fiscal Year (FFY) 2024. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

**Motion:** Eric Cooperstein moved Approval of Submission of the HUD 2024 Annual Action Plan. Seconded by Terri Thao. Roll call was taken. Motion carries 7-0. All were in favor.

## **B. Approval, 2024 Publicly Owned Housing Program (POHP) Selection Recommendations**

Susan Bergmann presented to the board a request for approval and adoption of a resolution authorizing the selection of 2024 Publicly Owned Housing Program (POHP) applicants. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

**Motion:** Eric Cooperstein moved Approval, 2024 Publicly Owned Housing Program (POHP) Selection Recommendations. Seconded by Stephanie Klinzing. Roll call was taken. Terri Thao was not present for the vote. Motion carries 6-0. All were in favor.

## **C. Funding Modification, Rental Rehabilitation Deferred Loan (RRDL) – Southside Square, D1364, Roseau**

Susan Bergmann presented to the board a request for adoption of a resolution authorizing a funding modification to increase the RRDL commitment from \$500,000 to \$694,000 for Southside Square. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

**Motion:** Auditor Blaha moved Funding Modification, Rental Rehabilitation Deferred Loan (RRDL) – Southside Square, D1364, Roseau. Seconded by Chief Executive Benjamin. Roll call was taken. Terri Thao was not present for the vote. Motion carries 6-0. All were in favor.

## **D. Funding Modification, Rental Rehabilitation Deferred Loan (RRDL) – Mountain Manor, D8276, Mountain Iron**

Susan Bergmann presented to the board a request for the adoption of a resolution authorizing a funding modification to increase the RRDL commitment from \$500,000 to \$682,400 for Mountain Manor. Chair DeCramer opened up the discussion. There were no questions from board members.

**Motion:** Eric Cooperstein moved Funding Modification, Rental Rehabilitation Deferred Loan (RRDL) – Mountain Manor, D8276, Mountain Iron. Seconded by Stephanie Klinzing. Terri Thao was not present for the vote. Motion carries 6-0. All were in favor.

## **E. Funding Modification, Rental Rehabilitation Deferred Loan (RRDL) - Ghent Housing, D0573, Ghent**

Janine Langsjoen presented to the board a request for board adoption of a resolution authorizing a funding modification to increase the RRDL commitment from \$420,000 to \$600,000 for Ghent Housing. Agency staff also requested board adoption of a resolution authorizing a change in the term of the Rental Rehabilitation Deferred Loan (RRDL) from 20 to 22 years for Ghent Housing. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

**Motion:** Eric Cooperstein moved Funding Modification, Rental Rehabilitation Deferred Loan (RRDL) - Ghent Housing, D0573, Ghent. Seconded by Chief Executive Benjamin. Roll call was taken. Terri Thao was not present for the vote. Motion carries 6-0. All were in favor.

#### **F. Approval, Resolution Authorizing the Issuance and Sale of Rental Housing Bonds, Series 2024D**

Mike Solomon presented to the board a request for approval of a resolution authorizing the issuance of bonds under the Rental Housing Bond resolution as amended at the May 2024 board meeting. The issuance will fund the purchase of loan assets that had been originally funded by other sources and are currently held by the Housing Investment Fund, Pool 2. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

**Motion:** Eric Cooperstein moved Approval, Resolution Authorizing the Issuance and Sale of Rental Housing Bonds, Series 2024D. Seconded by Auditor Blaha. Roll call was taken. Terri Thao was not present for the vote. Motion carries 6-0. All were in favor.

#### **G. Approval, Series Resolution Authorizing the Issuance and Sale of Variable Rate Residential Housing Finance Bonds (RHFB)**

Mike Solomon presented to the board a request for approval of a resolution authorizing the issuance and sale of variable rate residential housing finance bonds (RHFB). Chair DeCramer opened up the discussion. There were no questions from board members.

**Motion:** Eric Cooperstein moved Approval, Series Resolution Authorizing the Issuance and Sale of Variable Rate Residential Housing Finance Bonds. Seconded by Stephanie Klinzing. Roll call was taken. Terri Thao was not present for the vote. Motion carries 6-0. All were in favor.

#### **H. Approval, Commitment, Pool 2 First Mortgage Refinance Loan – Five Lakes Cooperative, Fairmont D7842**

Michael Tobias presented to the board a request for authorization to provide a first mortgage loan in an amount up to \$1,220,000 for the refinance of Five Lakes Cooperative, a manufactured housing community in Fairmont. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

**Motion:** Eric Cooperstein moved Approval, Commitment, Pool 2 First Mortgage Refinance Loan – Five Lakes Cooperative, Fairmont D7842. Seconded by Stephanie Klinzing. Roll call was taken. Terri Thao was not present for the vote. Motion carries 6-0. All were in favor.

### **8. Discussion Items**

#### **A. Minnesota Housing Administrative Budget for Fiscal Year 2025**

#### **B. Financial Update for Quarter 3, Fiscal Year 2024**

## **C. Board Risk Assessment for 2023 and 2024**

### **9. Information Items**

**A. Post Sale Report, Residential Housing Finance Bonds, Series 2024 FGHI**

**B. Post Sale Report, Rental Housing Bonds, Series 2024 A-1 and A-2 (Walnut Towers)**

### **10. Other Business**

None.

### **11. Adjournment**

The meeting was adjourned at 3:22 p.m.

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John DeCramer, Chair

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## Item: Approval, Community Stabilization Program Guide Amendment

**Information Item:** 6.A  
**Date:** 07/25/2024  
**Staff Contacts:** James Lehnhoff, 651.296.3028, james.lehnhoff@state.mn.us  
Dani Salus, 651.248.3178, danielle.salus@state.mn.us  
**Request Type:** Approval, Motion

### Request Summary

Staff requests approval of the amended Community Stabilization Program Guide. The guide has been updated to facilitate a legislatively named grant to Wilder Park Association.

### Fiscal Impact

**Minnesota Housing may retain a portion of the appropriations to cover administrative costs up to one percent for Aeon for Huntington Place and Wilder Park Association in accordance with 2024, Chapter 127, Article 14, Section 11(c).Agency Priorities**

- |   |   |
|---|---|
| <input type="checkbox"/> Improve the Housing System                           | <input type="checkbox"/> Make Homeownership More Accessible |
| <input checked="" type="checkbox"/> Preserve and Create Housing Opportunities | <input type="checkbox"/> Support People Needing Services    |
|   | <input type="checkbox"/> Strengthen Communities             |

### Attachments

- Background
- Community Stabilization Program Guide (red lined)

## Background

The Community Stabilization Program was originally established in [Minnesota Session Laws 2023, chapter 37, article 2, section 6](#) as a one-time program to provide loans or grants to preserve naturally occurring affordable housing (NOAH) through acquisition or rehabilitation. [Minnesota Session Laws 2023, chapter 37, article 1, section 2, subdivision 29](#) provided \$90 million of state appropriations, which included a legislatively named \$10 million grant to Aeon for Huntington Place apartments in Brooklyn Park.

[Minnesota Laws 2024, chapter 127, article 14, section 11](#) amended the Community Stabilization legislation and increased the total appropriation to \$115 million, which now includes:

- Retaining \$41,750,000 to preserve multiunit NOAH buildings;
- Retaining \$10,000,000 for the legislatively named grant to Aeon for Huntington Place;
- Allocating \$3,250,000 for a new legislatively named grant to the Wilder Park Association to assist with rehabilitation of portions of the high-rise facility in St. Paul described below;
- Allocating \$10,000,000 for a new program to preserve single-family housing; and,
- Allocating \$50,000,000 for a new program to recapitalize distressed affordable rental housing, of which \$15,000,000 is for supportive housing.

The previous version of the Community Stabilization Program Guide was approved by the board in November 2023 to facilitate the legislatively named grant to Aeon for Huntington Place. Staff now propose to amend the program guide to facilitate the legislatively named grant for Wilder Park Association. [Minnesota Rule 4900.0070](#) requires the Agency to prepare program guides for loan and grant programs, which are subject to board review and approval.

Minnesota Housing has started the stakeholder engagement process to create a framework for the balance of the Community Stabilization program. There will be additional future changes to the Community Stabilization Program Guide for the broader NOAH preservation appropriations. The appropriations allocated for single-family preservation and rental housing recapitalization are functionally different programs and are anticipated to have separate program guides and processes.

Wilder Park is a 230-unit, owner-occupied, senior high-rise property in Saint Paul. Most of the owners at Wilder Park are low income and the new law requires that the grantee must verify that 50% of the units are occupied by households with incomes at or below 60% of area median income. The building needs replacement of all windows which are close to 50 years old and experiencing leakage and seal fails.

The proposed Community Stabilization Program Guide updates for the Wilder Park Association grant are found in chapters 1 and 2. Because the single-family appropriations will be issued separately, staff have removed reference to single-family NOAH projects in this updated guide.



Once the amended guide is approved, Minnesota Housing will follow [Minnesota Department of Administration Office of Grants Management \(OGM\)](#) policies, notwithstanding Minnesota Statutes Sections 16B.98, subdivisions 5 and 12, and 16B.981, subdivision 2, to negotiate a grant contract agreement, work plan and budget with Wilder Park Association that outlines eligible uses of the grant funds. These statutory exceptions are required by the new law. The grant to Wilder Park Association must meet the Community Stabilization Program Guide requirements, with the exception that Wilder Park Association does not need to compete for the funds as a legislatively named grantee.

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# Community Stabilization Program Guide

~~*November 16, 2023*~~

*July 25, 2024*





*The Minnesota Housing Finance Agency does not discriminate on the basis of race, color, creed, national origin, sex, religion, marital status, status with regard to public assistance, disability, familial status, gender identity, or sexual orientation in the provision of services.*

*An equal opportunity employer.*

*This information will be made available in alternative format upon request.*

## MINNESOTA HOUSING – COMMUNITY STABILIZATION PROGRAM

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## Chapter 1 – Introduction

### 1.1 Program Purpose and Authorizing Statute

The Community Stabilization Program was established in [Minnesota Session Laws 2023, Regular Session, chapter 37, article 2, section 6](#) as a one-time program to provide loans or grants to preserve naturally occurring affordable housing (NOAH) through acquisition or rehabilitation. [Minnesota Session Laws 2023, Regular Session, chapter 37, article 1, section 2, subdivision 29](#) provided \$90 million of state appropriations, [including a legislatively named grant to Aeon for Huntington Place Apartments. Minnesota Laws 2024, Chapter 127, Article 14, Section 11 amended the appropriation, providing \\$41,750,000 for multiunit NOAH buildings, as well as adding a legislatively named grant to Wilder Park Association.](#)

The ~~remaining~~ funding [not set aside as grants for Aeon for Huntington Place and Wilder Park Association](#) will be awarded through a competitive request for proposal (RFP) process and/or a noncompetitive, rolling basis.

Minnesota Housing may retain a portion of the appropriations to cover administrative costs [up to one percent for Aeon for Huntington Place and Wilder Park Association](#) in accordance with [Minnesota Laws 2024, Chapter 127, Article 14, Section 11\(c\) Minnesota Statute 16B.98, subdivision 14.](#)

### 1.2 Program Guide

This Program Guide will be incorporated into the Grant Contract Agreement executed between the Grantee and Minnesota Housing. If there are any conflicts between the terms of this Program Guide and the Grant Contract Agreement, the Grant Contract Agreement controls.

Any recipient of an award pursuant to the Community Stabilization Program agrees to comply with the additional requirements and obligations as described in Appendix B, which is attached and incorporated into this Program Guide.

[From time to time the legislature has designated a grantee under the program; in such instances, in the event of a conflict between this Program Guide and the legislation, the legislation shall control. In addition, such specific grants shall also be made subject to any additional requirements or obligations as set forth in such legislation.](#)

### 1.3 Definition of Terms

Appendix A, which is attached and incorporated into this Program Guide, includes definitions of capitalized terms.

## Chapter 2 – Eligibility

### 2.1 Eligible Recipients

To be eligible for funding in the form of grants or loans, the applicant must be one of the following organizational types:

- a local unit of government
- a federally recognized American Indian Tribe located in Minnesota or its Tribally Designated Housing Entity
- a private developer
- a limited equity cooperative
- a cooperative created under Minnesota Statutes Chapter [308A](#) or [308B](#)
- a community land trust created for the purposes outlined in [Minnesota Statute 462A.31, subdivision 1](#)
- a nonprofit organization

Minnesota Housing may make a grant to a statewide intermediary to facilitate the acquisition and associated rehabilitation of existing multiunit rental housing and may use an intermediary or intermediaries for the acquisition and associated rehabilitation of owner-occupied housing.

### 2.2 Eligible Uses and Affordability Requirements

The Community Stabilization Program provides grants or loans for the purpose of acquisition, rehabilitation, interest rate reduction or gap financing of housing to support the preservation of Naturally Occurring Affordable Housing (NOAH).

For the purposes of this Program Guide, NOAH means one of the following:

~~Category 1:~~ Multiunit rental housing that meets all three of the following criteria:

- A. Is at least 20 years old; and
- B. Has rents in a majority of the units that are affordable to households at or below 60 percent of the greater of state or area median income (AMI) as determined by the United States Department of Housing and Urban Development (HUD); and
- C. Does not currently have federal or state financing or tax credits that require income or rent restrictions, except for public housing, as defined in Section 9 of the Housing Act of 1937, that is part of a mixed-finance community.



~~Category 2: Owner-occupied housing located in communities where market pressures or significant deferred rehabilitation needs, as defined by Minnesota Housing create opportunities for displacement or the loss of owner-occupied housing affordable to households at or below 115 percent of the greater of state or area median income (AMI) as determined by HUD.~~

~~For both categories~~The affordability requirement shall be demonstrated in the form of a recorded declaration, covenants, land use restrictive agreement, or other documentation as approved by Minnesota Housing at its sole discretion.

The affordability requirement shall be in place for a minimum of five years after the loan or grant is provided. As outlined in Section 2.02, longer periods of affordability may be a funding requirement.

## **2.3 Voucher Acceptance**

Rental properties that receive funds under the Community Stabilization Program must accept rental subsidies, including but not limited to vouchers under Section 8 of the United States Housing Act of 1937, as amended.

## **2.4 Subgrantees**

Subgrantees are not permitted pursuant to the Community Stabilization Program.

## Chapter 3 – Eligible Expenses

Grantees and loan recipients shall only use funds for the following eligible expenses that will preserve NOAH:

- Acquisition
- Rehabilitation
- Interest rate reduction
- Gap financing

**Only eligible expenses incurred after the Grant Contract Agreement is fully executed are reimbursable to the Grantee.**

## **Chapter 4 – Application Process and Review Criteria**

### **4.1 Application Process and Review Criteria**

Minnesota Housing will develop forms and procedures for soliciting and reviewing applications for loans or grants for the Community Stabilization Program. Minnesota Housing will consult with interested stakeholders when developing the guidelines and procedures for this program.

Notwithstanding any other applicable law, Minnesota Housing may accept applications on a noncompetitive, rolling basis in order to provide funds for eligible properties as they become available.

### **4.2 Review Criteria**

Priority in funding shall be given to proposals that:

- Serve lower-income households
- Maintain longer periods of affordability

### **4.3 Financial and Organizational Review**

The Grantee or applicant shall provide the organizational financial and other information necessary to conduct any review required by Minnesota Housing and the Minnesota Department of Administration Office of Grants Management (OGM).

### **4.4 Funding Selections**

Funding selections are subject to approval by the Minnesota Housing board of directors.

After selection, each Grantee will receive a grant award letter with the allocated grant amount, terms and due diligence requirements.

## Chapter 5 – Grant Contracting Requirements

The Community Stabilization Program may be used for grants or loans. Funding selections structured as grants are subject to the policies established by the Minnesota Department of Administration Office of Grants Management (OGM).

Loans are not currently available but may be incorporated into future versions of this Program Guide.

### 5.1 Work Plan and Budget

The Grantee must complete a work plan and budget template based on the allocated grant amount. The work plan and budget template will be provided by Minnesota Housing and incorporated into the Grant Contract Agreement.

### 5.2 Grantee Requirements

The Grantee is a party to the Grant Contract Agreement and shall adhere to the following requirements which include, but are not limited to, the activities listed below. If there are any conflicts between this Program Guide and the Grant Contract Agreement, the Grant Contract Agreement controls.

- Execute a Grant Contract Agreements with Minnesota Housing outlining the scope of work to be performed. The Grantee is responsible for completing the proposal, budget, work plan and/or other exhibits to the Grant Contract Agreement(s).
- Maintain financial records for a minimum of six years after the Grant Contract Agreement(s) ends that document the use of all proceeds awarded pursuant to the Community Stabilization Program. Minnesota Housing, at its sole discretion, may request to review the accounting and documentation of such records as part of a site visit or at other scheduled times.
- Complete and submit all invoices and required reports in a timely manner as determined by Minnesota Housing.
- Have a written conflict of interest policy and take necessary steps to prevent individual and organizational conflicts of interest. All suspected, disclosed, or discovered conflicts of interest must be reported to Minnesota Housing in a timely manner.
- Comply with applicable contracting and bidding requirements defined in the Grant Contract Agreement.
- Comply with all affirmative action and non-discrimination requirements defined in the Grant Contract Agreement.
- Comply with all applicable state statutes, rules and policies.

## **Chapter 6 – Disbursement Requests**

After the Grant Contract Agreement is fully executed, the Grantee may submit a disbursement request to Minnesota Housing using the disbursement request form attached to the Grant Contract Agreement. On the disbursement request form, the Grantee must identify the amount of expenses by eligible expense category. Grantees shall use the disbursement form provided by Minnesota Housing. Disbursement will only be made to the Grantee or their designated title agent as approved by Minnesota Housing.

The Grantee shall provide evidence of the eligible incurred expenses with the disbursement request, which may include such supporting documentation as contractor pay applications/draw requests, paid invoices, photographs of work in progress and completed work, and invoices for the eligible expenses in Chapter 3. Minnesota Housing may request additional documentation as needed to verify expenses.

## **Chapter 7 – Budget Modifications**

The budget attached to the Grant Contract Agreements may be modified with prior written approval from Minnesota Housing before the expense is incurred by the Grantee.

## Chapter 8 – Monitoring and Reporting

### 8.1 Monitoring

Minnesota Housing will conduct ongoing evaluations of the projects funded by the Community Stabilization Program. The following will be required as part of grant monitoring:

- A quarterly written report that summarizes the grant activities, outcomes, eligible expenses and challenges for the given period.
- Minnesota Housing will conduct regular monitoring and reserves the right to conduct site visits as part of this monitoring.
- Before the final payment is made, Minnesota Housing will complete a financial reconciliation as required by [OGM Policy 8-10](#). Grantees shall be required to submit a cost report or general ledger, including receipts and expenses for the work, invoices for the work, and any other documentation deemed necessary by Minnesota Housing to complete the financial reconciliation.
- A final written report and financial review that includes the outcomes of the Community Stabilization Program activities and confirmation of compliance with applicable affordability requirements.

### 8.2 Corrections and Funding Repayment

If the Grantee expends funds on any ineligible expenses, Minnesota Housing will issue a notification to the Grantee requiring immediate return of the applicable funds. The Grantee shall have 10 business days to respond to Minnesota Housing to appeal the determination and submit any supporting documentation that supports its appeal or return the improperly invoiced funds. Minnesota Housing may extend the appeal period at its sole discretion. Grantees that fail to comply and/or return funds within 10 business days for ineligible uses may be subject to consequences, including a finding of Unacceptable Practices in future Requests for Proposals, suspension from doing business with Minnesota Housing, and/or any other disciplinary or legal action as determined at Minnesota Housing's sole discretion.

### 8.3 Record Keeping

Grantees are responsible for maintaining records that document the use of all proceeds awarded pursuant to the Community Stabilization Program. Grantees must save copies of all books, records, program files, documents and accounting procedures related to the award in a secure and organized format. Grantees must maintain these documents for a minimum of six years from the end of the Grant Contract Agreement. Minnesota Housing reserves the right to review all records during this six-year period, and records must be made available to Minnesota Housing upon request.

## MINNESOTA HOUSING – COMMUNITY STABILIZATION PROGRAM

Documents to save and retain include, but are not limited to:

- Executed Grant Contract Agreement
- Reports submitted by the Grantee to Minnesota Housing
- Invoices and supporting invoice documentation (receipts, proof of payment, employee payroll, etc.)
- Documentation related to contracting such as solicitations, bids and contract documents
- Written approvals from Minnesota Housing



## Appendix A: Definitions

Term	Definition
AMI	Area medium income.
Community Stabilization Program	The Community Stabilization program established in <a href="#">Minnesota Session Laws 2023, Regular Session, chapter 37, article 2, section 6, - a</a> <del>And amended by</del> <a href="#">Minnesota Laws 2024, Chapter 127, Article 14, Section 11</a>
Grant Contract Agreement	The Grant Contract Agreement executed between Minnesota Housing and the Grantee for the Community Stabilization Program.
Grantee	An organization that is awarded funding under the Community Stabilization Program.
Minnesota Housing	The Minnesota Housing Finance Agency.
NOAH	Naturally Occurring Affordable Housing as defined in Section 2.02 of this Program Guide.
Program Guide	The Community Stabilization Program Guide.
Tribal Designated Housing Entity	Entities that meet the requirements defined by Unites States Code, title 25, section 4103(22).

## **Appendix B: Legal Addendum**

### **1.1 Conflict and Control**

In the event of any conflict between the terms of this Addendum and the document to which it is attached, the terms of this Addendum will govern and control.

### **1.2 Fraud**

Fraud is any intentionally deceptive action, statement or omission made for personal gain or to damage another.

Any person or entity (including its employees and affiliates) that enters into a contract with Minnesota Housing and witnesses, discovers evidence of, receives a report from another source or has other reasonable basis to suspect that fraud or embezzlement has occurred must immediately make a report through one of the communication channels described in section 1.07.

### **1.3 Misuse of Funds**

A contracting party that receives funding from Minnesota Housing promises to use the funds to engage in certain activities or procure certain goods or services while Minnesota Housing agrees to provide funds to the recipient to pay for those activities, goods or services. Regardless of the Minnesota Housing program or funding source, the recipient must use Minnesota Housing funds as agreed, and the recipient must maintain appropriate documentation to prove that funds were used for the intended purpose(s).

A misuse of funds shall be deemed to have occurred when: (1) Minnesota Housing funds are not used as agreed by a recipient; or (2) a recipient cannot provide adequate documentation to establish that Minnesota Housing funds were used in accordance with the terms and conditions of the contract.

Any recipient (including its employees and affiliates) of Minnesota Housing funds that discovers evidence, receives a report from another source or has other reasonable basis to suspect that a misuse of funds has occurred must immediately make a report through one of the communication channels described in section 1.07.

### **1.4 Conflict of Interest**

A conflict of interest – actual, potential or perceived – occurs when a person has an actual or apparent duty or loyalty to more than one organization and the competing duties or loyalties may result in actions which are adverse to one or both parties. A potential or perceived conflict of interest exists even if no unethical, improper or illegal act results from it.

An individual conflict of interest is any situation in which one's judgment, actions or non-action could be interpreted to be influenced by something that would benefit them directly or through

indirect gain to a Partner, Family Member, Relative, Friend, Business or other Outside Interest with which they are involved. Such terms are defined below.

**\*Actual Conflict of Interest:** An Actual Conflict of Interest occurs when a person's decision or action would compromise a duty to a party without taking immediate appropriate action to eliminate the conflict.

**\*Potential Conflict of Interest:** A Potential Conflict of Interest may exist if a person has a relationship, affiliation or other interest that could create an inappropriate influence if the person is called on to make a decision or recommendation that would affect one or more of those relationships, affiliations or interests.

**\*Partner:** A person's romantic and domestic partners and outside business partners.

**\*Family Member:** A person's current and former spouse; children, parents, and siblings; current and former children-in-law, parents-in-law, and siblings-in-law; current and former stepchildren and stepparents; grandchildren and grandparents; and members of the person's household.

**\*Relative:** Uncle or aunt; first or second cousin; godparent; godchild; other person related by blood, marriage or legal action with whom the individual has a close personal relationship.

**\*Friend:** A person with whom the individual has an ongoing personal social relationship. "Friend" does not generally include a person with whom the relationship is primarily professional or primarily based on the person being a current or former colleague. "Friend" does not include mere acquaintances (i.e., interactions are coincidental or relatively superficial). Social media friendships, connections, or links, by themselves, do not constitute friendship.

**\*Business:** Any company, corporation, partnership, proprietorship, firm, enterprise, franchise, association, organization, self-employed individual or any other legal entity which engages either in nonprofit or profit-making activities.

**\*Outside Interest:** An Outside Interest may occur when an individual, their Family Member or their Partner has a connection to an organization via employment (current or prospective), has a financial interest or is an active participant.

Once made aware of a conflict of interest, Minnesota Housing will make a determination before disbursing any further funds or processing an award. Determinations could include:

- Revising the contracting party's responsibilities to mitigate the conflict
- Allowing the contracting party to create firewalls that mitigate the conflict
- Asking the contracting party to submit an organizational conflict of interest mitigation plan
- Terminating the contracting party's participation

## MINNESOTA HOUSING – COMMUNITY STABILIZATION PROGRAM

Any person or entity (including its employees and affiliates) that enters into a contract with Minnesota Housing must avoid and immediately disclose to Minnesota Housing any and all actual, potential or perceived conflicts of interest through one of the communication channels described in section 1.07.

A contracting party should review its contract and request for proposals (RFP) material, if applicable, for further requirements.

### **1.5 Assistance to Employees and Affiliated Parties**

Any party entering into a contract with Minnesota Housing for the purpose of receiving an award or benefit in the form of a loan, grant, combination of loan and grant or other funding is restricted in issuing a loan, grant, combination of loan and grant or other funding to a recipient (“Affiliated Assistance”) who is also: (1) a director, officer, agent, consultant, employee or Family Member of an employee of the contracting party; (2) an elected or appointed official of the State of Minnesota; or (3) an employee of Minnesota Housing, unless each of the following provisions are met:

- The recipient meets all eligibility criteria for the program;
- The assistance does not result in a violation of the contracting party’s internal conflict of interest policy, if applicable;
- The assistance does not result in a conflict of interest as outlined in section 1.04;
- The assistance is awarded utilizing the same costs, terms and conditions as compared to a similarly situated unaffiliated recipient and the recipient receives no special consideration or access as compared to a similarly situated unaffiliated recipient; and
- The assistance is processed, underwritten and/or approved by staff/managers who are independent of the recipient and independent of any Family Member of the recipient. Family Member is defined in section 1.04.

A contracting party need not disclose Affiliated Assistance to Minnesota Housing. However, the contracting party must document and certify, prior to the award, that the Affiliated Assistance meets each of the provisions outlined above. This documentation must be included in the Affiliated Assistance file and must be made available to Minnesota Housing upon request. Affiliated Assistance that does not meet each of the provisions outlined above will be considered a violation of Minnesota Housing conflict of interest standards and must be reported by the contracting party through one of the communication channels outlined in section 1.07.

### **1.6 Suspension**

By entering into any contract with Minnesota Housing, a contracting party represents that the contracting party (including its employees or affiliates that will have direct control over the subject of the contract) has not been suspended from doing business with Minnesota Housing. Please refer to Minnesota Housing’s website for a list of [suspended individuals and](#)

[organizations](#) (Go to mnhousing.gov, scroll to the bottom of the screen and select Report Wrongdoing, then select Suspensions from the menu).

## **1.7 Disclosure and Reporting**

Minnesota Housing promotes a “speak-up, see something, say something” culture whereby internal staff must immediately report instances of fraud, misuse of funds, conflicts of interest or other concerns without fear of retaliation through one of the communication channels listed below. External business partners (e.g., administrators, grantees or borrowers) and the general public are strongly encouraged to report instances of fraud, misuse of funds, conflicts of interest or other concerns without fear of retaliation using these same communication channels.

- Minnesota Housing’s Chief Risk Officer at 651.296.7608 or 800.657.3769 or by email at [MHFA.ReportWrongdoing@state.mn.us](mailto:MHFA.ReportWrongdoing@state.mn.us);
- Any member Minnesota Housing’s [Servant Leadership Team](#), as denoted on Minnesota Housing’s current organizational chart (Go to mnhousing.gov, scroll to the bottom of the screen and select About Us, select Servant Leadership Team); or
- [Report Wrongdoing or Concerns \(mnhousing.gov\)](#) (Go to mnhousing.gov, scroll to the bottom of the screen and select Report Wrongdoing).

## **1.8 Electronic Signatures**

Minnesota Housing will use and accept e-signatures on eligible program documents subject to all requirements set forth by state and federal law and consistent with Minnesota Housing policies and procedures. The use of e-signatures for eligible program documents is voluntary. Questions regarding which documents Minnesota Housing permits to be e-signed should be directed to Minnesota Housing staff.

## **1.9 Fair Housing Policy**

It is the policy of Minnesota Housing to affirmatively further fair housing in all its programs so that individuals of similar income levels have equal access to Minnesota Housing programs, regardless of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, familial status, gender identity or sexual orientation.

Minnesota Housing’s fair housing policy incorporates the requirements of Title VI of the Civil Rights Act of 1968; the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988; and the Minnesota Human Rights Act. Housing providers and other entities involved in real-estate related transactions are expected to comply with the applicable statutes, regulations and related policy guidance. Housing providers should ensure that admissions, occupancy, marketing and operating procedures comply with non-discrimination requirements. Housing providers and other entities involved in real-estate related transactions must comply with all non-discrimination requirements related to the provision of credit, as well as access to services.

## MINNESOTA HOUSING – COMMUNITY STABILIZATION PROGRAM

In part, the Fair Housing Act and the Minnesota Human Rights Act make it unlawful, because of protected class status, to:

- Discriminate in the selection/acceptance of applicants in the rental of housing units;
- Discriminate in the making or purchasing of loans for purchasing, constructing or improving a dwelling, or in the terms and conditions of real-estate related transactions;
- Discriminate in the brokering or appraisal of residential property;
- Discriminate in terms, conditions or privileges of the rental of a dwelling unit or services or facilities;
- Discriminate in the extension of personal or commercial credit or in the requirements for obtaining credit;
- Engage in any conduct relating to the provision of housing that otherwise make unavailable or denies the rental of a dwelling unit;
- Make, print or publish (or cause to make, print or publish) notices, statements or advertisements that indicate preferences or limitations based on protected class status;
- Represent a dwelling is not available when it is in fact available;
- Refuse to grant a reasonable accommodation or a reasonable modification to a person with a disability;
- Deny access to, or membership or participation in, associations or other services organizations or facilities relating to the business of renting a dwelling or discriminate in the terms or conditions of membership or participation; or
- Engage in harassment or quid pro quo negotiations related to the rental of a dwelling unit.

Minnesota Housing has a commitment to affirmatively further fair housing for individuals with disabilities by promoting the accessibility requirements set out in the Fair Housing Act, which establish design and construction mandates for covered multifamily dwellings and requires those in the business of buying and selling dwellings to make reasonable accommodations and to allow persons with disabilities to make reasonable modifications.

Under certain circumstances, applicants will be required to submit an Affirmative Fair Housing Marketing Plan at the time of application, to update the plan regularly and to use affirmative fair housing marketing practices in soliciting renters, determining eligibility and concluding all transactions.

As a condition of funding through Minnesota Housing, housing providers are not permitted to refuse to lease a unit to, or discriminate against, a prospective resident solely because the prospective resident has a Housing Choice Voucher or other form of tenant-based rental assistance.

### **1.10 Minnesota Government Data Practices**

Minnesota Housing, and any party entering into a contract with Minnesota Housing, must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as

it applies to all data provided by Minnesota Housing under the contract, and as it applies to all data created, collected, received, stored, used, maintained or disseminated by the contracting party under the contract. The civil remedies of Minnesota Statutes Section 13.08 apply to the release of the data referred to in this section by either the contracting party or Minnesota Housing. If the contracting party receives a request to release the data referred to in this section, the contracting party must notify Minnesota Housing. Minnesota Housing will give the contracting party instructions concerning the release of the data to the requesting party before the data is released. The contracting party's response to the request shall comply with applicable law.

### **1.11 Prevailing Wage**

Under certain circumstances, awards of Minnesota Housing funds may trigger state prevailing wage requirements under Minnesota Statutes Chapter 177 or Minnesota Statutes Section 116J.871. In broad terms, Minnesota Statutes Chapter 177 applies to an award of \$25,000 or greater for housing that is publicly owned. Minnesota Statutes Section 116J.871 applies to awards for non-publicly owned housing that meet the following conditions: (1) new housing construction (not rehabilitation); (2) a single entity receives from Minnesota Housing \$200,000 or more of grant proceeds or \$500,000 of loan proceeds.

Minnesota Statutes Section 116J.871 sets out several exceptions to the applicability of prevailing wage including (1) rehabilitation of existing housing; (2) new housing construction in which total financial assistance at a single project site is less than \$100,000; and (3) financial assistance for the new construction of fully detached single-family affordable homeownership units for which the financial assistance covers no more than ten fully detached single-family affordable homeownership units.

All determinations regarding prevailing wage are made by the Minnesota Department of Labor and Industry. All questions regarding state prevailing wages and compliance requirements should be directed to that agency as follows:

Division of Labor Standards and Apprenticeship  
Karen Bugar, State Program Administrator  
443 Lafayette Road N, St. Paul, MN 55155  
651.284.5091 or [dli.prevwage@state.mn.us](mailto:dli.prevwage@state.mn.us)

If, after a determination by the Minnesota Department of Labor that prevailing wage does apply, a contractor or subcontractor fails to adhere to prevailing wage laws, then that contractor or subcontractor could face civil and/or criminal liability.

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## Item: Approval, Waiver of Loan Assumption Fee – Perspectives, D5230, St. Louis Park

**Information Item:** 6.B  
**Date:** 07/25/2024  
**Staff Contacts:** Sarah Matala, 651.215.5577, sarah.matala@state.mn.us  
James Lehnhoff, 651.296.3028, james.lehnhoff@state.mn.us  
**Request Type:** Approval, Motion

### Request Summary

Staff requests approval to waive the Preservation Affordable Rental Investment Fund (PARIF) Program loan assumption fee in the amount of \$2,813 to help facilitate Trellis Co.'s acquisition and preservation of 56 units from Perspectives, Inc. in St. Louis Park.

### Fiscal Impact

The Agency would forgo the loan assumption fee that would otherwise help offset administrative costs associated with processing the loan assumption.

### Agency Priorities

- |   |   |
|---|---|
| <input type="checkbox"/> Improve the Housing System                           | <input checked="" type="checkbox"/> Support People Needing Services |
| <input checked="" type="checkbox"/> Preserve and Create Housing Opportunities | <input type="checkbox"/> Strengthen Communities                     |
| <input type="checkbox"/> Make Homeownership More Accessible                   |   |

### Attachments

- Background

## Background

Perspectives, Inc. owns five buildings on Louisiana Court in St. Louis Park, which are identified in the red box on the below map. The five buildings provide 56 units of affordable rental housing with supportive services and are occupied. The properties benefit from a Housing Assistance Payment (HAP) contract administered by the St. Louis Park Public Housing Authority (PHA) that provides rental assistance to 22 of the 56 units. Supportive services are afforded by a services grant with Hennepin County as well as a Transitional Housing Program grant through the Minnesota Department of Human Services.

The Agency has two loans on the properties, a PARIF loan of \$562,680 and a Housing Trust Fund (HTF) loan with an outstanding balance of \$5,000. Hennepin County and Family Housing Fund also have loans on the properties and are in the process of approving the assumption of those loans.

Perspectives, Inc. filed for bankruptcy on March 28, 2024. The bankruptcy filing was primarily due to the organization owing the IRS approximately \$1,000,000 in unpaid payroll taxes. Perspectives, Inc. has sufficient funds to operate the properties through November 2024. As a result, Perspectives, Inc. offered the properties for sale in mid-April 2024. In May 2024, Trellis Co. submitted a letter of intent to purchase the properties from Perspectives, Inc. to preserve the affordable rental housing.

As part of the purchase offer, Trellis Co. requested assumption of all existing debt on the properties, and subordination to a new first mortgage from the Greater Minnesota Housing Fund (GMHF). Staff recommended and the Mortgage Credit Committee approved the following actions at their meeting on June 18, 2024:

- Forgiveness of the \$5,000 HTF loan under Board Delegation No. 007;
- Assumption of the \$562,680 PARIF loan under Board Delegation No. 008; and
- Subordination of the PARIF loan to a new GMHF loan under the Commissioner's administrative authority.

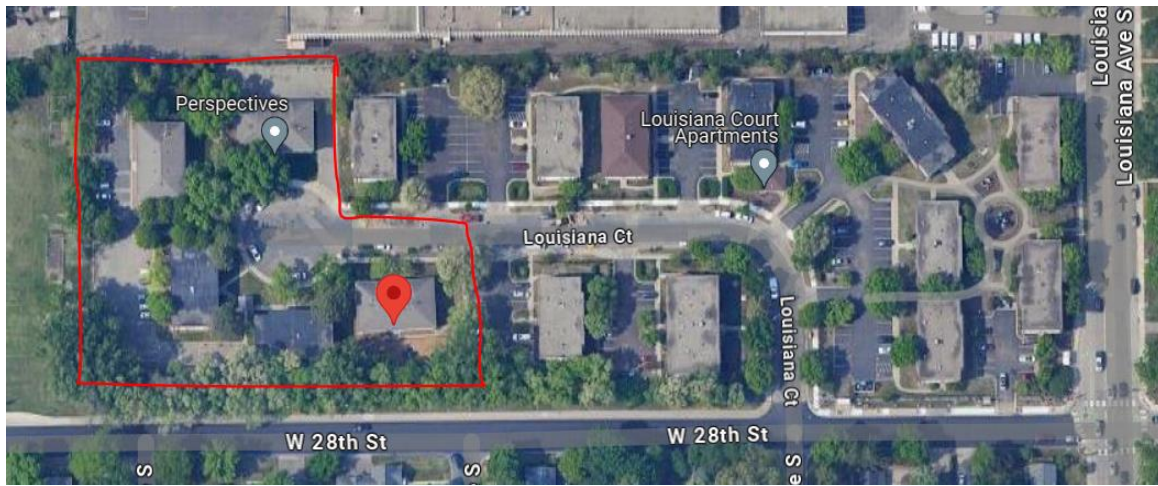
With the loan assumption, the properties will retain the rent and income limit requirements. Perspectives, Inc. is continuing through the bankruptcy process, and the closing date for Trellis Co.'s acquisition is not yet set.

Section 3.02 of the PARIF Program Guide requires payment of an assumption fee "equal to the approximate administrative costs of processing the sale and assumption." The PARIF loan documents further specify that the assumption fee is 0.5% of the outstanding principal balance of the PARIF loan. With an outstanding principal balance of \$562,680, the PARIF loan assumption fee would be \$2,813. Because the fee requirement is established in the PARIF Program Guide, changing or waiving the fee requires board action.

Staff recommends waiving the fee due to the unique circumstances surrounding the bankruptcy and to help support the acquisition and preservation of the properties, which is of greater value than the

assumption fee. Trellis Co.'s acquisition meets the Agency's goal to preserve affordable rental housing with supportive services and decreases the risk of resident displacement. Trellis Co. is a stable owner with significant coverage in the Minnesota Housing portfolio. Their involvement at this critical juncture allows the Agency and the other funding partners to respond quickly with a workable solution to preserve the properties in the midst of a bankruptcy filing that could otherwise place the viability of the properties into jeopardy.

**Map of Perspectives, Inc. properties:**



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## Item: Approval, Manufactured Home Community Redevelopment Program Procedural Manual Changes

**Action Item:** 7.A  
**Date:** 07/25/2024  
**Staff Contacts:** Monica Tucker, 651.296.5602, monica.tucker@state.mn.us  
 Colleen Meier, 651.296.9811, colleen.meier@state.mn.us  
 Jeramiah Townsend, 651.296.8835, jeramiah.townsend@state.mn.us  
**Request Type:** Approval, Motion

### Request Summary

Manufactured Housing Programs staff requests board approval of the Manufactured Home Community Redevelopment (MHCR) Program Procedural Manual changes and new program procedures.

### Fiscal Impact

The Manufactured Home Community Redevelopment Program is funded by state appropriations, with individual awards structured as grants that do not earn interest for the Agency. The program is also an eligible use of Housing Infrastructure Bond (HIB) proceeds, which are awarded as grants that do not earn interest for the Agency.

### Agency Priorities

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Improve the Housing System                | <input type="checkbox"/> Make Homeownership More Accessible |
| <input checked="" type="checkbox"/> Preserve and Create Housing Opportunities | <input type="checkbox"/> Support People Needing Services    |
|   | <input checked="" type="checkbox"/> Strengthen Communities  |

### Attachments

- Background
- Proposed Procedural Manual Changes
- MHCR Program Procedural Manual and Attachments

## Background

Manufactured housing is a crucial part of affordable housing in Minnesota and has become an important aspect of Minnesota Housing's mission since 2020. The Agency's Strategic Plan to Preserve and Create Housing Opportunities also includes preserving and supporting manufactured housing. Manufactured home residents have been left out of traditional housing finance tools and other benefits afforded homeowners and renters. Infrastructure needs are increasing over time as manufactured home communities across the state are aging, and many of these communities do not benefit from city or county assistance, such as road maintenance and water line repair. The Manufactured Home Community Redevelopment Program helps to address these infrastructure redevelopment needs, which supports critical health and safety improvements and ongoing affordability for residents. In addition, the MHCR Program can be used to fund acquisition of a manufactured home community or improvements required for acquisition of a manufactured home community.

MHCR Program funds are available through an annual Request For Proposals (RFP) process, with funding provided in the form of grants.

The Program impact has been steadily increasing over the last 3 years. State appropriations increased from \$3.75M to \$16M for the biennium in 2023. One-time funding of \$15M in HIB proceeds was set aside for the program until January 2024, of which \$3.2M was remaining for use in the 2023 RFP. A combined 17 projects for infrastructure development were selected for funding between the 2020 and 2021 RFPs. In 2022, 14 projects were selected for funding and 19 projects were selected during the 2023 RFP. Since Program inception, one project has been selected for acquisition and all others for infrastructure improvements.

Staff are requesting approval from the board for changes to the Procedural Manual to better serve manufactured home communities by making it more user-friendly and improving program procedures. Staff conducted a program evaluation based on input from teams across the Agency, including Legal, Procurement and Contracting, and Finance, to refine Procedural Manual language and update processes.

## **Proposed Procedural Manual Changes**

Staff has revised the procedural manual to comply with Office of Grants Management (OGM) policies and to be more consistent with standard Agency language. The procedural manual sections have been restructured and language has been revised for consistency with Agency plain language guidelines and new term definitions have been added to the Appendix.

### **Grant Eligibility and Terms**

Program staff have reviewed the Grant Eligibility and Terms section of the procedural manual and have added “Park expansion including lot preparation” as an eligible use of program funds. Manufactured home communities often need additional lots in order to cover expenses of running the park. Eight out of 27 applicants requested lot preparation during the 2023 MHCR Program RFP, totaling 30% of applications. Funding for lot preparation was awarded to four manufactured home communities in the 2023 RFP. Based on the 2023 applications received and conversations with current Grantees, there is a need for park expansion to assist with financial security and creation of additional affordable home sites. To be considered for park expansion funding, applicants will need to address why the additional lots are needed and how the entire community would benefit. While park expansion will be an eligible use of funds, health and safety projects will be scored higher during the review process. Communities that have critical health and safety needs will be prioritized over expansion.

### **Eligible Administrative Fees**

Due to the large increase in the size of awards since the creation of the Program in 2020, there is a need for an increase to the eligible administrative fees allowed. Administrative fees include third-party fees associated with the project that the Grantee is responsible for paying, such as legal fees, title fees, appraisal fees, or project management fees. The previous Program limit on administrative fees was up to 10% of the awarded amount or \$30,000, whichever is lower. Staff have amended the administrative fees by removing the \$30,000 threshold and allowing for up to 10% of the awarded amount. This update is consistent with the administrative fees of other affordable housing programs inside and outside the Agency, including Impact Fund and the Local Housing Trust Fund Grants Program, as well as HUD grant programs.

### **Procedure Forms - Exhibits to the Procedural Manual**

To better serve Grantees and to comply with OGM policies, staff have created procedural documents for the following areas that are exhibits to the Procedural Manual and will be linked on the Minnesota Housing website:

- Grant Contract Extension Form: All state grant funds in Minnesota must be expended within five years. Minnesota Housing typically issues grants with three-year terms, with option to extend up to five years. All duties and activities specified in the Grant Contract Agreement

should be completed within the three-year Grant Contract period, however, a Grantee can request an extension of the Grant Contract Agreement if more time is needed to complete the Scope of Work. An extension may be requested in writing by submitting a Manufactured Home Community Redevelopment Program Extension Request Form to Minnesota Housing. Reasons for a Grant Contract Agreement extension include, but are not limited to, unforeseen construction setbacks, weather delays, and difficulty securing contractors. Extensions will be reviewed on an exception basis and are at the sole discretion of Minnesota Housing.

- **Lot Rent Increase Exception Form:** Lot rent increases will be capped at five percent annually, or as agreed upon in writing by Minnesota Housing. An exception can be requested by submitting a Lot Rent Increase Exception form describing the reason for the needed lot rent increase, how it will benefit the park community, and if there is support from park residents. Forms must be submitted to Program staff and will be reviewed on an exception basis and decisions are at the sole discretion of Minnesota Housing.
- **Grant Completion Certificate:** Grantees must submit a Manufactured Home Community Redevelopment Program Completion Certificate form to Minnesota Housing within 30 calendar days of project completion. All inspection records and completion certifications shall be retained by the Grantee and with the project file records.
- **Annual Reporting:** Each year by June 30, Grantees must submit an Annual Reporting Form to Minnesota Housing's Authorized Representative, including, but not limited to, an accounting of disbursements and expenses of the infrastructure project. Minnesota Housing reserves the right to ask for additional information.





## Manufactured Home Community Redevelopment Program

Procedural Manual

074/251/20243

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*The Minnesota Housing Finance Agency does not discriminate on the basis of race, color, creed, national origin, sex, religion, marital status, status with regard to public assistance, disability, familial status, gender identity, or sexual orientation in the provision of services.*

*An equal opportunity employer.*

*This information will be made available in alternative format upon request.*

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## Chapter 1 – Program Purpose and Background

### 1.01 Minnesota Housing Mission Statement

Housing is ~~the~~ foundation al to a full life and thriving state-for success, so we equitably collaborate with individuals, communities and partners to create, preserve and finance housing that is affordable.

### 1.02 Background

The Minnesota Housing Finance Agency (“Minnesota Housing”) was created in 1971 by the Minnesota Legislature.

The Manufactured Home Community Redevelopment Program is authorized by [Minnesota Statutes Section 462A.2035, Subdivision 1b](#) to provide funding for Manufactured Home Park redevelopment.

### 1.03 Program Purpose

The purpose of this Program is to provide funds to qualifying Grantees in the state of Minnesota, for infrastructure activities and improvements, as described in Minnesota Statutes Section 462A.2035; ~~Subdivision 1b, so long as the manufactured homes are located in an eligible manufactured home community.~~

### 1.04 Procedural Manual

This Procedural Manual, including subsequent changes and additions, is a supplement to and incorporated into the Grant Contract Agreement executed between the Grantee and Minnesota Housing.

### 1.05 Competitive RFP Process

Funding for the Manufactured Housing Communittee Redevelopment Program will be allocated through a competitive Request for Proposal (RFP) process. Applications will be reviewed and scored by a committee comprised of Minnesota Housing staff and community reviewers. Recommendations will be presented to the Minnesota Housing board for approval. Minnesota Housing’s award decisions are final and are not subject to appeal.

The following competitive criteria will be used to score only those applications that satisfy the minimum threshold criteria:

1. Community Needs
2. Households Served
3. Community Support
4. Project Leverage and Costs
5. Project Assessment



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6. Project Experience

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## Chapter 2 – Household Eligibility

### 2.01 Household Income Limits

Minnesota Housing ~~requires~~ ~~must have adequate assurances~~ that the acquisition, improvement or infrastructure will benefit low- and moderate-income Manufactured Home Park residents, ~~with which~~ is defined as those households whose incomes is at or below 115 percent of the Area Median Income (AMI), based on the greater of state or local AMI at the time of application.

Funding will be contingent on the agreement that Manufactured Home Park owners will maintain lot rents affordable to households at or below 115 percent AMI during the Affordability Period, as described in Chapter ~~69~~.

Minnesota Housing will post the applicable income limits and affordable lot rents ~~annually~~ on its [website](#).

If the Grantee is a city, county, or community action program, preference must be given to households at or below 50 percent of the area median income.

## Chapter 3 – Grantee Eligibility

### 3.01 Eligible Grantees

Eligible Grantees include the following:

- Cooperative Manufactured Home Park owners;
- Government or Tribal Manufactured Home Park owners;
- Housing Redevelopment Authority Manufactured Home Park owners;
- Nonprofit Manufactured Home Park owners; and
- Private (for-profit) Manufactured Home Park owners.

Nonprofit organizations acting as an intermediary on behalf of a Manufactured Home Park owner may submit an application ~~during the Request for Proposals process~~, however, grant ~~awarded~~ funds are awarded ~~granted~~ to the owner of the Manufactured Home Park.

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## Chapter 4 – Eligible Properties

### 4.01 Eligible Manufactured Home Parks

Eligible manufactured home parks must be permanent, year-round parks located in the state of Minnesota that are either one of the following:

- Cooperatively Owned;
- Privately Owned; or
- Publicly Owned.

Subdivided parks are eligible with a seasonal resident occupant adjustment. See section 47.03 for more details.

### 4.02 Ineligible Manufactured Home Parks

Fully recreational or seasonal manufactured home parks are ineligible for funding.

### 4.03 Seasonal Resident Occupancy Adjustment for Subdivided Manufactured Home Parks

Applicants must provide documentation that indicating the lots are available to year-round residents within the Manufactured Home Park. If a portion of the park is available to seasonal residents, funds will be awarded on a pro-rated basis ~~ed~~ based ~~ed~~ determined on the number of year-round resident lots.

Example:

	Project 1	Project 2
Project Cost	\$100,000	\$100,000
Total Number of Lots in Park	25	25
Seasonal Resident Lots	0	5
Year-round Resident Occupancy Adjustment	25	20
Cost per Lot	\$4,000	\$4,000
Total Eligible Program Award	\$100,000	80,000

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## Chapter 5 – Grant Eligibility and Terms

### 5.01 Eligible Use of Funds

Eligible use of funds includes:

- Installation or repair of infrastructure improvements including:
  - Water and sewer systems;
  - Electrical systems;
  - Roads and sidewalks;
  - Storm shelters;
  - Park signage or lighting related to safety;
  - Security systems and fences;
  - Engineering design of the project; ~~and~~
  - Permits and inspection costs;
  - Improvements required for acquisition of a Manufactured Home Park;
  - Park expansion including lot preparation; and
  - Other infrastructure improvements ~~as must~~ be approved in writing by Minnesota Housing.
- Acquisition of a Manufactured Home Park.

All infrastructure and improvements must benefit year-round residential manufactured homes within the park.

### 5.02 Ineligible Use of Funds

Funds cannot be used for improvements of individual manufactured homes. Grant funds may not be used for any activity that is in an A~~areas~~ of the Manufactured Home Park that is ~~are~~ seasonal or not a year-round residential area~~s are ineligible for funding for infrastructure improvements.~~

Grant ~~funds money may~~ is not ~~intended to~~ supplement or finance infrastructure improvements that were ~~substantially~~ completed prior to the execution of the Grant Contract Agreement.

### 5.03 Eligible Administrative Fees

~~Funds can be used to pay for project administrative fees up to 10% of the awarded amount, or up to \$30,000, whichever is lower.~~ Administrative fees include third-party fees associated with the project that the Grantee is responsible for paying, such as legal fees, title fees, ~~inspections costs,~~ appraisal fees, or project management fees. The Grantee is responsible for paying all administrative fees over this threshold.

Funds can be used to pay for project administrative fees up to 10% of the awarded amount.

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**5.04 Funding Requirements**

Funds are awarded as grants. Unless otherwise provided for in the Grant Contract Agreement, grant proceeds are disbursed to the Grantee but Any awarded Program funds that are disbursed and not used to pay for the approved eligible uses within the grant period timeframe, as determined at the sole discretion of Minnesota Housing and established in the Grant Contract Agreement, must be returned to Minnesota Housing immediately upon request within a maximum of 30 calendar days. Any awarded Program funds disbursed but unused for eligible expenses must be immediately returned to Minnesota Housing.

**5.05 Funding Terms**

The Grant Contract Agreement period terms will be is three years. All duties and activities specified in the Grant Contract Agreement should must be completed within the three-year Grant Contract period term, however, a Grantee can request an extension of the Grant Contract Agreement if more time is needed to complete the Scope of Work. An extension may be requested in writing by submitting a Manufactured Home Community Redevelopment Program Extension Request Form to Minnesota Housing. Extensions will be reviewed on an exception basis and are at the sole discretion of unless an extension is made on an exception basis in writing by Minnesota Housing. The maximum extension is two years.

**5.06 Grant Funds Tracking**

Grantees should use industry standard accounting principles in the maintenance of financial records.

Grantees should document and retain in the Grant Contract Agreement file any verbal quotes obtained as part of the contracting and bidding requirements outlined in the Grant Contract Agreement. Verbal quote documentation may include but is not limited to notes, emails, and other types of documentation. All verbal quotes obtained must include: date the quote was received, name and contract of vendor, amount for service(s) requested, service(s) included in the quote, and date range of the service(s), if applicable.

Grantees remain liable for accounting and full repayment of all unexpended Grant Funds to Minnesota Housing.

**5.07 Closeout Procedure**

Grantees must submit a Manufactured Home Community Redevelopment Program Completion Certificate form to Minnesota Housing upon completion of the project within 30 calendar days of completion. All inspection reports and completion certificates shall be retained by the Grantee with the project file records.

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#### **5.086 Grant Contract Agreement**

All Grantees must sign and agree to the terms of the Grant Contract Agreement prior to beginning work on the approved project and the disbursement of awarded funds.

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## Chapter 6 – Affordability Period and Declaration Requirements

### 6.01 Declaration of Restrictive Covenants

A Declaration of ~~R~~restrictive ~~C~~covenants outlining the Program restrictions, including those outlined in section 69.03, will be placed on the property upon execution of the Grant Contract Agreement. Grantees must comply with all terms in the Declaration throughout the Affordability Period. A sample Declaration can be found on the Minnesota Housing website.

### 6.02 ~~Term~~Affordability Period

The term of the Declaration of Restrictive Covenants is known as the Affordability Period. The length of the Affordability Period is ~~up to~~ 25 years.

### 6.03 Restrictions

Restrictions during the Affordability Period include:

- The property will remain ~~in~~ a Manufactured Home Park;
- Manufactured Home Park owners will maintain lot rent affordable to low or moderate income households as defined by Minnesota Housing;
- Manufactured Home Park owners will establish and fund an account for replacement reserves for infrastructure and improvement repairs;
- Lot rent increases will be capped at five (5%) percent annually, ~~or as agreed upon in writing by Minnesota Housing; and~~ An exception to the lot rent cap can be requested in writing by submitting a Lot Rent Increase Exception form to Minnesota Housing describing the reason for the needed lot rent increase, how it will benefit the park community, and if there is support from park residents.; and
- Any sale or transfer of ownership of the Manufactured Home Park must be approved in writing prior to sale or transfer by Minnesota Housing.

### 6.04 Enforcement of Declaration of Restrictive Covenants

The Declaration of Restrictive Covenants will be enforced by Minnesota Housing to the fullest extent permitted by applicable law.



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## Chapter 7 – Partner Responsibilities and Warranties

### 7.01 Recordkeeping

~~Grantees must retain files for six years after the expiration of the Grant Contract.~~ Grantees must keep maintain files and/or copies of all books, records, project files, documents, and accounting procedures related to the Grant Contract Agreement during the term of the Grant Contract Agreement and for a minimum of six years after the termination or expiration of the Grant Contract Agreement. These documents are subject to examination by the Commissioner of Administration, Minnesota Housing, the State of Minnesota, the State Auditor, and the Legislative Auditor.

Minnesota Housing will review disbursement records associated with the ~~G~~grant. The Grantee must provide a detailed accounting of when grant funds are received from Minnesota Housing and payments are disbursements made to third party entities. Minnesota Housing reserves the right to ask for this accounting.

### 7.02 Annual Reporting

~~Grantees must submit an annual report that includes the name of the park, the park owner's name or business name, the amount of award, the amount of award received to date, and information about project expenditures, including invoices and payment records related to the scope of work. Each year by June 30, Grantees must submit an Annual Reporting form to Minnesota Housing's Authorized Representative, including, but not limited to, an accounting of disbursements and expenses of the infrastructure project.~~ Minnesota Housing reserves the right to ask for additional information.

### 7.0~~32~~ Monitoring

Monitoring may include a review of financial, organizational and Program activities of the Grantee ~~and/or the Manufactured Home Park owner~~. Grantees will be notified in writing by Minnesota Housing of monitoring activities ~~about the scope of the monitoring prior to any monitoring activity~~.

Grantees awarded funds are required to comply with all monitoring and reporting requirements for the term of the Grant Contract Agreement.

~~With reasonable written notice to the Grantee, defined as no less than 10 days,~~ Minnesota Housing reserves the right to make site visits, review grantee's records and project files. The Grantee's records and ~~review~~ project files, including ~~ed~~ but not limited to, ~~project~~ Sscope of Wwork, project invoices, documentation of payments made to third-party entities involved in project activities, ~~such as bank statements or cancelled checks, accounting records, inspection reports, engineering reports, licenses, or project completion certificates. Requested documents must be made available to Minnesota Housing for review within 10 days upon written request in order to conduct compliance monitoring.~~

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Grantee's records and project files must be made available to Minnesota Housing at the Grantee's Administrator's office during regular business hours or via remote submission, or both, ~~if and~~ as requested by Minnesota Housing. Monitoring and financial reconciliation generally may include:

- Physical inspection of projects;
- Verification of Project files including eligibility ~~requirements~~ and documentation requirements;
- Review of expense documentation (~~e.g. any and for example~~, all books, records, invoices, and receipts);
- Other program-related documents; and
- Accounting procedures and practices relevant to the Grant Contract Agreement and Procedural Manual.

Minnesota Housing may monitor Grantees for compliance with the Declaration of Restrictive Covenants during the Affordability Period described in Chapter 69.

### **7.043 Unauthorized Compensation**

The Grantee shall not receive or demand from the builder, remodeler, contractor, supplier, or Borrower any other unauthorized compensation such as:

- Kickbacks;
- Commissions;
- Rebates; or
- Item for value without equivalent compensation.

To reduce the total development cost associated with an eligible property, a Grantee may receive normal business discounts from the seller, builder, remodeler, contractor, or supplier. In these cases, the Grantee must document that the discounts received are considered normal for the market area and do not constitute a kickback, commission, or rebate.

Any discounts that seem to exceed a normal business standard must be documented and disclosed to Minnesota Housing for review. Upon review, Minnesota Housing will utilize~~apply~~ its sole discretion in determining the nature of the compensation and what remedies, if any, are appropriate.

### **7.054 Electronic Signatures**

Minnesota Housing will use and accept ~~s electronic e-signatures (eSignatures)~~ on eligible program documents subject to all requirements set forth by state and federal law and consistent with Minnesota Housing policies and procedures. The use of e-signatures for eligible program documents is voluntary. Questions regarding which documents Minnesota Housing permits to be e-signed should be directed to Minnesota Housing staff. ~~executed under the Manufactured Housing Community Redevelopment Program to the extent the use of the eSignature complies with all applicable state and federal electronic signature laws, as well as any counterparty requirements (e.g. Fannie Mae, Federal Housing Administration, US Bank HFA Division).~~

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~~e-~~Signatures are not acceptable on any document that needs to be recorded with the county.

~~The use of eSignatures is voluntary. Under no circumstances will the Grantee be required to use electronic signatures.~~

## **7.065 Grantee Responsibilities**

The Grantee agrees to comply with all applicable federal, state, and local laws including, but not limited to, the following:

- Title VI of the Civil Rights Act of 1964;
- Title VII of the Civil Rights Act of 1968, as amended by the Housing and Community Development Act of 1974;
- Federal Fair Housing Law (Title VIII);
- Minnesota Human Rights Act (Minnesota Statutes Chapter 363A);
- Minnesota Statutes Section 462A.33;
- Minnesota Government Data Practices Act (Minnesota Statutes Chapter 13); and
- Americans with Disabilities Act, 42 U.S.C.A. Section 12101;

## **7.076 Infrastructure Construction Requirements**

Grantees are responsible for complying with all applicable state and local codes and construction requirements. In addition, all items included in the project's scope of work must meet the Manufactured Home Park Requirements outlined by the Minnesota Department of Health. Projects must be completed in a manner that will pass all licensing, zoning and inspection requirements. ~~All inspection reports and completion certifications shall be retained with the project file records.~~

## **7.087 ~~Federal, State and Local Laws:~~ Prevailing Wage**

~~Grantees receiving financial assistance from Minnesota Housing under the Program must comply with the requirements of all applicable federal, state and local laws including prevailing wage requirements.~~

~~Minn. Stat. 116J.871, subd. 1(b) states that economic development as applied to prevailing wage does not include (1) financial assistance for rehabilitation of existing housing or (2) financial assistance for new housing construction which total financing assistance at a single project site is less than \$100,000.~~

~~Minnesota Housing requires Grantees to certify they will comply with all applicable federal, state and local prevailing wage laws.~~

~~It is the Grantee's responsibility to determine if prevailing wage laws apply. Failure to determine applicability and/or comply with prevailing wage laws may subject Grantee to criminal liability, civil penalty, and/or termination of participation as set forth below in Section 2.08.~~

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~~All questions regarding state prevailing wages and compliance requirements should be directed to the Department of Labor and Industry as follows:~~

~~Under certain circumstances, awards of Minnesota Housing funds may trigger state prevailing wage requirements under Minnesota Statutes Chapter 177 or Minnesota Statutes Section 116J.871. In broad terms, Minnesota Statutes Chapter 177 applies to an award of \$25,000 or greater for housing that is publicly owned. Minnesota Statutes Section 116J.871 applies to awards for non-publicly owned housing that meet the following conditions: (1) new housing construction (not rehabilitation); (2) a single entity receives from Minnesota Housing \$200,000 or more of grant proceeds or \$500,000 of loan proceeds.~~

~~Minnesota Statutes Section 116J.871 sets out several exceptions to the applicability of prevailing wage including (1) rehabilitation of existing housing; (2) new housing construction in which total financial assistance at a single project site is less than \$100,000; and (3) financial assistance for the new construction of fully detached single-family affordable homeownership units for which the financial assistance covers no more than ten fully detached single-family affordable homeownership units.~~

~~All determinations regarding prevailing wage are made by the Minnesota Department of Labor and Industry. All questions regarding state prevailing wages and compliance requirements should be directed to that agency as follows:~~

Division of Labor Standards and Apprenticeship  
Prevailing Wage State Program Administrator  
443 Lafayette Road N, St. Paul, MN 55155  
651-284-5091 or [dli.prevwage@state.mn.us](mailto:dli.prevwage@state.mn.us)

~~If, after a determination by the Minnesota Department of Labor that prevailing wage does apply, a contractor or subcontractor fails to adhere to prevailing wage laws, then that contractor or subcontractor could face civil and/or criminal liability.~~

## **7.098 Termination of Grantee Participation**

Minnesota Housing may terminate the participation of any Grantee under this Procedural Manual at any time and may preclude Grantee's future eligibility for reasons including, but not limited to, nonconformance with:

- This Procedural Manual;
- The [Grant Contract](#) Agreement;
- The procedural manuals and agreements of other Minnesota Housing programs;
- The Federal Fair Housing Law;
- Any federal or state laws or acts that protect individuals' rights with regard to obtaining homeownership;
- ~~• The Application for funds; and~~

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- The Approved Project Activities;
- The Approved Scope of Work; and
- Other applicable state and federal laws, rules and regulations.

Minnesota Housing may ~~at its option,~~ impose remedies other than termination of the Agreement for Grantee nonperformance.

## Chapter 8 – Fair Housing Policy

It is the policy of Minnesota Housing to affirmatively further fair housing in all its programs so that individuals of similar income levels have equal access to Minnesota Housing programs, regardless of race, color, creed, religion, national origin, sex, marital status, status ~~with regard to~~ regarding public assistance, disability, familial status, gender identity or sexual orientation.

~~Minnesota Housing's fair housing policy incorporates the requirements of the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988, as well as the Minnesota Human Rights Act. Housing providers are expected to comply with the applicable statutes, regulations, and related policy guidance. Housing providers should make sure that admissions, occupancy, marketing and operating procedures comply with nondiscrimination requirements.~~

Minnesota Housing's fair housing policy incorporates the requirements of Title VI of the Civil Rights Act of 1968; the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988; and the Minnesota Human Rights Act. Housing providers and other entities involved in real-estate related transactions are expected to comply with the applicable statutes, regulations and related policy guidance. Housing providers should ensure that admissions, occupancy, marketing and operating procedures comply with non-discrimination requirements. Housing providers and other entities involved in real-estate related transactions must comply with all non-discrimination requirements related to the provision of credit, as well as access to services.

In part, the Fair Housing Act and the Minnesota Human Rights Act make it unlawful, because of protected class status, to:

- Discriminate in the selection/acceptance of applicants in the rental of housing units;
- Discriminate in the making or purchasing of loans for purchasing, constructing or improving a dwelling, or in the terms and conditions of real-estate related transactions;
- Discriminate in the brokering or appraisal of residential property;
- Discriminate in terms, conditions or privileges of the rental of a dwelling unit or services or facilities;
- Discriminate in the extension of personal or commercial credit or in the requirements for obtaining credit;
- Engage in any conduct relating to the provision of housing that otherwise make unavailable or denies the rental of a dwelling unit;
- Make, print or publish (or cause to make, print or publish) notices, statements or advertisements that indicate preferences or limitations based on protected class status;
- Represent a dwelling is not available when it is in fact available;
- Refuse to grant a reasonable accommodation or a reasonable modification to a person with a disability;

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- Deny access to, or membership or participation in, associations or other services organizations or facilities relating to the business of renting a dwelling or discriminate in the terms or conditions of membership or participation; or
- Engage in harassment or quid pro quo negotiations related to the rental of a dwelling unit.

Minnesota Housing has a commitment to affirmatively further fair housing for individuals with disabilities by promoting the accessibility requirements set out in the Fair Housing Act, which establish design and construction mandates for covered multifamily dwellings and requires those in the business of buying and selling dwellings to make reasonable accommodations and to allow persons with disabilities to make reasonable modifications.

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## Chapter 9 – Fraud, Misuse of Funds, Conflict of Interest, Suspension, and Disclosure and Reporting

### 9.01 Fraud

Fraud is any intentionally deceptive action, statement or omission made for personal gain or to damage another.

Any person or entity (including its employees and affiliates) that enters into a contract agreement with Minnesota Housing and witnesses, discovers evidence of, receives a report from another source, or has other reasonable basis to suspect that fraud or embezzlement has occurred must immediately make a report through one of the ways-communication channels described in section 94.065.

### 9.02 Misuse of Funds

A contracting party that receives funding from Minnesota Housing promises to use the funds to engage in certain activities or procure certain goods or services while Minnesota Housing agrees to provide funds to the recipient to pay for those activities, goods or services. Regardless of the Minnesota Housing program or funding source, the recipient must use Minnesota Housing funds as agreed, and the recipient must maintain appropriate documentation to prove that funds were used for the intended purpose(s).

~~A grant agreement is a legal contract between Minnesota Housing and the Grantee. The Grantee promises to use the funds to engage in certain activities or procure certain goods or services while Minnesota Housing agrees to provide funds to the Grantee to pay for those activities, goods or services. Regardless of the Minnesota Housing program or funding source, the Grantee must use Minnesota Housing funds as agreed, and the Grantee must maintain appropriate documentation to prove that funds were used for the intended purpose(s).~~

A misuse of funds shall be deemed to have occurred when: (1) Minnesota Housing funds are not used as agreed by a recipient~~Grantee~~; or (2) A recipient~~Grantee~~ cannot provide adequate documentation to establish that Minnesota Housing funds were used in accordance with the terms and conditions of the Grant Contract Agreement.

Any recipient~~Grantee~~ (including its employees and affiliates) of Minnesota Housing funds that discovers evidence, receives a report from another source, or has other reasonable basis to suspect that a misuse of funds has occurred must immediately make a report through one of the communication channels ~~ways~~ described in section 94.065.

### 9.03 Assistance to Employees and Affiliated Parties

Any party entering into a contract with Minnesota Housing for the purpose of receiving an award or benefit in the form of a loan, grant, combination of loan and grant or other funding is restricted in issuing a loan, grant, combination of loan and grant or other funding to a recipient ("Affiliated



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Assistance”) who is also: (1) a director, officer, agent, consultant, employee or Family Member of an employee of the contracting party; (2) an elected or appointed official of the State of Minnesota; or (3) an employee of Minnesota Housing, unless each of the following provisions are met:

- The recipient meets all eligibility criteria for the program;
- The assistance does not result in a violation of the contracting party’s internal conflict of interest policy, if applicable;
- The assistance does not result in a conflict of interest as outlined in section 9.04;
- The assistance is awarded utilizing the same costs, terms and conditions as compared to a similarly situated unaffiliated recipient and the recipient receives no special consideration or access as compared to a similarly situated unaffiliated recipient; and
- The assistance is processed, underwritten and/or approved by staff/managers who are independent of the recipient and independent of any Family Member of the recipient. Family Member is defined in section 9.04.

A contracting party need not disclose Affiliated Assistance to Minnesota Housing. However, the contracting party must document and certify, prior to the award, that the Affiliated Assistance meets each of the provisions outlined above. This documentation must be included in the Affiliated Assistance file and must be made available to Minnesota Housing upon request. Affiliated Assistance that does not meet each of the provisions outlined above will be considered a violation of Minnesota Housing conflict of interest standards and must be reported by the contracting party through one of the communication channels outlined in section 9.06.

### **9.043 Conflict of Interest**

A conflict of interest ~~–~~ actual, potential, or ~~perceived~~ appearance of a Conflict of Interest – occurs when a person has an actual or apparent duty or loyalty to more than one organization and the competing duties or loyalties may result in actions which are adverse to one or both parties. A potential ~~or perceived~~ Conflict of Interest or appearance of a Conflict of Interest exists even if no unethical, improper or illegal act results from it.

- **Actual Conflict of Interest:** An Actual Conflict of Interest occurs when a person’s decision or action would compromise a duty to a party without taking immediate appropriate action to eliminate the conflict.
- **Potential Conflict of Interest:** A Potential Conflict of Interest may exist if a person has a relationship, affiliation or other interest that could create an inappropriate influence if the person is called on to make a decision or recommendation that would affect one or more of those relationships, affiliations or interests.
- **Appearance of a Conflict of Interest:** The Appearance of a Conflict of Interest means any situation that would cause a reasonable person, with knowledge of the relevant facts, to

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question whether another person’s personal interest, affiliation or relationship inappropriately influenced that person’s action, even though there may be no Actual Conflict of Interest.

A conflict of interest includes any situation in which one’s judgment, actions or non-action could be interpreted to be influenced by something that would benefit them directly or through indirect gain to a Partner, Family Member, Relative, Friend, Business or other Outside Interest with which they are involved. Such terms are defined below.

- **Business:** Any company, corporation, partnership, proprietorship, firm, enterprise, franchise, association, organization, self-employed individual or any other legal entity which engages either in nonprofit or profit-making activities.
- **Family Member:** A person’s current and former spouse; children, parents, and siblings; current and former children-in-law, parents-in-law, and siblings-in-law; current and former stepchildren and stepparents; grandchildren and grandparents; and members of the person’s household.
- **Friend:** A person with whom the individual has an ongoing personal social relationship. “Friend” does not generally include a person with whom the relationship is primarily professional or primarily based on the person being a current or former colleague. “Friend” does not include mere acquaintances (i.e., interactions are coincidental or relatively superficial). Social media friendships, connections, or links, by themselves, do not constitute friendship.
- **Outside Interest:** An Outside Interest may occur when an individual, their Family Member or their Partner has a connection to an organization via employment (current or prospective), has a financial interest or is an active participant.
- **Partner:** A person’s romantic and domestic partners and outside Business partners.
- **Relative:** Uncle or aunt; first or second cousin; godparent; godchild; other person related by blood, marriage or legal action with whom the individual has a close personal relationship.

~~An individual conflict of interest is any situation in which one’s judgment, actions or non-action could be interpreted to be influenced by something that would benefit them directly or through indirect gain to a friend, relative, acquaintance or business or organization with which they are involved.~~

~~Organizational conflicts of interest occur when:~~

- ~~• A contracting party is unable or potentially unable to render impartial assistance or advice to Minnesota Housing due to competing duties or loyalties;~~
- ~~• A contracting party’s objectivity in carrying out the award is or might be otherwise impaired due to competing duties or loyalties; or~~
- ~~• A contracting party has an unfair competitive advantage through being furnished unauthorized proprietary information or source selection information that is not available to all competitors.~~

Once made aware of a conflict of interest, Minnesota Housing will make a determination before disbursing any further funds or processing an award. Determinations could include:

- Revising the contracting party’s responsibilities to mitigate the conflict;
- Allowing the contracting party to create firewalls that mitigate the conflict;

## MINNESOTA HOUSING – MANUFACTURED HOME COMMUNITY REDEVELOPMENT PROGRAM

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- Asking the contracting party to submit an organizational conflict of interest mitigation plan; or
- Terminating the contracting party's participation.

Any person or entity (including its employees and affiliates) that enters into an agreement with Minnesota Housing must avoid and immediately disclose to Minnesota Housing any and all actual, perceived or potential conflicts of interest through one of the ways described in section ~~94.065~~.

A contracting party should review its contract agreement and request for proposals (RFP) material, if applicable, for further requirements.

## **9.054 Suspension**

By entering into any agreement with Minnesota Housing, a contracting party represents that the contracting party (including its employees or affiliates that will have direct control over the subject of the agreement) has not been suspended from doing business with Minnesota Housing. Refer to Minnesota Housing's website for a list of [suspended individuals and organizations](#).

## **9.065 Disclosure and Reporting**

~~Minnesota Housing promotes a "speak-up, see something, say something" culture whereby internal staff must immediately report instances of fraud, misuse of funds, conflicts of interest or other concerns without fear of retaliation through one of the communication channels listed below. External business partners (e.g., administrators, grantees or borrowers) and the general public are strongly encouraged to report instances of fraud, misuse of funds, conflicts of interest or other concerns without fear of retaliation using these same communication channels.~~

- ~~Minnesota Housing's Chief Risk Officer at 651.296.7608 or 800.657.3769 or by email at [MHFA.ReportWrongdoing@state.mn.us](mailto:MHFA.ReportWrongdoing@state.mn.us);~~
- ~~Any member Minnesota Housing's Servant Leadership Team, as denoted on Minnesota Housing's current organizational chart (Go to [mnhousing.gov](http://mnhousing.gov), scroll to the bottom of the screen and select About Us, select Servant Leadership Team); or~~

~~Report Wrongdoing or Concerns ([mnhousing.gov](http://mnhousing.gov)) (Go to [mnhousing.gov](http://mnhousing.gov), scroll to the bottom of the screen and select Report Wrongdoing).~~

~~Minnesota Housing promotes a "speak-up, see something, say something" culture whereby internal staff, external business partners (e.g., grantees, borrowers) and the general public are encouraged to report instances of fraud, misuse of funds, conflicts of interest, or other concerns without fear of retaliation. You may report wrongdoing or other concerns by contacting:~~

~~Minnesota Housing's Chief Risk Officer~~

~~Any member of Minnesota Housing's [Senior Leadership Team](#)~~

~~[Report Wrongdoing or Concerns \(\[mnhousing.gov\]\(http://mnhousing.gov\)\)](#)~~

## MINNESOTA HOUSING – MANUFACTURED HOME COMMUNITY REDEVELOPMENT PROGRAM

~~APRIL-JULY 251, 20243~~**9.07 Minnesota Government Data Practices**

Minnesota Housing, and any party entering into a contract with Minnesota Housing, must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by Minnesota Housing under the contract, and as it applies to all data created, collected, received, stored, used, maintained or disseminated by the contracting party under the contract. The civil remedies of Minnesota Statutes Section 13.08 apply to the release of the data referred to in this section by either the contracting party or Minnesota Housing. If the contracting party receives a request to release the data referred to in this section, the contracting party must notify Minnesota Housing. Minnesota Housing will give the contracting party instructions concerning the release of the data to the requesting party before the data is released. The contracting party's response to the request shall comply with applicable law.

## Chapter 10 – Application Process

### 10.01 Request for Proposals Process

Instructions for applying for the RFP are found on Minnesota Housing’s [website](#), including application instructions, documentation checklists, scoring metrics, RFP timeline and how to submit an application.

## MINNESOTA HOUSING – MANUFACTURED HOME COMMUNITY REDEVELOPMENT PROGRAM

APRIL-JULY 2021, 2023

**Appendix A – Terms**

Term	Definition
Affordability Period	The length of time of the Declaration <u>of Restrictive Covenants</u> , defined in the Grant Contract, <del>of as up to</del> 25 years.
<u>AMI</u>	<u>Area Median Income is the median/midpoint household income as defined by HUD.</u>
Applicant	The entity applying for funding through the Manufactured Home Community Redevelopment Program.
Declaration <u>of Restrictive Covenants</u>	A record filed with the county on the real property upon which the Manufactured Home Park is located that describes the restrictions of the Program.
Grant Contract <u>Agreement</u>	A legal contract executed between Minnesota Housing and a Grantee, providing Manufactured Home Community Redevelopment funds to the Grantee in the form of a grant.
Grantee	The entity with which Minnesota Housing has a contractual relationship to receive Manufactured Home Community Redevelopment Program funds, including the entity identified as a “Grantee” in a Grant Contract <u>Agreement</u> , and any successors or assigns approved in writing by Minnesota Housing.
Manufactured Home Park	A residential community in which more than one manufactured home is located on a parcel of land under single ownership.
<u>Prevailing Wage</u>	<u>Minnesota’s prevailing wage law requires employees working on state-funded construction projects be paid wage rates comparable to wages paid for similar work in the area.</u>
Program	Refers to the Manufactured Home Community Redevelopment Program.
Request for Proposals (RFP)	The process by which Minnesota Housing solicits applications for funding, from eligible Applicants under the Manufactured Home Community Redevelopment Program.
<u>Scope of Work</u>	<u>A detailed list of the work being done in a project that indicates costs, vendors, and timelines.</u>
<u>Subdivided Manufactured Home Parks</u>	<u>Manufactured home parks which contain both year-round and seasonal lots.</u>

~~APRIL-JULY 251~~, 202~~43~~

## **Appendix B – Attachments**

- Manufactured Home Community Redevelopment Program Extension Request Form
- Manufactured Home Community Redevelopment Program Completion Certificate
- Manufactured Home Community Redevelopment Program Lot Rent Increase Request Form
- Manufactured Home Community Redevelopment Program Annual Reporting Form

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## Item: Forbearance Extension, Preservation Affordable Rental Investment Fund (PARIF) Loan - Willow Wood Estates, D3427, Plymouth

**Information Item:** 7.B  
**Date:** 07/25/2024  
**Staff Contact:** Sarah Matala, 651.215.5577, sarah.matala@state.mn.us  
**Request Type:** Approval, Resolution

### Request Summary

Staff requests board adoption of a resolution authorizing a forbearance extension for Willow Wood Estates. The requested forbearance extension is from July 30, 2024, to July 29, 2025, for the Preservation Affordable Rental Investment Fund (PARIF) loan with a current balance of \$150,000.

### Fiscal Impact

This Preservation Affordable Rental Investment Fund loan does not earn interest for the Agency.

### Agency Priorities

- |   |   |
|---|---|
| <input type="checkbox"/> Improve the Housing System                           | <input type="checkbox"/> Make Homeownership More Accessible |
| <input checked="" type="checkbox"/> Preserve and Create Housing Opportunities | <input type="checkbox"/> Support People Needing Services    |
|   | <input type="checkbox"/> Strengthen Communities             |

### Attachments

- Background
- Maps
- Resolution

**Background:**

Willow Wood Estates is a 40-unit townhome development located in Plymouth. The property is owned by CB Willow Wood Estates Holding LLC; CommonBond Communities is the sole member of the LLC. The property is managed by CommonBond Housing. The development benefits from a Housing Assistance Payment (HAP) Contract on all 40 units. The HAP Contract provides assistance for the households under Section 8, a federal rental assistance program. The development also has an allocation of federal housing tax credits from Minnesota Housing.

Willow Wood Estates has an Agency PARIF loan with an original balance of \$300,000 that was scheduled to mature on July 30, 2023. The owner has made annual payments on the loan for the last three years, and the loan has a current balance of \$150,000. To facilitate the owner's goal to address capital improvements at the property, on May 31, 2023, Minnesota Housing's Mortgage Credit Committee approved a one-year forbearance from July 30, 2023, to July 29, 2024, under Board Delegation No. 35 (Resolution MHFA No. 22-006).

The owner applied to the 2023 Consolidated RFP to re-capitalize the property but was not selected due to insufficient resources. In February 2024, the owner informed Minnesota Housing that it was engaging with a real estate broker to sell the property. As of the first week of July, a buyer has not been identified yet.

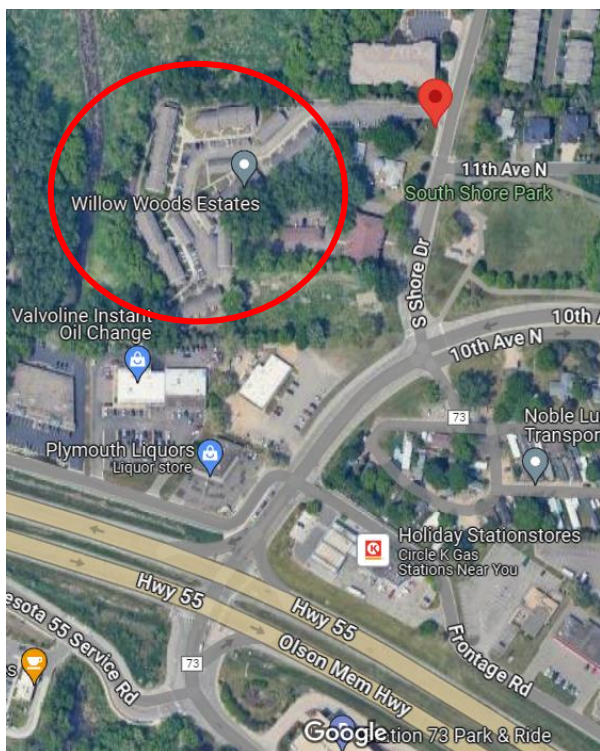
The current forbearance period is nearing its expiration date. A further extension requires board approval because it is beyond the authority under Board Delegation No. 35. Staff recommends approving a one-year forbearance extension from July 30, 2024, to July 29, 2025. Included in the current Forbearance Agreement is a requirement that the property pay the annual debt service payment of \$50,000 toward the PARIF loan, which would continue as a requirement if the board were to approve this request. The forbearance extension will afford the owner additional time to accomplish the sale and transfer the HAP contract to a different owner.

**Maps:**

Willow Wood Estates is located in Plymouth, north of Highway 55 and west of 169.



The following map shows how the property is on a private road, set back from South Shore Drive.



**MINNESOTA HOUSING FINANCE AGENCY  
400 Wabasha Street North, Suite 400  
St. Paul, Minnesota 55102**

**RESOLUTION NO. MHFA 24-XXX**

**RESOLUTION APPROVING FORBEARANCE EXTENSION OF PRESERVATION AFFORDABLE RENTAL  
INVESTMENT FUND (PARIF) LOAN FOR WILLOW WOOD ESTATES (D3427)**

WHEREAS, the Board previously authorized a commitment for the Willow Wood Estates development by its Resolution No. MHFA 03-108; and

WHEREAS, Willow Wood Estates, a multi-unit housing development, was provided a Preservation Affordable Rental Investment Fund (PARIF) loan with Plymouth Leased Housing Associates II, L.P. in the original amount of \$300,000, with an initial maturity date of December 31, 2035; and

WHEREAS, on May 27, 2020 pursuant to Board Delegation No. 08, the Mortgage Credit Committee approved that the PARIF loan be assumed by CB Willow Wood Estates Holding LLC, commence annual payments of \$50,000 due on July 30, 2021, and amend the maturity date to July 30, 2023; and

WHEREAS, on May 31, 2023 pursuant to Board Delegation No. 35 (per Resolution No. MHFA 22-006), the Mortgage Credit Committee approved that the PARIF loan enter into a Forbearance Agreement from July 30, 2023, to July 29, 2024; and

WHEREAS, the development otherwise continues to be in compliance with Minn. Stat. ch. 462A and the Agency's rules, regulations, and policies.

**NOW THEREFORE, BE IT RESOLVED:**

THAT, the Board hereby approves the following:

1. A one-year forbearance extension of the PARIF loan in the amount of \$150,000 from July 30, 2024, to July 29, 2025; and
2. The forbearance extension is conditioned on execution by the borrower of Minnesota Housing's standard Forbearance Agreement and execution of all other documents that may be deemed necessary by Agency staff; and
3. All other terms and conditions of Resolution No. MHFA 03-108 remain in effect.

Adopted this 25<sup>th</sup> day of July 2024

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CHAIR



## Item: Funding Modification and Waiver of the Predictive Cost Model Threshold – Kyle Garden Square, D8407, Minneapolis

**Action Item:** 7.C  
**Date:** 07/25/2024  
**Staff Contacts:** Benjamin Miles, 651.297.2278, benjamin.miles@state.mn.us  
**Request Type:** Approval, Resolution

### Request Summary:

At the January 27, 2022, meeting, the Minnesota Housing board approved the proposed development for financing under the National Housing Trust Fund (NHTF) program in the amount of \$2,300,000, the Housing Infrastructure Bond (HIB) program in the amount of \$9,558,000 and the HOME Investment Partnership (HOME) program in the amount of \$1,447,000 in Resolution No. MHFA 22-009. Agency staff completed the underwriting and technical review of the proposed development and recommends:

1. Adoption of a resolution modifying the loan commitments as follows: the National Housing Trust Fund deferred loan shall not exceed \$8,518,498.78; and the Housing Infrastructure Bond deferred loan shall not exceed \$6,483,000; and the HOME Investment Partnership loan removed entirely; and
2. Approval of a waiver to the predictive cost model. The total development cost (TDC) per unit is \$434,381 and now exceeds the predictive model by 35%. Board Policy No. 15 requires a waiver of the predictive cost model if costs are 35% or more over the predicted cost.

### Fiscal Impact:

NHTF loans are funded with federal appropriations and HIB loans are structured as governmental bonds. Neither loan will earn interest for the Agency. Minnesota Housing will earn additional fee income from originating the loans for this project.

### Agency Priorities

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Improve the Housing System                | <input type="checkbox"/> Make Homeownership More Accessible         |
| <input checked="" type="checkbox"/> Preserve and Create Housing Opportunities | <input checked="" type="checkbox"/> Support People Needing Services |
|   | <input checked="" type="checkbox"/> Strengthen Communities          |

## Attachments

- Background
- Maps
- Resolution
- Term letter

## Background

Kyle Garden Square will be developed by Alliance Housing Incorporated and involves the acquisition and adaptive reuse of a 4-story office building located in downtown Minneapolis. The building is connected to surrounding medical buildings, notably the Hennepin County Medical Center. Upon completion, the development will create 59 units consisting of studios and one-bedrooms. These units will provide permanent supportive housing for single adults that meet the definition of High Priority Homelessness (HPH) and People with Disabilities (PWD) households and with incomes at or below 30% Multifamily Tax Subsidy Projects (MTSP).

Thirty-nine units will serve HPH for single adults and 20 units will serve single adults that meet the Housing Infrastructure Bond statutory definition of Other Homeless Households. Nine units will serve adults that meet the definition of PWD. All 59 units will have rental assistance, while 28 units will benefit from HUD Continuum of Care vouchers, 27 units will benefit from Project-based Section 8 and four units will benefit from Housing Support income supplement. Therefore, all 59 units will be deeply affordable to households at or below 30% MTSP income limits.

The requested funding modification increases the NHTF loan from \$2,300,000 to \$8,518,498.78, while it decreases the HIB loan from \$9,558,000 to \$6,483,000 and removes the HOME loan. As a result, the overall funding modification request results in a \$1,666,498.78 net increase of Agency deferred loan proceeds. This modification is requested to simplify the project's capital stack and fill the remaining financing gap.

Total development costs increased from \$18.13M to \$25.62M since selection, resulting in a funding gap of over \$7.49M (41% increase) from selection; however, the square footage of the building also increased by 34% due to the acquisition of first floor space. Many parties, notably the City of Minneapolis and Hennepin County, provided significant additional resources to help fill a substantial amount of this project's funding gap. Some source substitution was used to reduce the number of loan sources and remove some layers to the already complex compliance structure.

## Cost Reasonableness

The predictive cost model is a tool that Minnesota Housing uses to identify, from a statistical perspective, proposed rental developments with unusually high costs. The model predicts the

costs of a proposed development based on building characteristics and cost data from developments that the Agency has previously financed or to which it has issued tax credits and is benchmarked against industry-wide construction data. While the model is statistically robust, explaining 64% to 79% of the variation in historical costs, it cannot capture all components of every proposed project.

The budgeted total development cost (TDC) per unit of \$434,381 is 35% above the predictive cost model estimate of \$320,703. A board waiver is needed because the percentage exceeds the predictive cost model threshold, which is 35% or more over the predictive cost for preservation and adaptive reuse developments in Board Policy No. 15.

Project cost increases were the result of many compounding factors but can largely be attributed to construction expense.

- 1) Inflation: Project costs increased above selected levels in part due to inflation related material and labor increases.
- 2) Increased square footage: Project costs increased above selected levels in part due to the build out of larger square footage of space than originally planned.
- 3) Holding costs: The seller of the building was unwilling to extend the purchase agreement. The Twin Cities Community Land Bank acquired the building on behalf of the developer; however, the earlier acquisition resulted in more holding costs.
- 4) Federal requirements: Federal funds in the project necessitated window replacement instead of repair because of the presence of asbestos containing materials on existing windows and to meet sound mitigation standards.
- 5) Consultants to meet federal requirements: The downtown location and proximity to above ground fuel storage tanks necessitated hiring a consultant to determine if proximity to the fuel tanks presented unreasonable risks. A consultant was also hired to assist with the environmental review/historic review because HUD determined that the building may have historic significance, which was contrary to the determination by the city of Minneapolis.
- 6) Heating and Cooling: The decision to disconnect from district energy in former Hennepin County Medical Center buildings and replace with a water-sourced heat pump system was driven by the high operational costs of the district energy. While the upfront cost of the new system was higher, the payback period made replacement the most sustainable and cost-effective solution in the long term.
- 7) Skyway: There is some expense to the project for separating HVAC and sprinkler system improvements related to the skyway, to make those systems function independent of the Hennepin County Medical Center improvements.
- 8) Legal: The building previously had greater connectivity to the surrounding medical buildings, notably the Hennepin County Medical Center. Title and legal costs to terminate old reciprocal easement and operating agreements in place that previously supported greater connectivity among Hennepin County Medical Center and related

facilities also contributed to higher than typical costs. A new reciprocal easement and operating agreement will be recorded. While the skyway connectivity remains with more limited connection, some of the easement terminations are related to conference rooms, emergency electrical, parking ramps, radio systems, drive access, steam and chilled water systems among other easements.

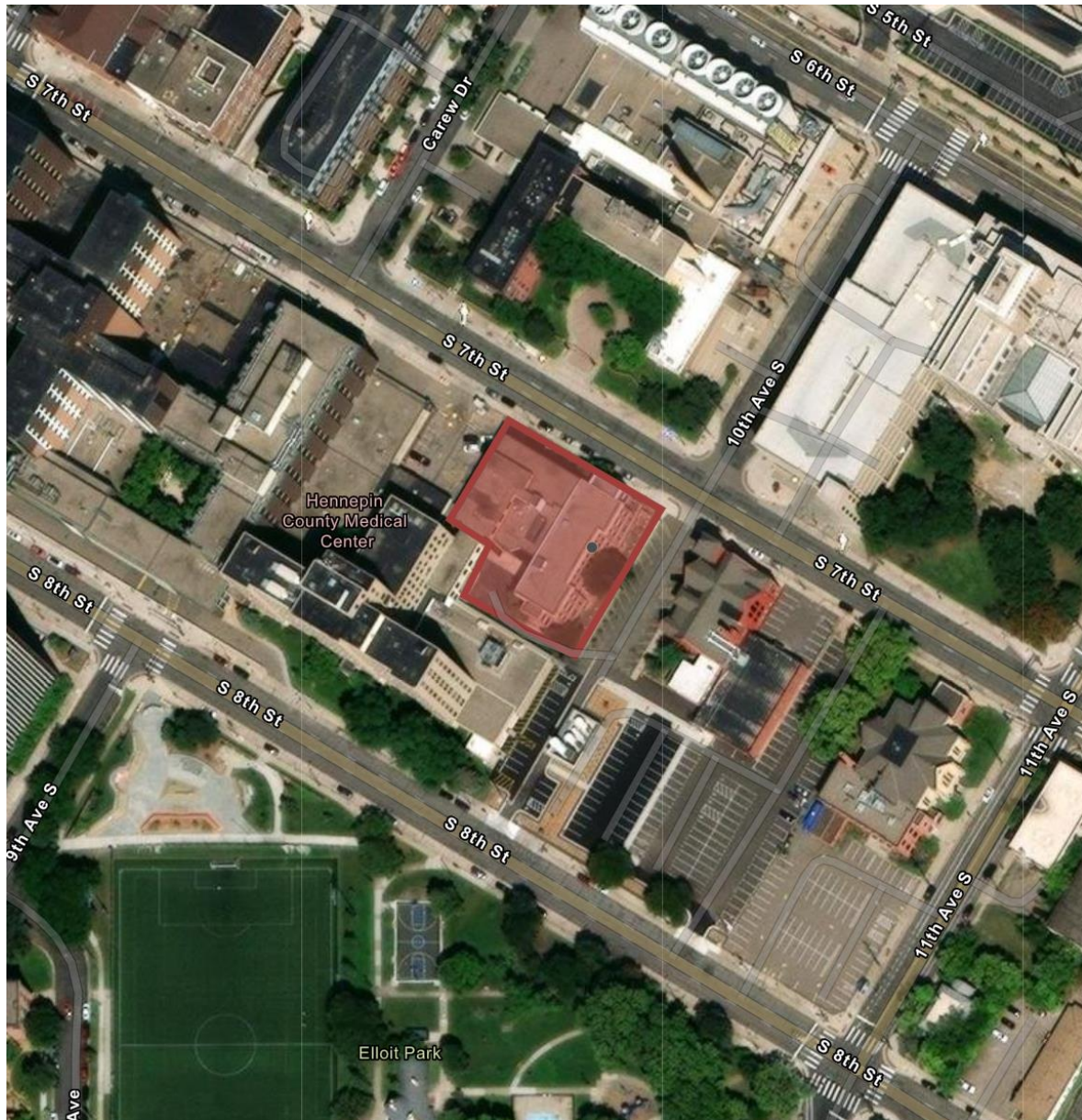
### Summary of Project Costs and Source Changes Since Date of Selection

<b>Sources</b>				
	<b>Selection Workbook</b>	<b>Current Workbook</b>	<b>\$ Change</b>	<b>% Change</b>
Sales Tax Rebate	\$ 288,877	\$ 421,645	\$ 132,768	46%
Energy Rebates	\$ 11,818	\$ 12,707	\$ 889	8%
Hennepin County Supportive Housing Funds	\$ 1,325,000	\$ 2,125,000	\$ 800,000	60%
Hennepin County Pandemic Recovery	\$ -	\$ 367,500	\$ 367,500	New
City of Mpls. HOME ARP	\$ -	\$ 6,175,000	\$ 6,175,000	New
City of Mpls. Affordable Housing Trust Fund	\$ 1,650,000	\$ -	\$ (1,650,000)	(100%)
Federal Home Loan Bank Affordable Housing Program	\$ 1,000,000	\$ 1,000,000	\$ -	
Tax Base Revitalization Account (TBRA) - Metropolitan Council	\$ 220,000	\$ 375,100	\$ 155,100	71%
Environmental Response Fund (ERF) Hennepin County	\$ 335,650	\$ 150,000	\$ (185,650)	(55%)
HIB Supportive Housing Homeless	\$ 9,558,000	\$ 6,483,000	\$ (3,075,000)	(32%)
NHTF-National HTF-Capital	\$ 2,300,000	\$ 8,518,499	\$ 6,218,499	270%
HOME-MHFA	\$ 1,447,000	\$ -	\$ (1,447,000)	(100%)
Deferred Developer Fee	\$ -	\$ -	\$ -	
<b>Total Sources</b>	<b>\$ 18,136,345</b>	<b>\$ 25,628,451</b>	<b>\$ 7,492,106</b>	<b>41%</b>



Uses				
	Selection Workbook	Current Workbook	\$ Change	% Change
Acquisition	\$ 2,440,200	\$ 3,056,784	\$ 616,584	25%
Construction Costs	\$ 10,284,892	\$ 16,290,191	\$ 6,005,299	58%
Construction Contingency	\$ 1,028,489	\$ 1,629,019	\$ 600,530	58%
Environmental Abatement	\$ 493,000	\$ 155,100	\$ (337,900)	(69%)
Professional Fees	\$ 1,142,493	\$ 1,963,869	\$ 821,376	72%
Developer Fee	\$ 1,935,000	\$ 1,935,000	\$ -	
Syndication Fees	\$ -	\$ -	\$ -	
Financing Costs	\$ 441,021	\$ 326,041	\$ (114,979)	(26%)
Reserves	\$ 371,250	\$ 272,446	\$ (98,804)	(27%)
<b>Total Uses</b>	<b>\$ 18,136,345</b>	<b>\$ 25,628,451</b>	<b>\$ 7,492,106</b>	<b>41%</b>

## Map of 700 10<sup>th</sup> Avenue South, Minneapolis, MN



**MINNESOTA HOUSING FINANCE AGENCY  
400 Wabasha Street North, Suite 400  
St. Paul, Minnesota 55102**

**RESOLUTION NO. MHFA 24-XXXX  
Modifying Resolution No. MHFA 22-009**

**RESOLUTION APPROVING MORTGAGE LOAN COMMITMENT MODIFICATION  
NATIONAL HOUSING TRUST FUND (NHTF) PROGRAM**

WHEREAS, the Board has previously authorized a commitment for the Kyle Garden Square development by its Resolution No. MHFA 22-009; and

WHEREAS, the development continues to be in compliance with Minn. Stat. ch. 462A and the Agency's rules, regulations, and policies, and;

WHEREAS, Agency staff has determined that there are increased development costs.

**NOW THEREFORE, BE IT RESOLVED:**

THAT, the Board hereby authorizes Agency staff to modify the commitment for the indicated development, subject to the revisions noted:

1. The National Housing Trust Fund deferred loan shall not exceed \$8,518,498.78; and
2. The Housing Infrastructure Bond deferred loan shall not exceed \$6,483,000; and
3. The HOME Investment Partnership deferred loan removed entirely; and
4. A waiver to, Board Policy No. 15.1, the adaptive reuse predictive cost model threshold of 35% or more over the predicted cost; and
5. All other terms and conditions of Resolution No. MHFA 22-009 remain in effect.

Adopted this 25<sup>th</sup> day of July 2024

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CHAIR

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400 Wabasha Street North, Suite  
400 St. Paul, MN 55102  
P: 800.657.3769  
F: 651.296.8139 | TTY:  
651.297.2361  
[www.mnhousing.gov](http://www.mnhousing.gov)

May 31, 2024

Alliance Housing Incorporated  
Jessie Hendel  
2309 Nicollet Avenue South  
Minneapolis, MN 5404-3315

RE: Term Letter  
Kyle Garden Square, Minneapolis  
Development #8407, Project # 18844

Dear Jessie Hendel:

Minnesota Housing Finance Agency ("Minnesota Housing") staff has approved your request for a loan or loans subject to the terms and conditions contained in this letter (the "Terms"). The Terms are subject to Minnesota Housing's Board of Directors' approval and meeting all underwriting standards, delivery of required due diligence items, satisfactory loan documentation and other loan closing requirements. The Terms do not constitute a commitment to lend on the part of Minnesota Housing and relate only to the specific financing referenced in this letter.

**Borrower:** A single asset entity: Kyle Garden Square LLC

**Managing Member(s):** Alliance Housing Incorporated

**Development Description/Purpose:** Acquisition and adaptive reuse of a 59-unit affordable housing development located in Minneapolis, Minnesota

May 31, 2024

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Program	National Housing Trust Fund	Housing Infrastructure Bonds SH Homeless
Loan Amount	\$ 8,518,498.78	\$ 6,483,000
Interest Rate	0%	0%
Mortgage Insurance Premium (%)	Not Applicable	Not Applicable
Term	Approx. 13 months (construction) + 30 years	Approx. 13 months (construction) + 30 years
Amortization / Repayment	Deferred lump sum payment due in approx. 12 months (construction) + 30 years.	Loan forgivable after approx. 12 months (construction) + 30 years
Prepayment Provision	Prepay at any time without penalty.	Prepay at any time with prior written approval.
Nonrecourse or Recourse	Nonrecourse	Nonrecourse
Construction to Permanent Loan, Construction Bridge Loan or End Loan	Construction to Permanent Loan	Construction to Permanent Loan
Lien Priority	1 <sup>st</sup>	2 <sup>nd</sup>

**Origination Fee:** HIB Loan: \$57,415  
(payable at the earlier of loan commitment or loan closing)

**Construction Oversight Fee:** \$40,725 (payable at the earlier of loan commitment or loan closing)

**End Loan Commitment:** Not applicable.

**Guarantee / Guarantor(s):** Completion Guarantee from Alliance Housing Incorporated

**Operating Deficit Escrow Reserve Account:** Not applicable.



May 31, 2024

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<b>Operating Cost Reserve Account:</b>	Capitalized operating reserve in the amount of \$272,446 funded at initial loan closing anticipated from Hennepin County funds. The operating reserve will be held by Minnesota Housing.
<b>Replacement Reserve Account:</b>	Monthly replacement reserve deposits will be required in the amount of \$2,212.50. The replacement reserve will be held by Minnesota Housing.
<b>Escrows:</b>	Not applicable.
<b>Collateral/Security:</b>	Mortgage and Assignment of Rents and Leases for each loan; UCC-1 Financing Statement on fixtures, personal property, accounts and equipment.
<b>Rent and Income Requirements:</b>	<p>Housing Infrastructure Bonds:</p> <ul style="list-style-type: none"><li>• 59 units with incomes not exceeding 60% MTSP and rents at 60% MTSP.</li><li>• Commitment to construction period plus 50 years of affordability from the date of loan closing.</li></ul> <p>National Housing Trust Funds:</p> <ul style="list-style-type: none"><li>• 45 units at 30% rents as published by HUD for the NHTF program; with extremely low-income limits (30% Area Median Income, as published by HUD for the NHTF program).</li><li>• 30 years of compliance is required under the NHTF program.</li></ul>
<b>HAP or Other Subsidy Agreement:</b>	<p>Commitment to construction period plus 10 years of affordability from the date of loan closing under the Section 8 Program for 27 units.</p> <p>Commitment to construction period plus 10 years of affordability from the date of loan closing under the HUD Continuum of Care Program for 28 units.</p>
<b>Other Occupancy Requirements:</b>	<p>Permanent Supportive Housing -Homeless</p> <p>100% of the units in the project must provide permanent housing for individuals and families who are homeless. Eligible homeless populations include:</p>

May 31, 2024

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- 39 units must serve High Priority Homeless (HPH) single adults.
- 20 units must serve Other Homeless Households under the HIB program

**Other Requirements:** The HIB loan is subject to the terms in the attached Deferred Selection Criteria.

**Closing Costs:** Borrower agrees to pay all closing costs related to the specific financing referenced in this letter.

**Expiration Date:** This term letter will expire on the earlier of November 30, 2024 year from the date of this letter or loan closing/end loan commitment.

**Additional Terms:** None.

**Other Conditions:** The National Housing Trust Written Agreement must be executed by October 27, 2024.

**Board Approval:** Commitment of the loans are subject to Minnesota Housing's board approval and adoption of a resolution authorizing the commitment of the loans.

**Not a Binding Contract:** This letter is not a commitment to be bound by the Terms in this letter. The parties expressly agree that this letter does not create a legally binding agreement. The parties further agree that the Terms are subject to the Borrower's ability to obtain all necessary financing for the Development, which may include additional financing from Minnesota Housing not referenced in this letter.

Please sign this letter and return it to Sarah Foley at [sarah.foley@state.mn.us](mailto:sarah.foley@state.mn.us) on or before 10 business days from date of this letter.

If you have any questions related to this letter, please contact Sarah Foley at [sarah.foley@state.mn.us](mailto:sarah.foley@state.mn.us).

We appreciate the opportunity to work with you on your affordable housing development.

Sincerely,



James Lennhoff

Assistant Commissioner, Multifamily



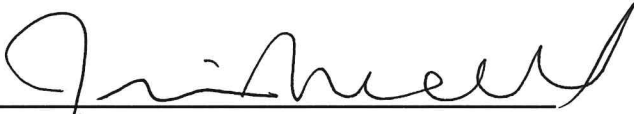
May 31, 2024

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**AGREED AND ACCEPTED BY:**

KYLE GARDEN SQUARE LLC

By:

A handwritten signature in black ink, appearing to read "Jessie Hendel", written over a horizontal line.

Jessie Hendel, President

Date Accepted: 5/31/24



## Selection Criteria Related to 2021 RFP/2022 HTC Round 1

**Project Name:** Kyle Garden Square

**Project City:** Minneapolis

**Property Number (D#):** D8407

**Project Number:** M18844

### Permanent Supportive Housing for High Priority Homeless

Developer Claimed Criteria	Developer Claimed Points	Agency Confirmed Criteria	Agency Awarded Points	Number of Units (Agency Validated)
50% to 100% of the total units, but no fewer than 20 units	<u>30</u>	50% to 100% of the total units, but no fewer than 20 units	<u>30</u>	Number of Single Adult Units <u>39</u>

### Loan/HTC Commitment and Compliance Monitoring

The deferred loan and/or HTC document(s) may include the number of units required to meet this criterion for the term of the loan/LURA. Specific performance requirement relief provisions are available for projects that meet the selection criterion and may be incorporated into the loan and HTC documents.

The Owner agrees that if units set aside for High Priority Homeless are occupied by households without rental assistance, the gross rents, including an allowance for tenant-paid utilities cannot exceed the required rent restrictions set out in the Self-scoring Worksheet and will be incorporated into the loan and HTC documents.

The Owner agrees units will be set aside and rented to High Priority Homeless who are a household prioritized for permanent supportive housing by Coordinated Entry System (HPH units) and targeted to the populations indicated.

Permanent Supportive Housing for High Priority Homeless and People with Disabilities units (Tier 1 or Tier 2) must be distinct and cannot be layered.

The owner will be required to certify on an annual basis that the development complies with this criterion for the term of the loan and/or LURA.

### Permanent Supportive Housing for High Priority Homeless – CoC Priority 1

Developer Claimed Criteria	Developer Claimed Points	Agency Confirmed Criteria	Agency Awarded Points	Number of Units (Agency Validated)
Continuum of Care Household Type Priority One	<u>2</u>	Continuum of Care Household Type Priority One	<u>2</u>	Number of Units <u>39</u> Priority Type: Single Adults

### Loan/HTC Commitment and Compliance Monitoring

The deferred loan and/or HTC document(s) may include the number of units that the Owner agrees the project will target to Continuum of Care Household Type Priority One.

**People with Disabilities – Tier 1**

<b>Developer Claimed Criteria</b>	<b>Developer Claimed Points</b>	<b>Agency Confirmed Criteria</b>	<b>Agency Awarded Points</b>	<b>Number of Units (Agency Validated)</b>	
15% to 25% of the total units, but no fewer than 6 units	<u>10</u>	15% to 25% of the total units, but no fewer than 6 units	<u>10</u>	Number of Units	<u>9</u>

**Loan/HTC Commitment and Compliance Monitoring**

The deferred loan and/or HTC document(s) may include the number of units required to meet this criterion for the term of the loan/LURA. Specific performance requirement relief provisions are available for projects that meet the selection criterion and may be incorporated into the loan and/or HTC documents.

The Owner agrees units will be set aside and rented to households with a disability with income limits at 30% MTSP. The Owner also agrees that if units set aside for People with Disabilities are occupied by households without rental assistance, the gross rents, including an allowance for tenant-paid utilities cannot exceed the required rent restrictions set out in the Self-scoring Worksheet and will be incorporated into the loan and/or HTC documents.

Units cannot be restricted to persons of a particular age group and must be provided in an integrated setting for the term of the loan/extended use period (Declaration of Land Use Restrictive Covenants).

The units must be set aside and rented to persons with the following disabilities in a manner consistent with Minnesota Statutes, Section 462A.222, subdivision 3, subparagraph (d)(3):

- a. A serious and persistent mental illness as defined in MN Statutes Section 245.462, Subdivision 20, Paragraph C; or
- b. A developmental disability as defined in United States Code, Title 42, Section 6001, Paragraph (5), as amended; or
- c. Assessed as drug dependent persons as defined in MN Statute Section 254A.02, Subdivision 5, and are receiving or will receive care and treatment services provided by an approved treatment program as defined in MN Statute Section 254A.02, Subdivision 2; or
- d. A brain injury as defined in MN Statute Section 256B.093, Subdivision 4, Paragraph (a); or
- e. Permanent physical disabilities that substantially limit major life activities, if at least 50 percent of the units in the Project are accessible as provided under Minnesota Rules, Chapter 1341.

Permanent Supportive Housing for High Priority Homeless and People with Disabilities units must be distinct and cannot be layered.

The owner will be required to certify on an annual basis that the development complies with this criterion for the term of the loan and/or LURA.

**Rental Assistance**

<b>Developer Claimed Criteria</b>	<b>Developer Claimed Points</b>	<b>Agency Confirmed Criteria</b>	<b>Agency Awarded Points</b>	<b>Number of Units (Agency Validated)</b>	
100% of the total units	<u>19</u>	100% of the total units	<u>19</u>	Number of Units	<u>55</u>

**Loan/HTC Commitment and Compliance Monitoring**

The deferred loan and/or HTC document(s) may include the number of units required to meet this criterion. Specific performance requirement relief provisions are available for projects that meet the selection criterion and will be incorporated into the loan and/or HTC documents.

The owner will be required to continue renewals of project-based housing subsidy payments for a minimum of 10 years. The owner must continue renewals of existing project-based housing subsidy payment contract(s). The owner agrees that rents will remain affordable at 50% MTSP income limits for a 10-year period if rental assistance is not available for the full period. The 10-year period begins for HTC developments at the time of Placed in Service (PIS) or for deferred only loan transactions, the closing date.



For purposes of this category, project-based rental assistance is defined as project-specific funding stream that supports the operations of the property, reduces the tenant burden, and provides the tenant portion of rent to be no greater than 30% of household income except as approved by Minnesota Housing. The project must comply with the requirements in the Self-Scoring Worksheet.

Minnesota Housing, at its sole discretion, will consider rental assistance programs with alternative rent structures as proposed by the applicant, where households may pay more than 30% of their household income when the program goals align with the needs of low-income populations such as with the Moving to Work and site-based Housing Support programs.

Rental Assistance units cannot be used as Preservation or Serves Lowest Income Units.

The owner will be required to certify on an annual basis that the development complies with this criterion for the term of the loan and/or LURA.

#### Rental Assistance – Further Restricted Rental Assisted Units (FRRA)

Developer Claimed Criteria	Developer Claimed Points	Agency Confirmed Criteria	Agency Awarded Points	Number of Units (Agency Validated)	
75.1% to 100% of total units	<u>7</u>	75.1% to 100% of total units	<u>7</u>	Number of Units	<u>55</u>

#### Loan/HTC Commitment and Compliance Monitoring

The deferred loan and/or HTC document(s) may include the number of units required to meet this criterion. Specific performance requirement relief provisions are available for projects that meet the selection criterion and will be incorporated into the loan and/or HTC documents.

Owner agrees to further restrict units to households whose incomes do not exceed 30% of MTSP income limit for a 10-year period. The 10-year period begins for HTC developments at the time of Placed in Service (PIS) or for deferred only loan transactions, the closing date.

The owner will be required to certify on an annual basis that the development complies with this criterion for the 10 year period.

#### Long Term Affordability

Developer Claimed Criteria	Developer Claimed Points	Agency Confirmed Criteria	Agency Awarded Points
Long-term affordability for a minimum of 50 years	<u>9</u>	Long-term affordability for a minimum of 50 years	<u>9</u>

#### Loan/HTC Commitment and Compliance Monitoring

Owner agrees to extend the term of the LURA and waive their right to Qualified Contract for the applicable term and/or the deferred loan project will extend the term of the deferred loan declaration beyond 30 years.

#### Need for More Affordable Housing Options

Developer Claimed Criteria	Developer Claimed Points	Agency Confirmed Criteria	Agency Awarded Points
Tier 2 Tracts or Cities	<u>8</u>	Tier 2 Tracts or Cities	<u>8</u>

#### Loan/HTC Commitment and Compliance Monitoring

Eligibility was determined at the time of selection and must be maintained through loan closing and/or 8609.

### Workforce Housing Communities

Developer Claimed Criteria	Developer Claimed Points	Agency Confirmed Criteria	Agency Awarded Points
Top Job Center or Net Five Year Job Growth Community	<u>6</u>	Top Job Center or Net Five Year Job Growth Community	<u>6</u>

### Loan/HTC Commitment and Compliance Monitoring

Eligibility was determined at the time of selection and must be maintained through loan closing and/or 8609.

### Transit and Walkability

Developer Claimed Criteria	Developer Claimed Points	Agency Confirmed Criteria	Agency Awarded Points
One half mile of a planned or existing LRT, BRT, or commuter rail station	<u>7</u>	One half mile of a planned or existing LRT, BRT, or commuter rail station	<u>7</u>

### Loan/HTC Commitment and Compliance Monitoring

Eligibility was determined at the time of selection and must be maintained through loan closing and/or 8609.

Developer Claimed Criteria	Developer Claimed Points	Agency Confirmed Criteria	Agency Awarded Points
Walk Score of 80 or more	<u>2</u>	Walk Score of 80 or more	<u>2</u>

### Loan/HTC Commitment and Compliance Monitoring

Eligibility was determined at the time of selection and must be maintained through loan closing and/or 8609.

### Community Development Initiative

Developer Claimed Criteria	Developer Claimed Points	Agency Confirmed Criteria	Agency Awarded Points
Contributes to active implementation of a Community Development Initiative	<u>3</u>	Contributes to active implementation of a Community Development Initiative	<u>3</u>

### Loan/HTC Commitment and Compliance Monitoring

Eligibility was determined at the time of selection and must be maintained through loan closing and/or 8609.

### Equitable Development

Developer Claimed Criteria	Developer Claimed Points	Agency Confirmed Criteria	Agency Awarded Points
Evidence that Communities Most Impacted by housing Agenda Item: 7.C	<u>3</u>		<u>0</u>

disparities have a role in the project proposal and qualifying stakeholder groups.

#### **Loan/HTC Commitment and Compliance Monitoring**

Eligibility was determined at the time of selection and must be maintained through loan closing and/or 8609.

#### **QCT/Community Revitalization, Tribal Equivalent Areas, and Opportunity Zones**

<b>Developer Claimed Criteria</b>	<b>Developer Claimed Points</b>	<b>Agency Confirmed Criteria</b>	<b>Agency Awarded Points</b>
QCT Community Revitalization Area, Tribal Equivalent Area, or Opportunity Zone	<u>3</u>	QCT Community Revitalization Area, Tribal Equivalent Area, or Opportunity Zone	<u>3</u>

#### **Loan/HTC Commitment and Compliance Monitoring**

Eligibility was determined at the time of selection and must be maintained through loan closing and/or 8609.

#### **Black, Indigenous and People of Color-owned/Women-owned Business Enterprise**

<b>Developer Claimed Criteria</b>	<b>Developer Claimed Points</b>	<b>Agency Confirmed Criteria</b>	<b>Agency Awarded Points</b>
<b>Ownership:</b> Two or more entities are BIPOCBE/WBE	<u>6</u>	<b>Ownership:</b> Two or more entities are BIPOCBE/WBE	<u>6</u>

#### **Loan/HTC Commitment and Compliance Monitoring**

Eligibility was determined at the time of selection and will be monitored through the deferred loan closing and/or 8609.

#### **Financial Readiness to Proceed/Leveraged Funds**

<b>Developer Claimed Criteria</b>	<b>Developer Claimed Points</b>	<b>Agency Confirmed Criteria</b>	<b>Agency Awarded Points</b>
10.51% or more of funding secured	<u>16</u>	10.51% or more of funding secured	<u>16</u>

#### **Loan/HTC Commitment and Compliance Monitoring**

Eligibility was determined at the time of selection based on submitted permanent funding commitments indicated in the project's application. The Funding commitments, or an equivalent commitment, must be maintained and will be monitored through the loan closing and/or 8609.

#### **Intermediary Costs**

<b>Developer Claimed Criteria</b>	<b>Developer Claimed Points</b>	<b>Agency Confirmed Criteria</b>	<b>Agency Awarded Points</b>
15.1 to 20%	<u>3</u>	15.1 to 20%	<u>3</u>

#### **Loan/HTC Commitment and Compliance Monitoring**

Eligibility was determined at the time of selection and will be monitored through the loan closing and/or 8609.

### Universal Design

Developer Claimed Criteria	Developer Claimed Points	Agency Confirmed Criteria	Agency Awarded Points	Number of Units (Agency Validated)	
Buildings with an elevator	<u>3</u>	Buildings with an elevator	<u>3</u>	Elevator Building Units	<u>55</u>

### Loan/HTC Commitment and Compliance Monitoring

Eligibility was determined at the time of selection and will be validated during the underwriting phase and architectural review.

### Smoke Free Building

Developer Claimed Criteria	Developer Claimed Points	Agency Confirmed Criteria	Agency Awarded Points
Smoke Free Buildings	<u>1</u>	Smoke Free Buildings	<u>1</u>

### Loan/HTC Commitment and Compliance Monitoring

The deferred loan and/or HTC document(s) may include that the owner must maintain a smoke free policy and include a non-smoking clause in the lease for every household for the term of the loan/LURA.

The owner will be required to certify on an annual basis that the development complies with this criterion for the term of the loan and/or LURA.

**Total Developer Claimed:** 138      **Total Agency Awarded:** 135

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## Item: Commitment, Limited Partner Buy-Out Loan -West View Estates, D6680, Plymouth

**Action Item:** 7.D  
**Date:** 07/25/2024  
**Staff Contacts:** Mike Tobias, 651.296.8500, michael.tobias@state.mn.us  
**Request Type:** Approval, Motion, Resolution

### Request Summary:

Agency staff completed the underwriting and technical review of the requested loan transaction, which will provide funds to the borrower to purchase the tax credit investor's ownership interest in the Property. Staff recommends (1) waiver of some parameters in the board-approved Limited Partner Buy-Out Loan concept and (2) adoption of a resolution authorizing the issuance of a subordinate loan commitment in the amount of up to \$755,000.

All commitments are subject to the terms and conditions of the Agency term letter.

### Fiscal Impact:

The requested loan will be funded from recycled Housing Revenue Bond fund resources, and as such, Minnesota Housing will earn interest income on the loan without incurring financing expenses. Minnesota Housing will earn additional fee income from originating the loan.

### Agency Priorities

- |   |   |
|---|---|
| <input type="checkbox"/> Improve the Housing System                           | <input type="checkbox"/> Make Homeownership More Accessible |
| <input checked="" type="checkbox"/> Preserve and Create Housing Opportunities | <input type="checkbox"/> Support People Needing Services    |
|   | <input checked="" type="checkbox"/> Strengthen Communities  |

### Attachments:

- Development Summary
- Map
- Resolution
- Term letter
- Limited Partner Buy-Out Loans Concept Approval (October 19, 2017)

## DEVELOPMENT SUMMARY

### SECTION I: PROJECT DESCRIPTION AND RECOMMENDATIONS

Project Information			
<b>Development Name</b>	West View Estates	<b>D#6680</b>	<b>M#15392</b>
<b>Address</b>	15920 County Road 47		
<b>City</b>	Plymouth	<b>County</b>	Hennepin
<b>Date of Selection</b>	N/A	<b>Region</b>	Metro

#### A. Project Description and Population Served

- West View Estates is an existing 67-unit workforce apartment property consisting of one 4-story structure on a 3.66-acre site located in the City of Plymouth. The unit mix consist of four one-bedroom units, 38 two-bedroom units, and 25 three-bedroom units.
- 67 total units are restricted to 60% Multifamily Tax Subsidy Program (MTSP) limits, which also meets the requirements of the LIHTC and LMIR loan regulations. No additional regulations or restrictions will be applicable to the proposed investor member buyout loan.
- The Borrower has negotiated with the tax credit investor, WNC, to buy the investor member ownership interest. The parties have agreed to the purchase price of \$754,450.

#### B. Mortgagor Information

<b>Ownership Entity:</b>	Plymouth West View Estates, LLC
<b>Sponsor:</b>	Sand Companies, Inc.
<b>General Partner:</b>	Plymouth Housing Group, LLC
<b>Guarantors:</b>	None

#### C. Development Team Capacity Review

Sand Companies, Inc. and SCI Associates, Inc., an affiliate of Sand Companies, Inc., is the sponsor and developer of this existing property. The property was built originally in 2011-2012. Project funds at that time were procured through an allocation of 9% federal low-income housing tax credits (LIHTC), a Low to Moderate Income Rental (LMIR) loan of \$3.8M, an Economic Development Housing Challenge (EDHC) loan of \$600K from Minnesota Housing, a Met Council Livable Housing Investment Account (LHIA) loan of \$300K and a Tax Increment Financing (TIF) loan of \$600K from the City of

Plymouth. The project is in year 12 of the 30-year extended tax credit compliance period. Sand Companies, Inc., has completed over 1,100 units of affordable housing that are of similar size and scope to the proposed development. Sand Property Management, LLC was established in 2011. They are a subsidiary of Sand Companies, Inc., and currently manage 38 developments containing 1,666 units. Sand Property Management, LLC has the capacity to continue to manage this development. Sand Property Management, LLC is a woman-owned business enterprise.

#### D. Current Funding Request

Loan Type	Program	Source	Amount	Interest Rate	Term	Amort/ Cash Flow	Construction /End Loan
Amortizing/ Subordinate	LP Buyout	Recycled Bond funds	\$755,000	6.25%	78 months	Full over 78 months	End Loan/ Immediate

#### Minnesota Housing Limited Partner Buy Out Loan

- The loan will be held on the Agency's balance sheet.
- The interest rate will 6.25%.
- The term will be 78 months.
- The loan will be in fifth (last) lien position.

The concept for making limited partner/member buy out loans was approved by Minnesota Housing's Board in October 2017. The following items differ from what was approved by board:

1. Term – The term of this loan will be 6.5 years, or 78 months, rather than the 24 months outlined in the board-approved limited partner/member buy out loan concept. This is similar to the three previous partner/member buyout loans that Minnesota Housing has approved with Sand Companies, Inc. With the previous transactions, the subordinate debt term ranged between four and seven years and was coterminous with the remaining term of the 1<sup>st</sup> mortgage LMIR loan. In this case, the LMIR 1<sup>st</sup> mortgage has a remaining term of approximately 18 years. Therefore, the parties have negotiated a term of 78 months with principal being fully amortized over the term. This structure allows the buyout loan to be paid from available cash flow, but still have a relatively short term without forcing a refinance situation if the subject loan term was set at only 24 months.
2. Amortizing Payments Instead of Interest Only – This loan will make amortizing payments based on a 78-month term rather than being interest only, which was also in the board-approved limited partner/member buy out loan concept. This provides justification for the longer loan term of 78 months compared to the original program concept of 24 months.
3. Origination Fee – The origination fee has been structured with a \$15,000 flat origination fee (~2%) rather than the original program concept fee of 1% of the loan amount. This fee is also consistent with the fees paid on the previous Limited Partner Buy-Out loans.

4. Guaranty of remaining members – the strong operations of this project indicate that a guaranty is not necessary to secure this loan. Given the projected debt service coverage ratio, cash flow, full amortization, and low loan-to-value ratio, a guaranty would not significantly improve Minnesota Housing's security.

**Amortizing Mortgage Loan to Cost:** N/A

**Amortizing Mortgage Loan to Value:** 32%

#### **E. Significant Changes Since Date of Selection**

Not Applicable.

## **SECTION II: FINAL SOURCES AND USES; FINANCING DETAILS**

### **A. Project Uses**

<b>Description</b>	<b>Amount</b>	<b>Per Unit</b>
Acquisition or Refinance	\$ 754,450	\$ 11,260
Financing Costs	\$ 25,550	\$ 380
Total Mortgageable Costs	\$ 780,000	\$ 11,640
<b>Total Development Cost</b>	<b>\$ 780,000</b>	<b>\$ 11,640</b>

\*Individual categories may not sum to correct total due to rounding.

### **B. Capital Sources**

<b>Description</b>	<b>Amount</b>	<b>Per Unit</b>
Limited Partner Buyout Loan	\$ 755,000	\$ 11,269
Borrower Cash	\$ 25,000	\$ 3,81
<b>Total Financing</b>	<b>\$ 780,000</b>	<b>\$ 11,640</b>

\*Individual categories may not sum to correct total due to rounding.

### **C. Financing Structure**

Minnesota Housing currently provides financing for this project with a LMIR first mortgage and an EDHC deferred loan. The City of Plymouth has two outstanding deferred loans subordinate to the Minnesota Housing loans:

- LMIR – This loan originated in June 2011 with an original principal balance of \$3.8M at 5.00% interest rate. The outstanding principal balance is approximately \$2.9M assuming this new loan closes on or about August 30, 2024.
- EDHC Deferred Loan – This loan originated in June 2011 in the original amount of \$600,000 and is accruing interest at a rate of 1%. Accrued interest is approximately \$76,300 as of December 2023.

- City of Plymouth TIF deferred loan – This loan originated in June 2011 in the original principal balance of \$600,000 and has a 0% interest rate.
- City of Plymouth LHIA deferred loan – This loan in the original principal balance of \$300,000 and originated in June 2011 and has a 0% interest rate.

Name of Lender(s) of Existing Loans, Subsidies and Grants	Original Loan Amount	Interest Rate	Term (Yrs)	Unpaid Balance	Date of Maturity
MHFA LMIR	3,800,000	5.00%	30	2,901,600	8/1/2042
MHFA EDHC	600,000	1.00%	30	600,000	6/1/2041
City of Plymouth TIF	600,000	0%	30	600,000	6/1/2041
City of Plymouth LHIA	300,000	0%	30	300,000	6/1/2041
<b>Total</b>	<b>5,300,000</b>			<b>4,401,600</b>	

The proposed buy-out loan will be subordinate to all other loans and in last lien position.

#### D. Cost Reasonableness

Not applicable since the limited partner buy-out loan is not subject to the predictive model.

### SECTION III: UNDERWRITING

#### A. Rent Grid

Unit Type	Number	Net Rent*	Rent Limit (% of MTSP or AMI)	Income Limit (% of MTSP or AMI)	Rental Assistance Source
1BR	4	\$ 1,123	60% MTSP	60% MTSP	None
2BR	38	\$ 1,364	60% MTSP	60% MTSP	None
2BR	25	\$ 1,573	60% MTSP	60% MTSP	None
Total	67				

\*Net Rents are the underwriting rents and are net of a utility allowance. The underwriting rents may not reflect the maximum rent limits.

The following restrictions are the most stringent per the existing Minnesota Housing loan programs:

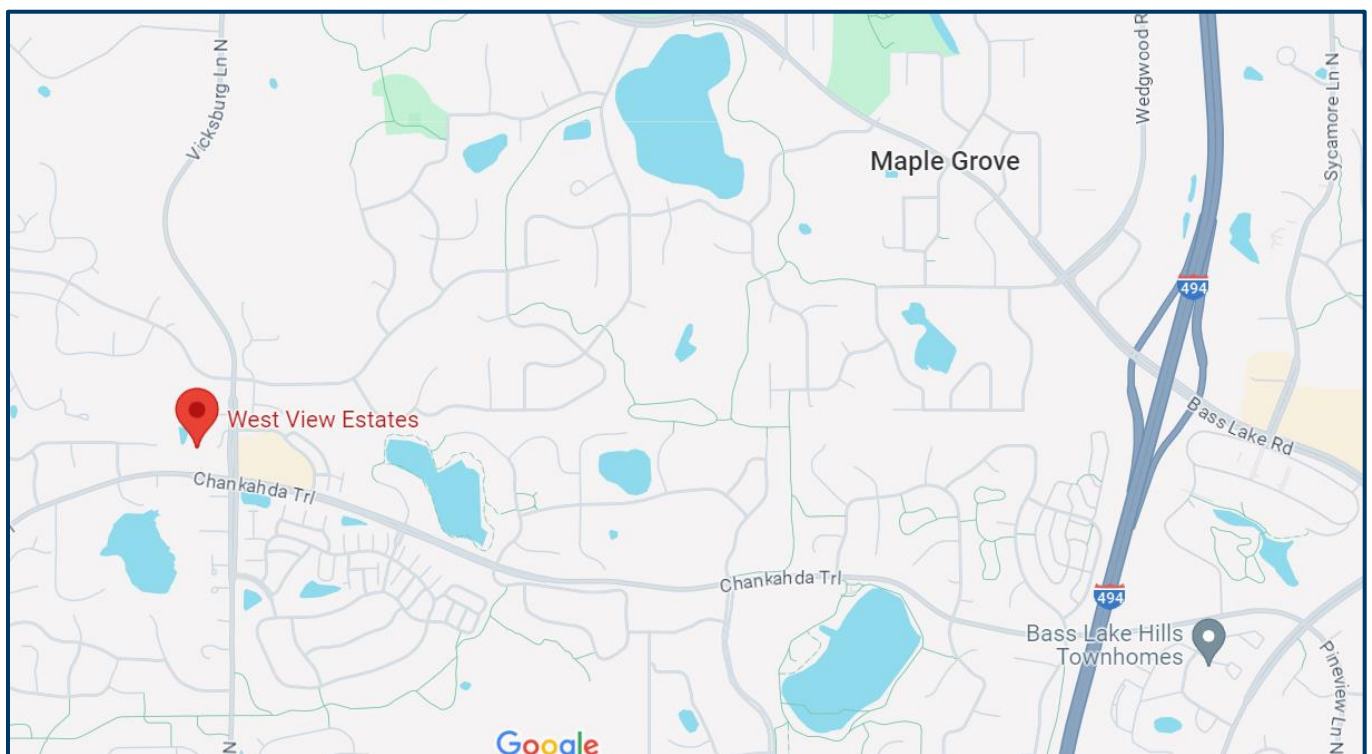
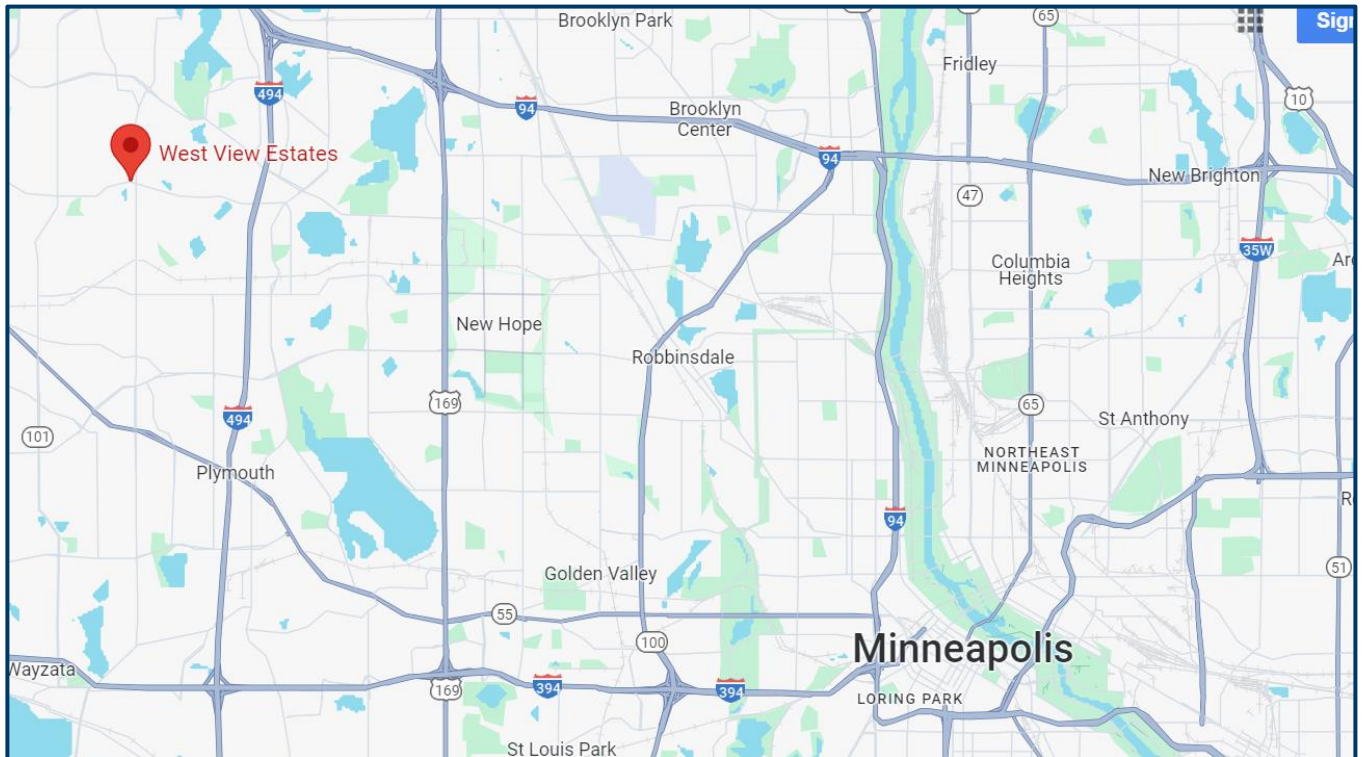
- Sixty-seven units have rents restricted to 60% MTSP limits per the EDHC loan.
- Sixty-seven units have incomes restricted to 60% MTSP limits per the EDHC loan.
- The LMIR and LIHTC requirements are met by these rent and income restrictions. These restrictions will remain following the subject loan closing.

## B. Feasibility Summary

All projects are underwritten within the Agency's underwriting guidelines. This includes management and operating expenses, vacancy rate, rent and income inflators, and annual replacement reserve contributions.

- The Agency's first mortgage and EDHC loan closed in 2011. The loan performance has been handled as expected.
- The project maintains positive cash flow for 15 years, with a projected debt coverage ratio in year 15 of 2.03.
- The project was underwritten at 7% vacancy, with 2% income and 3% expense inflators.
- Replacement reserves are being funded from project operations in the amount of \$3,848 per month or \$46,146 annually.

## C. Maps





D. Photo





**MINNESOTA HOUSING FINANCE AGENCY  
400 Wabasha Street North, Suite 400  
St. Paul, Minnesota 55102**

**RESOLUTION NO. MHFA 24-xxx**

**RESOLUTION APPROVING MORTGAGE LOAN COMMITMENT  
LIMITED PARTNER BUY-OUT LOAN / HOUSING REVENUE BOND FUNDS**

WHEREAS, the Minnesota Housing Finance Agency (Agency) has received an application to provide permanent financing for a multifamily housing development to be occupied by persons and families of low and moderate income, as follows:

Name of Development:	West View Estates
Borrower; Sponsors:	Plymouth West View Estates, LLC; Sand Companies, Inc.
Guarantors:	None
Location of Development:	Plymouth
Number of Units:	67
Amount of HRB Mortgage: (Not to exceed)	\$755,000

WHEREAS Agency staff has determined that such applicant is an eligible sponsor under the Agency's rules; that such permanent mortgage loan is not otherwise available, wholly or in part, from private lenders upon equivalent terms and conditions; and that the development will assist in fulfilling the purpose of Minn. Stat. ch. 462A; and

WHEREAS Agency staff has reviewed the application and found the same to be in compliance with Minn. Stat. ch. 462A and Agency's rules, regulations and policies.

**NOW THEREFORE, BE IT RESOLVED:**

THAT the Board hereby authorizes Agency staff to issue a commitment to provide permanent mortgage loans to the sponsor or an affiliate thereof from the proceeds of Rental Housing Bonds (if authorized by the Board) for the indicated development, upon the following terms and conditions:

1. This authorization shall expire on January 25, 2025; and
2. The amount of the amortizing loan shall not exceed \$755,000; and
3. The term of the fully amortizing loan shall be 78 months; and
4. The interest rate on the loan shall be 6.25% per annum.
5. An origination fee of \$15,000; and

6. The mortgagor shall comply with the terms set forth in the attached Agency term letter. The Commissioner is authorized to approve non-material modifications to those terms; and
7. The mortgagor shall execute documents embodying the above in form and substance acceptable to Agency staff; and
8. The mortgagor, and such other parties as Agency staff in its sole discretion deems necessary, shall execute all such documents relating to said loan, to the security therefore, and to the operation of the development, as Agency staff in its sole discretion deems necessary.

Adopted this 25 day of July 2024

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CHAIR



400 Wabasha Street North, Suite 400  
 St. Paul, MN 55102  
 P: 800.657.3769  
 F: 651.296.8139 | TTY: 651.297.2361  
[www.mnhousing.gov](http://www.mnhousing.gov)

July 3, 2024

Mr. Jamie Thelen  
 Sand Companies, Inc.  
 Plymouth West View Estates, LLC  
 366 10th Avenue S  
 Waite Park, MN 56387

RE: Term Letter  
 West View Estates, Plymouth, MN  
 Development # D6680, Project # M15392

Dear Jamie:

Minnesota Housing Finance Agency ("Minnesota Housing") staff has approved your request for a loan or loans subject to the terms and conditions contained in this letter (the "Terms"). The Terms are subject to Minnesota Housing's Board of Directors' approval and meeting all underwriting standards, delivery of required due diligence items, satisfactory loan documentation and other loan closing requirements. The Terms do not constitute a commitment to lend on the part of Minnesota Housing and relate only to the specific financing referenced in this letter.

**Borrower:** A single-asset entity: Plymouth West View Estates, LLC

**General Partner(s)** Plymouth Housing Group, LLC, Managing Member  
**Managing Member(s):**

**Development** Purchase the Investor Member owner interest in the 67-unit  
**Description/Purpose:** affordable housing development located in Plymouth, Minnesota

#### Minnesota Housing Loan Type/Terms

<b>Program</b>	Investor Member Buy Out Loan
<b>Loan Amount</b>	\$ 755,000
<b>Interest Rate*</b>	6.25%
<b>Mortgage Insurance Premium (%)</b>	Not Applicable.
<b>Term</b>	78 months.
<b>Amortization / Repayment</b>	78 months.
<b>Prepayment Provision</b>	Prepay at any time without penalty.
<b>Nonrecourse or Recourse</b>	Nonrecourse.

July 3, 2024

Page 2

<b>Construction to Permanent Loan, Construction Bridge Loan or End Loan</b>	Immediate Delivery/End Loan.
<b>Lien Priority</b>	Last Lien Position

\*Interest Rate is dependent upon closing not later than December 31, 2024. After that date, the rate may be subject to adjustment or payment of an extension fee at Minnesota Housing's sole discretion.

**Origination Fee:** Investor Member Buy Out Loan: \$15,000 payable at the loan closing.

**Interest Rate**  
**Extension Fee:** Not Applicable.

**Construction Oversight Fee:** Not Applicable.

**End Loan Commitment:** The subject mortgage will be structured as an End Loan. The term of the End Loan Commitment shall expire on December 31, 2024.

**Guaranty / Guarantor(s):** Not Applicable.

**Operating Deficit Escrow Reserve Account:** Not Applicable.

**Operating Cost Reserve Account:** Not Applicable.

**Replacement Reserve Account:** Not Applicable. Replacement reserves will continue to be held by Minnesota Housing with the existing LMIR mortgage loan.

**Escrows:** Not Applicable. Real estate tax escrow and property insurance escrow Replacement reserves will continue to be held by Minnesota Housing with the existing LMIR mortgage loan.

**Collateral/Security:** Mortgage and Assignment of Rents and Leases for each loan; UCC-1 Financing Statement on fixtures, personal property, accounts, and equipment.

<b>Rent and Income Requirements:</b>	No rent and income restrictions are associated with this loan. Property must continue to comply with all rent and income requirements associated with any existing financing.
<b>HAP or Other Subsidy Agreement:</b>	Not Applicable.
<b>Other Occupancy Requirements:</b>	Not Applicable.
<b>Other Requirements:</b>	Not Applicable.
<b>Closing Costs:</b>	Borrower agrees to pay all closing and financing costs related to the specific financing referenced in this letter.
<b>Expiration Date:</b>	The Terms will expire on December 31, 2024.
<b>Additional Terms:</b>	Not Applicable.
<b>Other Conditions:</b>	Not Applicable.
<b>Board Approval:</b>	Commitment of the subject loan is subject to Minnesota Housing's board approval and adoption of a resolution authorizing the commitment of the loans.
<b>Not a Binding Contract:</b>	This letter is not a commitment to be bound by the Terms in this letter. The parties expressly agree that this letter does not create a legally binding agreement. The parties further agree that the Terms are subject to the Borrower's ability to obtain all necessary financing for the Development, which may include additional financing from Minnesota Housing not referenced in this letter.

Please sign this letter and return it to Mike Tobias at [michael.tobias@state.mn.us](mailto:michael.tobias@state.mn.us) on or before five business days from date of this letter. Additionally, if you have any questions related to this letter, please contact Mike at 651-296-8500.

We appreciate the opportunity to work with you on your affordable housing development.

July 3, 2024

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Sincerely,



James Lehnhoff

Assistant Commissioner, Multifamily

**AGREED AND ACCEPTED BY:**

**BORROWER:**

**Plymouth West View Estates, LLC,**  
a Minnesota Limited Liability Company

By: Plymouth Housing Group, LLC  
a Minnesota Limited Liability Company, its  
Managing Member

By:   
Jamie Thelen, Secretary / Treasurer

Date Accepted: 7/3/2024

**Item:** Concept Approval – Limited Partner Buy-Out Loans

**Staff Contact(s):**

Tresa Larkin, 651.284.3177, tresa.larkin@state.mn.us

Kevin Carpenter, 651.297.4009, kevin.carpenter@state.mn.us

**Request Type:**

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Approval | <input type="checkbox"/> No Action Needed |
| <input checked="" type="checkbox"/> Motion   | <input type="checkbox"/> Discussion       |
| <input type="checkbox"/> Resolution          | <input type="checkbox"/> Information      |

**Summary of Request:**

Staff is requesting concept approval of a new Multifamily loan product to be used by owners of affordable rental properties to buy out the interests of exiting investor limited partners in low-income housing tax credit projects.

**Fiscal Impact:**

Housing Investment Fund – Pool 2 funds will be used for these short-term secured loans. The Agency will price the loans at interest rates that reflect the risk and will therefore earn interest income on each the loan while it is outstanding. In addition, the Agency will charge an origination fee on each loan.

**Meeting Agency Priorities:**

- ☒ Address Specific and Critical Local Housing Needs
- ☒ Finance Housing Responsive to Minnesota's Changing Demographics
- ☒ Preserve Housing with Federal Project-Based Rent Assistance
- ☐ Prevent and End Homelessness
- ☐ Reduce Minnesota's Racial and Ethnicity Homeownership Disparity

**Attachment(s):**

- Background and Loan Summary

**Background**

Minnesota Housing has existing amortizing mortgage loans with developers and on projects that are approaching the end of the initial 15-year tax credit compliance period. As time unfolds, in some instances, certain limited partners in the investor group may wish to exit the investor partnership, especially in situations where those limited partners 'bought in' to the partnership after the benefit of the initial tax credits had been realized. As such, those partners are often looking for cash in order to exit the transaction.

Currently, most borrowers are using a third party bridge loan in order to fund the limited partner buy-out rather than completely restructuring the entire debt at the time of the limited partner exit. These bridge loans are often coming from local community banks and are typically a short-term bridge until the borrower can work out a full refinance package.

We are developing a short-term, secured loan product to be funded with Pool 2 dollars, with proposed terms that are generally competitive with other products currently available in the market. Specifically, these loans will be structured as 18-24 month interest-only secured loans, as more completely summarized below.

If this product concept is approved, the agency anticipates that it likely would close one loan for approximately \$5 million this year, and then would anticipate potentially two to three additional loans per year going forward. Because of the short-term nature of these loans and the use of Pool 2 funds, once up and running this product would effectively operate as a revolving fund for this buy-out activity.

While we will focus initially on projects with existing mortgage loans from the Agency, it is anticipated that this product could also be used in situations where the Agency's existing involvement with an owner is through Housing Assistance Payments (HAP) contracts administered by the agency or through tax credits.

In addition, staff will actively market this product as a way to assist borrowers transitioning to a new capital structure after the tax credit compliance period, including encouraging the use of a new first mortgage from Minnesota Housing.

**Loan Summary**

Funds would be available to facilitate the exit of an investor limited partner. Eligible borrowers must have an existing loan from Minnesota Housing and would be encouraged utilize a new Minnesota Housing first mortgage to pay off both the outstanding debt and the buy-out loan.

Term:	Up to 24 month balloon; interest payments due monthly
Interest:	Fixed rate, interest only
Security:	Mortgage recorded against the property in last lien position
Fees:	Origination fee of 1% of loan amount
Guaranty:	Personal guaranty from remaining investor partners for full loan amount
Loan Amount:	Capped at 87% LTV based on existing first mortgage payoff plus new loan amount
Prepayment:	Loan may be prepaid without penalty at any time





## **Item: Resolution supplementing and amending Resolution No. MHFA 22-062, including authorizing additional projects to be financed from the proceeds of previously authorized State Appropriation Bonds (Housing Infrastructure)**

**Information Item:** 7.E  
**Date:** 07/25/2024  
**Staff Contacts:** Michael Solomon, 651.297.4009, michael.solomon@state.mn.us  
Paula Rindels, 651.296.2293, paula.rindels@state.mn.us  
**Request Type:** Approval, Resolution

### **Request Summary**

Agency staff are preparing to issue additional State Appropriation Bonds (Housing Infrastructure), the proceeds of which will be used to finance loans for eligible housing infrastructure projects. The attached resolution further supplements and amends the prior resolution that authorized the issuance of these Bonds to include the additional projects selected in the Agency's 2023 Consolidated RFP that will be financed by the previously authorized bonds and makes certain other necessary amendments. The Agency currently anticipates issuing the remaining principal amount of the Bonds previously authorized in 2022 in conjunction with the State's bond sale schedule, in the third or fourth quarter of 2024.

### **Fiscal Impact**

As with all Housing Infrastructure Bonds, the debt service on these State Appropriation Bonds will be paid from an annual appropriation to the Agency's bond trustee from the State of Minnesota so there is no direct financial impact to the Agency from this bond issuance. The Agency will earn an origination fee at the closing of each loan financed from the proceeds of the Housing Infrastructure Bonds.

### **Agency Priorities**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Improve the Housing System                | <input type="checkbox"/> Make Homeownership More Accessible |
| <input checked="" type="checkbox"/> Preserve and Create Housing Opportunities | <input type="checkbox"/> Support People Needing Services    |
|   | <input type="checkbox"/> Strengthen Communities             |

## Attachments

- Resolution

RESOLUTION NO. MHFA 24-049

RESOLUTION RELATING TO STATE APPROPRIATION BONDS (HOUSING INFRASTRUCTURE); AUTHORIZATION OF ADDITIONAL DEVELOPMENTS TO BE FUNDED WITH PROCEEDS OF PRIOR AUTHORIZED SERIES; AMENDMENT OF PRIOR AUTHORIZING RESOLUTION

BE IT RESOLVED BY THE MINNESOTA HOUSING FINANCE AGENCY (the “Agency”), as follows:

Section 1. Recitals.

1.01. State Appropriation Bonds; Authority; Purpose. The Agency is authorized under Minnesota Statutes, Chapter 462A, including, without limitation, Sections 462A.37 and 462A.375 thereof, as amended (the “Act”) to issue bonds from time to time (the “State Appropriation Bonds”) secured by standing appropriations of the State of Minnesota (the “State”) for the purpose of financing grants with respect to manufactured home parks and loans to borrowers (the “Borrowers”) to pay for all or a portion of the costs of acquisition, construction, rehabilitation and equipping, as applicable, of related developments, including facilities related and subordinate thereto (the “Developments”), with respect to abandoned or foreclosed properties or for supportive housing, all as defined in the Act, or to finance or refinance the costs of acquisition and rehabilitation of federally assisted rental housing, and other purposes authorized by the Act. Such State Appropriation Bonds shall be equally and ratably secured solely by the pledge of certain appropriations expected to be made by the State pursuant to the Act and other available funds under the Indenture (as hereinafter defined). The State Appropriation Bonds will not constitute or give rise to a pecuniary liability of the Agency, except to the extent of appropriations from the State made pursuant to the Act and received by the Agency and other funds held under the Indenture (as hereinafter defined), or of the State or any political subdivision thereof, or be a general obligation of the Agency or constitute an indebtedness or other obligation of the State or public debt of the State. The full faith and credit and taxing powers of the State are not pledged to the payment of the State Appropriation Bonds.

Section 2. Approval of Additional Developments for State Appropriation Bonds (Housing Infrastructure) Authorized Pursuant to Resolution No. MHFA 22-062. Section 1.02 of each of the Agency’s Resolution No. MHFA 22-062, as supplemented and amended by the Agency’s Resolution No. MHFA No. 23-040, relating to prior authorized series of State Appropriation Bonds (as supplemented and amended, the “Prior Authorizing Resolution”) provides that proceeds of State Appropriation Bonds authorized pursuant to the Prior Authorizing Resolution may be used to finance loans to Borrowers, who shall be the Owners of Developments (a) listed in Exhibit A of the Prior Authorizing Resolution, and (b) different or additional Developments upon the adoption a resolution supplemental to the Prior Authorizing Resolution. The Agency herein approves the Developments listed in Exhibit A of this resolution as different and additional Developments eligible to receive loans made from proceeds of State Appropriation Bonds authorized pursuant to the Prior Authorizing Resolution; this Section 2 shall act as a resolution supplemental to each of the Prior Authorizing Resolution.

Section 3. Amendment of Prior Authorizing Resolution Regarding Sale of Series Bonds. Section 1.03 of the Prior Authorizing Resolution is hereby amended by deleting the last paragraph of such section and inserting the following two paragraphs in its place:

With respect to Series Bonds issued in calendar year 2023, the Agency will negotiate for the sale of the Series Bonds to RBC Capital Markets, LLC, Morgan Stanley & Co. LLC, Piper Sandler & Co., Wells Fargo Bank, National Association, and a fifth investment bank (collectively, the “2023 Purchasers”); such fifth investment bank is the selling group member that had the greatest amount of Minnesota retail allotments between the selling group members for the most recent single family bond issue of the Agency that included bonds for retail sale. The selling group, for purposes of the aforementioned calculation, includes the non-permanent investment bank included as a purchaser with respect to that previous issue of single family bonds of the Agency. The Agency will issue and sell the Series Bonds to the 2023 Purchasers pursuant to one or more Purchase Contracts to be entered into between the Agency and the 2023 Purchasers, subject to the parameters set forth in Section 2.02 hereof.

With respect to Series Bonds issued in calendar year 2024, the Agency will negotiate for the sale of the Series Bonds to RBC Capital Markets, LLC, Morgan Stanley & Co. LLC, Piper Sandler & Co., and Wells Fargo Bank, National Association (collectively, the “2024 Purchasers”). The Agency will issue and sell the Series Bonds to the 2024 Purchasers pursuant to one or more Purchase Contracts to be entered into between the Agency and the 2024 Purchasers, subject to the parameters set forth in Section 2.02 hereof.

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Adopted by the Minnesota Housing Finance  
Agency this 25<sup>th</sup> day of July, 2024.

By \_\_\_\_\_  
Chairman

Attest: \_\_\_\_\_  
Commissioner

[Resolution No. MHFA 24-049]

**EXHIBIT A**  
**DEVELOPMENTS AND OWNERS<sup>1</sup>**

<b><u>Development</u></b>	<b><u>Owner<sup>2</sup></u></b>	<b><u>Location (MN)</u></b>	<b><u>Type of Development</u></b>
Zumbro Ridge	Zumbro Ridge Estates, Inc.	Rochester	Manufactured Home Park Infrastructure
Woodlawn Terrace	Woodlawn Terrace Cooperative	Richfield	Manufactured Home Park Infrastructure
New San Marco Apartments	CC San Marco, LLC	Duluth	Supportive Multifamily; Rehab

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<sup>1</sup> In addition, it is anticipated that proceeds of the Series Bonds will be used to make loans to one or more borrowers, including Community Land Trusts, to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction of single-family housing.

<sup>2</sup> Or an affiliate thereof or successor thereto.



## Item: Olmstead Overview

**Information Item:** 8.A  
**Date:** 07/25/2024  
**Staff Contacts:** Aisha Elmquist, 651.755.9737, aisha.elmquist@state.mn.us  
**Request Type:** No Action, Discussion

### Request Summary

Minnesota Housing hosts and supports the Olmstead Implementation Office (OIO), which is an interagency entity responsibility for creating and implementing Minnesota's Olmstead Plan. The Olmstead Plan outlines how Minnesota will ensure that people with disabilities live, learn, work and enjoy life in the most integrated setting possible. The Olmstead work is directed by the Olmstead Subcabinet (comprised of 13 state agencies), which Commissioner Ho chairs. Providing safe, stable, affordable and accessible housing to people with disabilities in a community of their choice is critical to the Olmstead work and Minnesota Housing's mission. Because of this critical work and the fact that OIO operates within Minnesota Housing, staff will provide an overview of this work, including the development of a new Olmstead Plan.

### Fiscal Impact

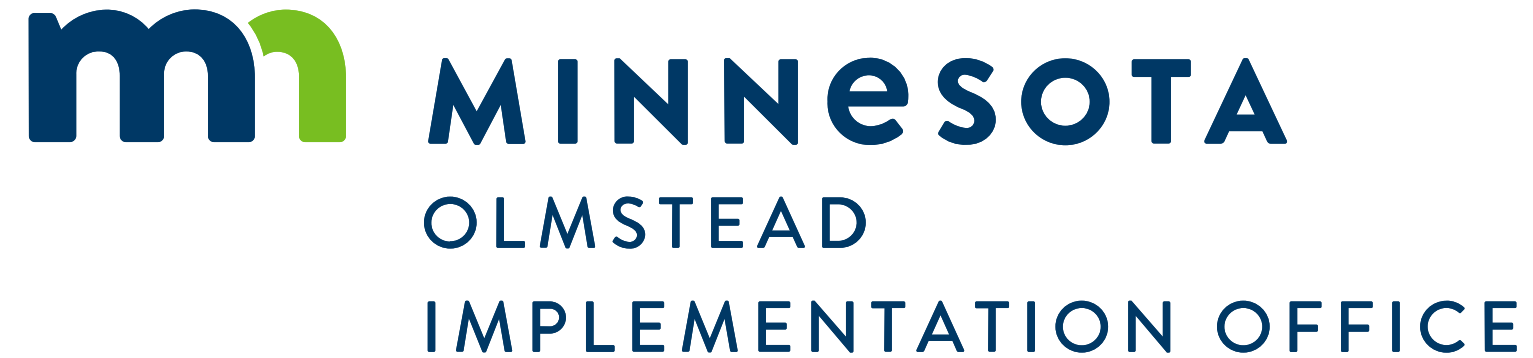
None

### Agency Priorities

- |  |   |
|--|---|
| <input type="checkbox"/> Improve the Housing System                | <input type="checkbox"/> Make Homeownership More Accessible         |
| <input type="checkbox"/> Preserve and Create Housing Opportunities | <input checked="" type="checkbox"/> Support People Needing Services |
|  | <input type="checkbox"/> Strengthen Communities                     |

### Attachments

- Olmstead Overview



## Olmstead Overview



# What is Minnesota's Olmstead Plan?

Minnesota's Olmstead Plan is:

- A set of goals for Minnesota state agencies.
- A plan for the inclusion, integration, and choice of people with disabilities into the community.

# Why “Olmstead”?

- The Plan is named after the 1999 U.S. Supreme Court case *Olmstead v. LC*.
- Lois Curtis and Elaine Wilson, two women living in an institution in Georgia who wanted to live in the community, brought the case.
- This case decided that people with disabilities have the right to live in the community when appropriate because of the Americans with Disabilities Act (ADA).
- This decision applies to all people with disabilities. Disabilities can be physical, sensory, intellectual, developmental, mental illness, or other disabilities.



Used by permission. © Tom Olin – Tom Olin Collection.

# Why did Minnesota create an Olmstead Plan?

- A group of Minnesotans with disabilities sued the Minnesota Department of Human Services (DHS). That court case is called *Jensen*.
- The *Jensen* settlement included the adoption of the Minnesota Olmstead Plan in 2015. Court jurisdiction ended in 2020.

# Examples of Olmstead Plan goals

- More people with disabilities will rent an apartment or house that they choose.
- More people with disabilities will have a job in the community.
- More students with disabilities will learn in classrooms with students who don't have disabilities.

Visuals of Olmstead Plan goals can be found [at this link](#).

# The Olmstead Subcabinet

The Olmstead Subcabinet is made up of 13 state agencies (listed below) that play important roles in the lives of people with disabilities. Commissioner Jennifer Ho serves as the chair of the Olmstead Subcabinet.

- Corrections
- Education
- Employment & Economic Development
- Governor's Council on Developmental Disabilities
- Health
- Housing
- Human Rights
- Human Services
- Metropolitan Council
- Office of Ombudsman for Mental Health and Developmental Disabilities
- Public Safety
- Transportation
- Veterans Affairs

# Role of Olmstead Implementation Office (OIO)

The Olmstead Implementation Office (OIO) was created along with the Minnesota Olmstead Plan. OIO is currently hosted by Minnesota Housing.

Roles of OIO include:

- Working to ensure the Olmstead Plan is co-created by people with disabilities and state agency leaders and is responsive to people with disabilities.
- Providing education and sharing data about the Olmstead Plan and the inclusion of people with disabilities in the community.
- Working closely with the Olmstead Subcabinet.

# Disability and housing insecurity

- More than 1 million Minnesotans have a disability. That's about 23% of the population, or almost one in four people.
- **People with disabilities are disproportionately likely to experience homelessness, compared to the general population.**
  - 2023 Minnesota Homeless Study: **76% of people interviewed** said they had a disability (mental illness, substance use disorder, or other condition that affects work or daily life).
  - 2023 HUD report: **More than 30% of homeless individuals experience chronic homelessness**, meaning they have experienced homelessness for at least a year and have a disability.

# A new Plan: How can you get involved?

- We are re-envisioning the Olmstead Plan now.
- We will hold input opportunities – watch our newsletter
  - Small community conversations hosted by community partners
  - Large group community conversations, virtual and in person
- Similar to the Crossroads to Justice Plan, a group of people with lived experience of disability will draft and co-create the next Olmstead Plan with state agencies.



# Sign up for our newsletter for news and engagement opportunities

- <https://qrco.de/OIONewsletter>



Sign up to receive Olmstead Implementation Office News and Updates. Thank you and welcome!

[Usage/Privacy Policy](#)

First name \*

Last name \*

Email \*

What is your connection to the disability community? \*

If other, please describe:

What county do you live in?

\* = required field

SUBMIT

# Thank you!

**Aisha Elmquist**

aisha.elmquist@state.mn.us

651-296-8081



## Item: Post Sale Report, Residential Housing Finance Bonds, Series 2024 JK

**Information Item:** 9.A  
**Date:** 07/25/2024  
**Staff Contacts:** Michael Solomon, 651.297.4009, michael.solomon@state.mn.us  
Paula Rindels, 651.296.2293, paula.rindels@state.mn.us  
**Request Type:** No Action, Information

### Request Summary:

The Agency priced \$75,000,000 of its Series 2024 JK Residential Housing Finance Bonds on May 16, 2024. Series JK were issued as taxable bonds with Series K being long-term variable rate. All series closed May 30, 2024. In accordance with the Debt and Balance Sheet Management Policy the attached detailed post-sale report is provided by the Agency's financial advisor, CSG Advisors.

### Fiscal Impact:

None.

### Agency Priorities:

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Improve the Housing System                | <input checked="" type="checkbox"/> Make Homeownership More Accessible |
| <input checked="" type="checkbox"/> Preserve and Create Housing Opportunities | <input type="checkbox"/> Support People Needing Services               |
|   | <input type="checkbox"/> Strengthen Communities                        |

### Attachments:

- Post-Sale Report

**\$75,000,000**  
**Minnesota Housing Finance Agency**  
**Residential Housing Finance Bonds**  
**2024 Series J (Taxable)**  
**2024 Series K (Variable-Rate, Taxable)**

## POST-SALE ANALYSIS

### ***KEY RESULTS FOR MINNESOTA HOUSING***

***Purpose.*** 2024 Series JK accomplished the following major objectives:

1. Enabled Minnesota Housing to profitably finance Step Up first mortgages and Monthly Payment Loans on its balance sheet and earn net income over future years.
2. Issued 100% of the debt as taxable, and utilized no volume cap.
3. Achieved an effective spread on the bond issue of 1.53%, including hedge loss.

***Key Measurable Objectives and Accomplishments.*** This issue was successful despite a volatile market environment.

<b><i>Objective</i></b>	<b><i>Result</i></b>
Finance new production on balance sheet	\$71.25 million of new Step Up first-mortgage loans in MBS securities and \$3.75 million of Monthly Payment Loans
Leverage private activity bond volume cap by efficiently incorporating taxable debt	No volume cap used, as the issue was 100% taxable
Maximize spread on the overall transaction	Achieved a direct spread of 1.63% on the bond issue and, after accounting for a hedge loss of \$530k, a total effective spread of 1.53%
Minimize use of and/or create zero participations (interest subsidies under IRS rules), and preserve them for future issues	Not applicable to all-taxable bond issues
Achieve cost-effective bond yield	Overall bond yield (including hedge loss) is projected to be approximately 5.58%
Create future income streams that will support Pool 3	Increased indenture's expected net present value by approximately \$3.5 million at 150% PSA prepayment speed, after accounting for net service release premiums and hedge loss
Maintain high bond ratings	RHFB bonds are rated Aa1/AA+

## ***TIMING AND STRUCTURE***

**Timing.** The bonds were priced on Thursday, May 16th.

**Sizing.** The issue was sized to fund pipeline lending.

### ***Major Design Decisions***

1. **Bond finance Step Up loans.** Starting last year, TBA sales have become much less economically beneficial. The Agency has been a pioneer in moving to finance non-tax-exempt-qualified loans with taxable bonds.
2. **Finance Monthly Payment Loans.** The bond issue was designed to finance approximately \$3.75 million of Monthly Payment Loans, as well as Step Up first mortgages.
3. **Issue variable-rate debt.** In order to finance Step Up loans at or above full spread, the Agency issued Series K as variable-rate demand bonds. For RHFB as a whole, the total amount of variable-rate debt remains about 19%, well below the 30% of total indenture bonds outstanding often used as a benchmark for comparisons among HFAs and presentations to rating agencies.
4. **Appropriately hedge the variable-rate debt.** For the \$15 million of variable-rate Series K bonds, the Agency entered into an interest rate swap with Bank of America (Aa2/A+) at a rate of 4.932%. Minnesota Housing can terminate the entire swap at no cost to the Agency starting on January 1, 2031.
5. **Time and size the issue to address volatile interest rates.** To deal with fluctuations in the bond and mortgage markets, Minnesota Housing has been (a) actively adjusting interest rates for new loan reservations to help keep pace with the market and (b) issuing bonds frequently and quickly, in relationship to the amount of loans reserved, to help reduce interest rate risk. This approach, which has worked well for the Start Up loan pipeline, is being used for Step Up as well.

### ***Bond Structure Decisions***

1. **Series J.** The \$60 million of fixed-rate term bonds included serial maturities due between 2029 and 2035 (\$9.55 million), term bonds due between 2026 and 2047 (\$33.41 million), as well as \$17.04 million of planned amortization class (PAC) bonds due in 2054.
2. **Series K.** The \$15 million of variable-rate demand term bonds are covered by an initial 3-year standby bond purchase agreement from State Street Bank and Trust Company, assuring investors they can tender their bonds with reasonable notice if desired. The cost of the liquidity facility to the Agency is 23 basis points per year.

## ***BOND SALE RESULTS***

1. **Market Environment.** The market has been volatile over the past several months as investors speculate about future Federal Reserve actions to curb inflation. The yield on 10-year Treasury bonds has risen during 2024, from 4.14% when 2024ABC priced in January. It reached 4.36% when 2024FGHI priced in April and, in the days leading up to the 2024JK pricing, rose to as high as 4.70% in response to stronger-than-expected economic data and higher-than-expected annualized inflation data (both of which have tempered investors' expectations for aggressive Fed rate cuts in 2024). By the time 2024JK priced on May 16th, however, the yield on the 10-year had dropped back to 4.38%, almost the same level as when 2024FGHI priced the month before.

2. ***Institutional Interest.*** Based on investor feedback, the 2026, 2027, and 2028 serial bonds were converted to term bonds with like maturities. Most maturities were modestly oversubscribed. The unsubscribed 2032 and 2033 serial maturities had spreads increased by 5 basis points and were purchased by the underwriters. Underwriters purchased the \$11.6 million 2044 term bond with no increase in spread.
3. ***Comparable Transactions.*** The most comparable taxable offerings were Colorado (on 5/15), Kentucky (on 5/15), Tennessee (on 5/14), and Utah (on 5/9). Minnesota's spreads to treasuries on the 2029, 2030, 2031, and 2033 serial maturities were generally the same as or tighter than comparable offerings, while its spreads on the 2033 and 2035 serial maturities were generally 5-7 basis points wider than comparable offerings.

Minnesota's spreads to treasuries on the 2026, 2027, 2028, and 2033 term maturities were generally the same as or tighter than the comparable offerings. For the 2039, 2044, and 2047 term maturities, Minnesota's spreads to treasuries were generally tighter than Colorado and Utah (by 2-4 basis points) and wider than Kentucky and Tennessee (by 1-5 basis points).

Minnesota's \$17.04 million of PAC bonds priced 120 basis points over the 5-year Treasury—5 basis points tighter than Utah (+125 to 7-year), 2 basis points wider than Kentucky (+118 to 5-year), and 3 basis points wider than Tennessee (+117 to 7-year).

## ***UNDERWRITING***

***Underwriters.*** RBC was senior manager. Morgan Stanley, Piper Sandler, and Wells Fargo served as regular co-managers, while Northland Securities was included as a co-manager based on its sales performance on the 2024FGHI issue. As an all-taxable issue to be sold to institutional investors, a selling group for retail orders was not included.

***Sales by Underwriter.*** As is customary for senior managers, RBC brought in the vast majority of institutional orders. For the Series J bonds, excluding stock orders, RBC brought in \$53.47 million of total orders, and Northland brought in \$12.06 million—a large amount for a co-manager.

Based on its very strong performance, Northland will again serve as co-manager for the next issue.

***Underwriter Fees.*** Management fees were appropriate, consistent with industry standards, and in the same range as fees reported for other housing issues of similar size and structure.

## ***ISSUE DETAILS***

***Economic Calendar.*** The Fed has left fed funds rates unchanged since July 2023, though short-term rates remain at their highest level in 22 years.

At its January meeting, the Fed acknowledged the progress made to curb inflation but stopped short of indicating that rate cuts are imminent as the economy's strength continues to surprise. Despite annual inflation cooling to 2.6% as of December, during the final two quarters of 2023, the U.S. economy *expanded* at its fastest pace since 2021, and unemployment has remained below 4% for the longest stretch of time since the 1960s. As a result, the timing of the first rate cut in 2024 and the total number of cuts this year are still very much to be determined, and the market volatility prevalent over the past year will likely continue as market participants await the Fed's next move and periodically react to the mixed signals in economic data releases.

***Treasuries.*** At market close on the day of bond pricing, the 10-year Treasury yield was 4.38%, 24 basis points higher than when series 2024ABC priced in January. The yield curve remained inverted, with the 2-year Treasury at 4.78% on the date of pricing, 40 basis points higher than the 10-year. This is a significant change since early 2023, when the 2-year Treasury had been as much as 100 basis points above the 10-year Treasury.

**Municipals.** In 2023, the supply of new-issue municipal bonds was the lowest of the past 5 years at just \$380 billion. Interest rates reached highs not seen in more than a decade, creating more demand from investors while fewer bonds were available, thus resulting in lower MMD to Treasury ratios by the end of 2023. Throughout 2023, while outflows continued from muni bond funds, municipal ETFs received periodic inflows, and there was a much more favorable tone to investor demand in the muni market, due to lower supplies of new bond issues as well as investors looking to reinvest recent bond redemptions. This led to an especially favorable market for municipal issuers throughout much of 2023, which has continued well into 2024. On the date of pricing for 2024JK, the 10-year MMD/Treasury ratio was 62.8%, compared to ratios in the 80% range in late 2022 and ratios near 70% in late 2023.

**TABLE 1: COMPARISON OF RATES IN RECENT MHFA SINGLE-FAMILY TRANSACTIONS**

Issue	Date	10-Year Treasury	10-Year MMD	MMD/Treasury	30-Year Treasury	30-Year MMD	MMD/Treasury
2022 RHFB AB	2/1/22	1.79%	1.50%	83.8%	2.11%	1.91%	91.1%
2022 RHFB CD	3/3/22	1.73%	1.61%	93.1%	2.16%	2.03%	94.0%
2022 RHFB EF	4/13/22	2.70%	2.46%	91.1%	2.81%	2.81%	100.0%
2022 RHFB GH	6/8/22	3.02%	2.45%	81.1%	3.17%	2.92%	92.1%
2022 RHFB IJK	9/13/22	3.42%	2.81%	82.1%	3.51%	3.62%	103.1%
2022 RHFB LMN	11/9/22	3.83%	3.26%	85.1%	4.31%	4.06%	94.2%
2023 RHFB ABC	2/7/23	3.68%	2.23%	60.6%	3.71%	3.24%	87.3%
2023 RHFB DE	4/19/23	3.60%	2.36%	65.6%	3.79%	3.40%	89.7%
2023 RHFB FG	6/18/23	3.72%	2.57%	69.1%	3.84%	3.50%	91.1%
2023 RHFB HI	6/29/23	3.85%	2.56%	66.5%	3.90%	3.49%	89.5%
2023 RHFB JK	7/27/23	4.01%	2.52%	62.8%	4.06%	3.51%	86.5%
2023 RHFB LM	8/23/23	4.19%	2.95%	70.4%	4.27%	3.91%	91.6%
2023 RHFB NOPQ	9/12/23	4.27%	2.98%	69.8%	4.35%	3.92%	90.1%
2023 RHFB RST	11/8/23	4.49%	3.20%	71.3%	4.64%	4.20%	90.5%
2023 RHFB UV	11/15/23	4.53%	3.10%	68.4%	4.68%	4.12%	88.0%
2024 RHFB ABC	1/23/24	4.14%	2.46%	59.4%	4.38%	3.61%	82.4%
2024 RHFB DE	3/11/24	4.10%	2.40%	58.5%	4.26%	3.57%	83.8%
2024 RHFB FGHI	4/9/24	4.36%	2.65%	60.8%	4.50%	3.81%	84.7%
2024 RHFB JK	5/16/24	4.38%	2.75%	62.8%	4.52%	3.76%	83.2%
<b>Change from RHFB 2024 FGHI</b>		<b>+ 2 bps</b>	<b>+ 10 bps</b>	<b>+ 2%</b>	<b>+ 2 bps</b>	<b>- 5 bps</b>	<b>- 1.48%</b>

**TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA**

Pricing Date	5/16/24				5/15/24				5/15/24				5/14/24				5/9/24			
Amount	\$60,000,000				\$145,510,000				\$75,000,000				\$178,500,000				\$114,575,000			
Issuer	Minnesota HFA				Colorado HFA				Kentucky HFA				Tennessee HDA				Utah HC			
Series	2024 Series J				2024 Series C-1				2024 Series D				Issue 2024-2B				2024 Series F			
Program	Single Family / Negotiated				Single Family / Negotiated				Single Family / Negotiated				Single Family / Negotiated				Single Family / Negotiated			
Rating(s)	Aa1 / AA+ / -				Aaa / AAA / -				Aaa / - / -				Aa1 / AA+ / -				Aa2 / - / -			
Tax Status	Taxable				Taxable				Taxable				Taxable				Taxable			
Maturity	Coupon/	Spread			Coupon/	Spread			Coupon/	Spread			Coupon/	Spread			Coupon/	Spread		
Year ('24 pricings)	Yield	to UST			Yield	to UST			Yield	to UST			Yield	to UST			Yield	to UST		
1 2025									5.041	+30	to 2 yr		5.171	+35	to 2 yr		5.165 / 5.165	+35 / +35	to 2 yr	
2 2026	4.983*	+20	to 2 yr		4.941*	+20	to 2 yr		4.941 / 4.941	+20 / +20	to 2 yr		5.071 / 5.071	+25 / +25	to 2 yr		5.045 / 5.045	+23 / +23	to 2 yr	
3 2027	4.812*	+25	to 3 yr		4.775*	+25	to 3 yr		4.722 / 4.722	+20 / +20	to 3 yr		4.918 / 4.918	+30 / +30	to 3 yr		4.901 / 4.901	+28 / +28	to 3 yr	
4 2028	4.691*	+30	to 5 yr		4.711 / 4.711*	+35 / +35	to 5 yr		4.611 / 4.661	+25 / +30	to 5 yr		4.76 / 4.76	+30 / +30	to 5 yr		4.789 / 4.819	+32 / +35	to 5 yr	
5 2029	4.741 / 4.791	+35 / +40	to 5 yr		4.761 / 4.811*	+40 / +45	to 5 yr		4.711 / 4.751	+35 / +39	to 5 yr		4.81 / 4.84	+35 / +38	to 5 yr		4.869 / 4.919	+40 / +45	to 5 yr	
6 2030	4.825 / 4.875	+45 / +50	to 7 yr		4.804 / 4.854*	+45 / +50	to 7 yr		4.804 / 4.854	+45 / +50	to 7 yr		4.901 / 4.951	+45 / +50	to 7 yr		4.959 / 5.009	+50 / +55	to 7 yr	
7 2031	4.925 / 4.975	+55 / +60	to 7 yr		5.000*	+65	to 7 yr		4.904 / 4.954	+55 / +60	to 7 yr		4.981 / 5.011	+53 / +56	to 7 yr		5.059 / 5.089	+60 / +63	to 7 yr	
8 2032					5.059 / 5.099*	+70 / +74	to 10 yr		5.037 / 5.107	+68 / +75	to 10 yr		5.135 / 5.175	+69 / +73	to 10 yr		5.207 / 5.257	+75 / +80	to 10 yr	
9 2033	5.119* / 5.219	+75 / +85	to 10 yr		5.139 / 5.199	+78 / +84	to 10 yr		5.157 / 5.207	+80 / +85	to 10 yr		5.225 / 5.275	+78 / +83	to 10 yr		5.287 / 5.357	+83 / +90	to 10 yr	
10 2034	5.319 / 5.369	+95 / +100	to 10 yr		5.249 / 5.289	+89 / +93	to 10 yr		5.232 / 5.307	+88 / +95	to 10 yr		5.335 / 5.385	+89 / +94	to 10 yr		5.437 / 5.487	+98 / +103	to 10 yr	
11 2035	5.419 / 5.469	+105 / +110	to 10 yr		5.349 / 5.399	+99 / +104	to 10 yr		5.357 / 5.407	+100 / +105	to 10 yr		5.445 / 5.495	+100 / +105	to 10 yr		5.537 / 5.567	+108 / +111	to 10 yr	
12 2036					5.459 / 5.509	+110 / +115	to 10 yr		5.437 / 5.437	+108 / +108	to 10 yr						5.587 / 5.607	+113 / +115	to 10 yr	
13 2037																				
14 2038																				
15 2039	5.619	+125	to 10 yr		5.659	+130	to 10 yr		5.557	+120	to 10 yr		5.645	+120	to 10 yr		5.687	+123	to 10 yr	
16 2040																				
17 2041																				
18 2042																				
19 2043																				
20 2044	5.848	+133	to 30 yr		5.894	+137	to 30 yr		5.822	+130	to 30 yr		5.912	+132	to 30 yr		5.958	+135	to 30 yr	
21 2045																				
22 2046																				
23 2047	5.908	+139	to 30 yr																	
24 2048					5.944	+142	to 30 yr													
25 2049									5.872	+135	to 30 yr		5.962	+137	to 30 yr					
26 2050																				
27 2051																				
28 2052																				
29 2053																				
30 2054													5.982	+139	to 30 yr		5.978	+137	to 30 yr	
31 2055									5.902	+138	to 30 yr									
PAC	6.50C/5.591Y	+120	to 5 yr						6.25C/5.541Y	+118	to 5 yr		6.25C/5.621Y	+117	to 7 yr		6.25C/5.709Y	+125	to 7 yr	
Notes	* 7/26, 7/27, 7/28, and 1/33 are 6% coupons; 7/54 PAC is 6.50% coupon priced at 102.996 to yield 5.591% w/5 year avg. life 75-500%				* 11/26, 11/27, 11/28 11/29, 11/30, 11/31, and 11/32 are 6% coupons				7/25 priced to 2yr; 1/55 PAC is 6.25% coupon priced at 102.996 to yield 5.541% w/5 year avg. life 50-400% PSA				7/25 priced to 2yr; 1/55 PAC is 6.25% coupon priced at 103.075 to yield 5.621% w/6 year avg. life 75-400% PSA				1/25 and 7/25 priced to 2yr; 7/54 PAC is 6.25% coupon priced at 102.622 to yield 5.709% w/6 year avg. life 75-400% PSA			
Maturity Dates	7/1/26,27,28; 1/1 and 7/1				11/1/26, 11/1/27, 5/1 and 11/1				7/1 and 1/1				7/1 and 1/1				1/1 and 7/1			
Call Provisions	7/1/33 at par				5/1/33 at par				7/1/33 at par				1/1/33 at par				7/1/32 at par/+adj PAC			
Mkt Index	BBI / RBI 3.93% / 4.22%				BBI / RBI 3.93% / 4.22%				BBI / RBI 3.93% / 4.22%				BBI / RBI 3.93% / 4.22%				BBI / RBI 3.93% / 4.22%			
Sr Manager	RBC Capital Markets				RBC Capital Markets				BofA				RBC Capital Markets				Jefferies LLC			



## TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA

Pricing Date	5/7/24				5/7/24				5/7/24				4/30/24				4/30/24			
Amount	\$69,355,000				\$15,000,000				\$160,000,000				\$150,000,000				\$228,500,000			
Issuer	Iowa FA				Missouri HDC				Virginia HDA				Connecticut HFA				Illinois HDA			
Series	2024 Series D				2024 Series D				2024 Series B				2024 Series C-2				2024 Series D			
Program	Single Family / Negotiated				Single Family / Negotiated				Single Family / Negotiated				Single Family / Negotiated				Single Family / Negotiated			
Rating(s)	Aaa / AAA / -				- / AA+ / -				Aaa / AAA / -				Aaa / AAA / -				Aaa / - / -			
Tax Status	Taxable				Taxable				Taxable				Taxable				Taxable			
Maturity	Coupon/		Spread		Coupon/	Spread		Coupon/	Spread		Coupon/	Spread		Coupon/	Spread					
Year ('24 pricings)	Yield			to UST	Yield		to UST	Yield		to UST	Yield		to UST	Yield		to UST				
1 2025	5.133 / 5.133	+30 / +30		to 2 yr	5.118	+30	to 2 yr	5.130	+30	to 2 yr	5.314 / 5.314	+30 / +30	to 2 yr	5.314 / 5.314	+30 / +30	to 2 yr				
2 2026	5.033 / 5.033	+20 / +20		to 2 yr	5.018 / 5.018	+20 / +20	to 2 yr	5.03 / 5.03	+20 / +20	to 2 yr	5.194 / 5.194	+18 / +18	to 2 yr	5.214 / 5.214	+20 / +20	to 2 yr				
3 2027	4.898 / 4.898	+25 / +25		to 3 yr	4.881 / 4.881	+25 / +25	to 3 yr	4.847 / 4.847	+20 / +20	to 3 yr	5.052 / 5.052	+20 / +20	to 3 yr	5.102 / 5.102	+25 / +25	to 3 yr				
4 2028	4.79 / 4.79	+30 / +30		to 5 yr	4.809 / 4.809	+35 / +35	to 5 yr	4.757 / 4.757	+30 / +30	to 5 yr	4.994 / 4.994	+30 / +30	to 5 yr	5.044 / 5.044	+35 / +35	to 5 yr				
5 2029	4.84 / 4.89	+35 / +40		to 5 yr	4.809 / 4.859	+35 / +40	to 5 yr	4.807 / 4.857	+35 / +40	to 5 yr	5.044 / 5.064	+35 / +37	to 5 yr	5.044 / 5.094	+35 / +40	to 5 yr				
6 2030	4.938 / 4.988	+45 / +50		to 7 yr	4.899 / 4.949	+45 / +50	to 7 yr	4.914 / 4.964	+45 / +50	to 7 yr	5.138 / 5.188	+45 / +50	to 7 yr	5.136 / 5.186	+45 / +50	to 7 yr				
7 2031	5.038 / 5.088	+55 / +60		to 7 yr	4.999 / 5.049	+55 / +60	to 7 yr	5.014 / 5.064	+55 / +60	to 7 yr	5.218 / 5.268	+53 / +58	to 7 yr	5.236 / 5.266	+55 / +58	to 7 yr				
8 2032	5.194 / 5.224	+70 / +73		to 10 yr	5.149 / 5.199	+70 / +75	to 10 yr	5.162 / 5.212	+70 / +75	to 10 yr	5.363 / 5.393	+70 / +73	to 10 yr	5.363 / 5.413	+70 / +75	to 10 yr				
9 2033	5.274 / 5.304	+78 / +81		to 10 yr	5.249 / 5.299	+80 / +85	to 10 yr	5.262 / 5.312	+80 / +85	to 10 yr	5.463 / 5.473	+80 / +81	to 10 yr	5.463 / 5.513	+80 / +85	to 10 yr				
10 2034	5.374 / 5.444	+88 / +95		to 10 yr	5.349 / 5.399	+90 / +95	to 10 yr	5.412 / 5.462	+95 / +100	to 10 yr	5.593 / 5.623	+93 / +96	to 10 yr	5.593 / 5.643	+93 / +98	to 10 yr				
11 2035								5.512 / 5.562	+105 / +110	to 10 yr										
12 2036																				
13 2037																				
14 2038																				
15 2039	5.644	+115		to 10 yr	5.649	+120	to 10 yr	5.662	+120	to 10 yr	5.813	+115	to 10 yr	5.893	+123	to 10 yr				
16 2040																				
17 2041																				
18 2042																				
19 2043																				
20 2044	5.875	+123		to 30 yr	5.844	+125	to 30 yr	5.900	+130	to 30 yr	6.023	+125	to 30 yr	6.051	+128	to 30 yr				
21 2045																				
22 2046																				
23 2047																				
24 2048																				
25 2049	5.915	+127		to 30 yr							6.093	+132	to 30 yr	6.101	+133	to 30 yr				
26 2050																				
27 2051																				
28 2052																				
29 2053																				
30 2054					5.946*	+135	to 30 yr	5.950	+135	to 30 yr	6.143	+137	to 30 yr	6.151	+138	to 30 yr				
31 2055																				
PAC	6.25C/5.66Y	+117		to 5 yr										6.25C/5.894Y	+120	to 5 yr				
Notes	1/25 and 7/25 priced to 2yr; 7/54 PAC is 6.25% coupon priced at 102.479 to yield 5.66% w/5 year avg. life 50-500% PSA				* 11/25 priced to 2yr; 11/54 is 5.875% coupon priced at 99.0 to yield 5.946%				10/25 priced to 2yr				5/25 and 11/25 priced to 2yr				4/25 and 10/25 priced to 2yr; 10/54 PAC is 6.25% coupon priced at 101.491 to yield 5.894% w/5 year avg. life 50-400% PSA			
Maturity Dates	1/1 and 7/1				11/1 and 5/1				10/1 and 4/1				5/15 and 11/15				4/1 and 10/1			
Call Provisions	7/1/33 at par				5/1/33 at par				4/1/33 at par				5/15/33 at par				10/1/32 at par			
Mkt Index	BBI / RBI 4.07% / 4.36%				BBI / RBI 4.07% / 4.36%				BBI / RBI 4.07% / 4.36%				BBI / RBI 4.07% / 4.36%				BBI / RBI 4.07% / 4.36%			
Sr Manager	Morgan Stanley				Stifel				Wells Fargo				RBC Capital Markets				Jefferies			

**TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA**

Pricing Date	4/30/24				4/30/24				4/24/24				4/23/24				4/23/24					
Amount	\$102,680,000				\$42,205,000				\$48,365,000				\$39,490,000				\$40,000,000					
Issuer	Nevada HD				Oregon HCSD				Massachusetts HFA				Nebraska IFA				New Jersey HMFA					
Series	Series 2024D				2024 Series B				Series 235				2024 Series D				2024 Series L					
Program	Single Family / Negotiated				Single Family / Negotiated				Single Family / Negotiated				Single Family / Negotiated				Single Family / Negotiated					
Rating(s)	-/ AA+ / -				Aa2 / - / -				Aa1 / AA+ / -				- / AAA / -				Aa2 / AA / -					
Tax Status	Taxable				Taxable				Taxable				Taxable				Taxable					
Maturity	Coupon/		Spread		Coupon/		Spread		Coupon/		Spread		Coupon/		Spread		Coupon/		Spread			
Year ('24 pricings)	Yield		to UST		Yield		to UST		Yield		to UST		Yield		to UST		Yield		to UST			
1 2025	5.316 / 5.316	+30 / +30	to 2 yr		5.314	+30	to 2 yr						5.227 / 5.227	+30 / +30	to 2 yr		5.290	+35	to 2 yr			
2 2026	5.216 / 5.216	+20 / +20	to 2 yr										5.097 / 5.097	+17 / +17	to 2 yr		5.17 / 5.17	+23 / +23	to 2 yr			
3 2027	5.108 / 5.108	+25 / +25	to 3 yr		5.105 / 5.105	+25 / +25	to 3 yr		5.040	+25	to 3 yr		4.963 / 4.963	+20 / +20	to 3 yr		5.00 / 5.00	+23 / +23	to 3 yr			
4 2028	5.048 / 5.048	+35 / +35	to 5 yr		4.996 / 5.046	+30 / +35	to 5 yr		4.955 / 4.955	+30 / +30	to 5 yr		4.974 / 4.974	+35 / +35	to 5 yr		5.003 / 5.003	+38 / +38	to 5 yr			
5 2029	5.098 / 5.148	+40 / +45	to 5 yr		5.096 / 5.146	+40 / +45	to 5 yr		5.005 / 5.055	+35 / +40	to 5 yr		4.994 / 5.054	+37 / +43	to 5 yr		5.073 / 5.123	+45 / +50	to 5 yr			
6 2030	5.19 / 5.24	+50 / +55	to 7 yr		5.186 / 5.236	+50 / +55	to 7 yr		5.107 / 5.157	+45 / +50	to 7 yr		5.119 / 5.149	+50 / +53	to 7 yr		5.164 / 5.214	+55 / +60	to 7 yr			
7 2031	5.29 / 5.34	+60 / +65	to 7 yr		5.286 / 5.336	+60 / +65	to 7 yr		5.257 / 5.307	+60 / +65	to 7 yr		5.189 / 5.269	+57 / +65	to 7 yr		5.244 / 5.294	+63 / +68	to 7 yr			
8 2032	5.417 / 5.467	+75 / +80	to 10 yr		5.415 / 5.465	+75 / +80	to 10 yr		5.395 / 5.395	+75 / +75	to 10 yr						5.32 / 5.42	+73 / +83	to 10 yr			
9 2033	5.517 / 5.537	+85 / +87	to 10 yr						5.495 / 5.545				+85 / +90	to 10 yr		5.47 / 5.54				+88 / +95	to 10 yr	
10 2034	5.637 / 5.707	+97 / +104	to 10 yr		5.565	+90	to 10 yr		5.645 / 5.695	+100 / +105	to 10 yr						5.59 / 5.64	+100 / +105	to 10 yr			
11 2035	5.757 / 5.787	+109 / +112	to 10 yr						5.745 / 5.775				+110 / +113	to 10 yr		5.69 / 5.71				+110 / +112	to 10 yr	
12 2036																						
13 2037																						
14 2038																						
15 2039	5.817	+115	to 10 yr		5.865	+120	to 10 yr		5.775	+113	to 10 yr						5.840	+125	to 10 yr			
16 2040																						
17 2041																						
18 2042																						
19 2043																						
20 2044	6.006	+123	to 30 yr		6.025	+125	to 30 yr		5.975	+120	to 30 yr						6.009	+130	to 30 yr			
21 2045																						
22 2046																						
23 2047																						
24 2048																						
25 2049	6.036	+126	to 30 yr		6.075	+130	to 30 yr										6.059	+135	to 30 yr			
26 2050																						
27 2051																						
28 2052																						
29 2053																						
30 2054	6.056	+128	to 30 yr		6.105	+133	to 30 yr															
31 2055																	6.079				+137	to 30 yr
PAC	6.25C/5.898Y				+120	to 5 yr						6.25C/5.855Y	+120	to 5 yr		6.25C/5.774Y				+115	to 5 yr	
Notes	4/25 and 10/25 priced to 2yr; 10/54 PAC is 6.25% coupon priced at 101.484 to yield 5.898% w/5 year avg. life 50-500% PSA				7/25 priced to 2yr				3/25 priced to 2yr; 9/47 PAC is 6.25% coupon priced at 102.010 to yield 5.774% w/5 year avg. life 50-500% PSA				3/25 priced to 2yr; 9/47 PAC is 6.25% coupon priced at 102.010 to yield 5.774% w/5 year avg. life 50-500% PSA				10/25 priced to 2yr					
Maturity Dates	4/1 and 10/1				7/1 and 1/1				12/1 and 6/1				3/1 and 9/1				10/1 and 4/1					
Call Provisions	10/1/33 at par				7/1/33 at par				6/1/33 at par				3/1/33 at par				10/1/32 at par					
Mkt Index	BBI / RBI 4.07% / 4.36%				BBI / RBI 4.07% / 4.36%				BBI / RBI 3.79% / 4.08%				BBI / RBI 3.79% / 4.08%				BBI / RBI 3.79% / 4.08%					
Sr Manager	J.P. Morgan				BofA				Raymond James				J.P. Morgan				Jefferies					

**TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA**

Pricing Date	4/23/24			4/23/24			4/22/24			4/17/24			4/16/24		
Amount	\$25,000,000			\$49,680,000			\$210,000,000			\$10,000,000			\$109,480,000		
Issuer	Virginia HDA			Washington SHFC			Maryland DHCD			Arkansas DFA			Indiana HCDA		
Series	2024 Series B			2024 Series 1T			2024 Series B			2024 Series B			2024 Series B-3		
Program	Multifamily / Competitive			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)	Aa1 / AA+ / -			Aaa / - / -			Aa1 / - / AA+			- / AA+ / -			Aaa / - / AA+		
Tax Status	Taxable			Taxable			Taxable			Taxable			Taxable		
Maturity	Coupon/	Spread		Coupon/	Spread		Coupon/	Spread		Coupon/	Spread		Coupon/	Spread	
Year ('24 pricings)	Yield	to UST		Yield	to UST		Yield	to UST		Yield	to UST		Yield	to UST	
1 2025				5.229	+30	to 2 yr	5.271 / 5.271	+30 / +30	to 2 yr	5.330	+40	to 2 yr	5.272	+30	to 2 yr
2 2026				5.169 / 5.169	+24 / +24	to 2 yr	5.171 / 5.171	+20 / +20	to 2 yr	5.280	+35	to 2 yr	5.172	+20	to 2 yr
3 2027	4.870	+10	to 3 yr	5.014 / 5.064	+25 / +30	to 3 yr	5.007 / 5.007	+20 / +20	to 3 yr	5.130	+36	to 3 yr	5.029	+20	to 3 yr
4 2028	4.770	+15	to 5 yr	4.972 / 4.962	+35 / +34	to 5 yr	5.01 / 5.01	+35 / +35	to 5 yr	5.170	+55	to 5 yr	5.039 / 5.039	+35 / +35	to 5 yr
5 2029	4.870	+25	to 5 yr	5.012 / 5.072	+39 / +45	to 5 yr	5.06 / 5.11	+40 / +45	to 5 yr	5.220	+60	to 5 yr	5.089 / 5.139	+40 / +45	to 5 yr
6 2030	4.960	+35	to 7 yr	5.164 / 5.214	+55 / +60	to 7 yr	5.146 / 5.196	+50 / +55	to 7 yr	5.320	+71	to 7 yr	5.187 / 5.237	+50 / +55	to 7 yr
7 2031	5.060	+45	to 7 yr	5.254 / 5.304	+64 / +69	to 7 yr	5.246 / 5.296	+60 / +65	to 7 yr	5.400	+79	to 7 yr	5.287 / 5.337	+60 / +65	to 7 yr
8 2032	5.080	+50	to 10 yr	5.386 / 5.436	+79 / +84	to 10 yr	5.319 / 5.419	+70 / +80	to 10 yr	5.550	+96	to 10 yr	5.358 / 5.458	+70 / +80	to 10 yr
9 2033	5.130	+55	to 10 yr	5.456 / 5.506	+86 / +91	to 10 yr	5.469 / 5.519	+85 / +90	to 10 yr	5.650	+106	to 10 yr	5.508 / 5.558	+85 / +90	to 10 yr
10 2034	5.180	+60	to 10 yr	5.576 / 5.636	+98 / +104	to 10 yr	5.569 / 5.589	+95 / +97	to 10 yr	5.700	+111	to 10 yr	5.608 / 5.608	+95 / +95	to 10 yr
11 2035	5.230	+65	to 10 yr				5.649 / 5.669	+103 / +105	to 10 yr				5.688 / 5.688	+103 / +103	to 10 yr
12 2036	5.280	+70	to 10 yr												
13 2037															
14 2038															
15 2039	5.430	+60	to 20 yr	5.726	+113	to 10 yr	5.839	+122	to 10 yr	5.875	+129	to 10 yr	5.808	+115	to 10 yr
16 2040															
17 2041															
18 2042	5.530	+70	to 20 yr												
19 2043															
20 2044				5.884	+117	to 30 yr	5.991	+127	to 30 yr	5.950	+124	to 30 yr	5.932	+117	to 30 yr
21 2045	5.680	+85	to 20 yr												
22 2046															
23 2047															
24 2048				5.914	+120	to 30 yr									
25 2049	5.750	+105	to 30 yr				6.041	+132	to 30 yr	6.050	+134	to 30 yr	5.962	+120	to 30 yr
26 2050															
27 2051															
28 2052															
29 2053															
30 2054	5.830	+113	to 30 yr				6.091	+137	to 30 yr	6.100	+139	to 30 yr			
31 2055															
PAC				6.25C/5.782Y	+116	to 5 yr							6.25C/5.849Y	+116	to 5 yr
Notes	5/39 through 5/45 priced to 20yr			12/25 priced to 2yr; 6/54 PAC is 6.25% coupon priced at 101.958 to yield 5.782% w/5 year avg. life 50-500% PSA			3/1/25 and 9/1/25 priced to 2yr			7/25 spread to 2yr			1/25 priced to 2yr; 7/54 PAC is 6.25% coupon priced at 101.666 to yield 5.849% w/5 year avg. life 50-500% PSA		
Maturity Dates	5/1			12/1 and 6/1			3/1 and 9/1			7/1			1/1 and 7/1		
Call Provisions	5/1/33 at par			6/1/33 at par			3/1/33 at par			7/1/33 at par			1/1/33 at par/100.194 PAC		
Mkt Index	BBi / RBI 3.79% / 4.08%			BBi / RBI 3.79% / 4.08%			BBi / RBI 3.79% / 4.08%			BBi / RBI 3.76% / 4.04%			BBi / RBI 3.76% / 4.04%		
Sr Manager	Raymond James			RBC Capital Markets			BofA			Raymond James			J.P. Morgan		

**TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA**

Pricing Date	4/16/24				4/9/24				4/2/24				3/26/24				3/19/24				
Amount	\$37,500,000				\$62,095,000				\$25,000,000				\$49,000,000				\$127,255,000				
Issuer	New Mexico MFA				Minnesota HFA				New Hampshire HFA				South Dakota HDA				Colorado HFA				
Series	2024 Series D				2024 Series H				2024 Series B				2024 Series B				2024 Series B-1				
Program	Single Family / Negotiated				Single Family / Negotiated				Single Family / Negotiated				Single Family / Negotiated				Single Family / Negotiated				
Rating(s)	Aaa / - / -				Aa1 / AA+ / -				Aaa / - / -				Aaa / AAA / -				Aaa / AAA / -				
Tax Status	Taxable				Taxable				Taxable				Taxable				Taxable				
Maturity	Coupon/		Spread		Coupon/		Spread		Coupon/		Spread		Coupon/		Spread		Coupon/		Spread		
Year ('24 pricings)	Yield		to UST		Yield		to UST		Yield		to UST		Yield		to UST		Yield		to UST		
1	2025	5.324	+36	to 2 yr	5.145 / 5.145	+40 / +40	to 2 yr	5.092 / 5.092	+40 / +40	to 2 yr											
2	2026	5.274 / 5.284	+31 / +32	to 2 yr	5.025 / 5.045	+28 / +30	to 2 yr	5.022 / 5.012	+33 / +32	to 2 yr					5.012 / 4.992	+32 / +30	to 2 yr				
3	2027	5.07 / 5.12	+25 / +30	to 3 yr	4.857 / 4.907	+30 / +35	to 3 yr	4.858 / 4.898	+35 / +39	to 3 yr					4.856 / 4.896	+38 / +42	to 3 yr				
4	2028	5.082 / 5.132	+40 / +45	to 5 yr	4.827 / 4.887	+45 / +51	to 5 yr	4.854 / 4.904	+51 / +56	to 5 yr					4.813 / 4.863	+51 / +56	to 5 yr				
5	2029	5.192 / 5.242	+51 / +56	to 5 yr	4.887 / 4.937	+51 / +56	to 5 yr	4.924 / 4.984	+58 / +64	to 5 yr					4.883 / 4.923	+58 / +62	to 5 yr				
6	2030	5.32 / 5.36	+64 / +68	to 7 yr	5.019 / 5.069	+64 / +69	to 7 yr	5.057 / 5.107	+70 / +75	to 7 yr					5.025 / 5.065	+71 / +75	to 7 yr				
7	2031	5.43 / 5.47	+75 / +79	to 7 yr	5.139 / 5.179	+76 / +80	to 7 yr	5.167 / 5.217	+81 / +86	to 7 yr					5.125 / 5.155	+81 / +84	to 7 yr				
8	2032	5.557 / 5.597	+90 / +94	to 10 yr	5.238 / 5.268	+87 / +90	to 10 yr	5.272 / 5.322	+92 / +97	to 10 yr					5.166 / 5.226	+87 / +93	to 10 yr				
9	2033	5.637 / 5.677	+98 / +102	to 10 yr	5.348 / 5.388	+98 / +102	to 10 yr	5.372 / 5.402	+102 / +105	to 10 yr					5.276 / 5.306	+98 / +101	to 10 yr				
10	2034	5.697 / 5.737	+104 / +108	to 10 yr	5.428 / 5.428	+106 / +106	to 10 yr	5.422 / 5.462	+107 / +111	to 10 yr					5.356 / 5.376	+106 / +108	to 10 yr				
11	2035				5.488 / 5.488	+112 / +112	to 10 yr														
12	2036												5.097	+88	to 5 yr						
13	2037																				
14	2038																				
15	2039	5.857	+120	to 10 yr	5.588	+122	to 10 yr	5.592	+124	to 10 yr	5.430	+120	to 10 yr	5.496	+120	to 10 yr					
16	2040																				
17	2041																				
18	2042																				
19	2043																5.601	+116	to 30 yr		
20	2044	5.957	+120	to 30 yr	5.730	+123	to 30 yr	5.694	+120	to 30 yr											
21	2045																				
22	2046																				
23	2047																				
24	2048																				
25	2049	6.037	+128	to 30 yr					5.744	+125	to 30 yr										
26	2050				5.850	+135	to 30 yr														
27	2051																				
28	2052																				
29	2053																				
30	2054	6.087	+133	to 30 yr																	
31	2055								5.794	+130	to 30 yr										
PAC	6.25C/5.892Y +121 to 5 yr																6.25C/5.513Y +121 to 5 yr				
Notes	9/25 priced to 2yr; 3/55 PAC is 6.25% coupon priced at 101.672 to yield 5.892% w/5.7 year avg. life 75-400% PSA				1/25 and 7/25 priced to 2yr				1/25 and 7/25 priced to 2yr				11/36 priced to 5yr (+87 to 10yr)				11/54 PAC is 6.25% coupon priced at 103.514 to yield 5.513% w/5.9 year avg. life 50-500% PSA				
Maturity Dates	9/1 and 3/1				1/1 and 7/1				1/1 and 7/1				11/1				5/1 and 11/1				
Call Provisions	3/1/33 at par/100.457 PAC				7/1/33 at par				1/1/33 at par				11/1/32 at par				5/1/33 at par/101.185 PAC				
Mkt Index	BBI / RBI 3.76% / 4.04%				BBI / RBI 3.68% / 3.96%				BBI / RBI 3.58% / 3.86%				BBI / RBI 3.55% / 3.83%				BBI / RBI 3.52% / 3.80%				
Sr Manager	RBC Capital Markets				RBC Capital Markets				BofA				BofA				RBC Capital Markets				

## TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA

Pricing Date	3/11/24			1/23/24			11/15/23		
Amount	\$60,000,000			\$73,605,000			\$48,750,000		
Issuer	Minnesota HFA			Minnesota HFA			Minnesota HFA		
Series	2024 Series D			2024 Series B			2023 Series U		
Program	Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)	Aa1 / AA+ / -			Aa1 / AA+ / -			Aa1 / AA+ / -		
Tax Status	Taxable			Taxable			Taxable		
Maturity	Coupon/	Spread		Coupon/	Spread		Coupon/	Spread	
Year ('24 pricings)	Yield	to UST		Yield	to UST		Yield	to UST	
1 2025				4.853 / 4.883	+47 / +50 to 2 yr				
2 2026				4.733 / 4.783	+35 / +40 to 2 yr				
3 2027				4.718 / 4.748	+56 / +59 to 3 yr				
4 2028				4.719 / 4.769	+67 / +72 to 5 yr				
5 2029									
6 2030									
7 2031									
8 2032									
9 2033									
10 2034	4.938	+85	to 5 yr	5.205	+110	to 7 yr			
11 2035							5.742	+120	to 5yr
12 2036									
13 2037									
14 2038									
15 2039	5.350	+125	to 10 yr	5.520	+138	to 10 yr			
16 2040							6.121	+157	to 10 yr
17 2041									
18 2042									
19 2043									
20 2044				5.780	+139	to 30 yr	6.321	+160	to 30 yr
21 2045	5.536	+127	to 30 yr						
22 2046									
23 2047									
24 2048									
25 2049				5.900	+151	to 30 yr			
26 2050									
27 2051				5.960	+157	to 30 yr			
28 2052									
29 2053									
30 2054									
31 2055									
PAC	6.25C/5.308Y	+122	to 5 yr				6.50C/6.052Y	+151	to 5 yr
Notes	7/34 priced to 5yr (+84 to 10yr); 7/54 PAC is 6.25% coupon priced at 104.008 to yield 5.308% w/5 year avg. life 75-500% PSA			1/25 and 7/25 priced to 2yr; 1/34 priced to 7yr avg. life			1/34 priced to 5yr avg. life; 1/39 priced to 10yr (+140 to 30yr); 7/54 PAC is 6.50% at 101.856 to yield 6.052% w/5 yr avg. life 75-500%		
Maturity Dates	1/1 and 7/1			1/1 and 7/1			1/1/34, 1/1/39, 7/1/43, 7/1/54		
Call Provisions	7/1/33 at par			7/1/33 at par			1/1/33 at par		
Mkt Index	BBi / RBI 3.52% / 3.80%			BBi / RBI 3.39% / 3.67%			BBi / RBI 3.93% / 4.21%		
Sr Manager	RBC Capital Markets			RBC Capital Markets			RBC Capital Markets		

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## Item: Post Sale Report, Residential Housing Finance Bonds, Series 2024 LMN

**Information Item:** 9.B  
**Date:** 07/25/2024  
**Staff Contacts:** Michael Solomon, 651.297.4009, michael.solomon@state.mn.us  
Paula Rindels, 651.296.2293, paula.rindels@state.mn.us  
**Request Type:** No Action, Information

### Request Summary:

The Agency priced \$225,000,000 of its Series 2024 LMN Residential Housing Finance Bonds on June 11, 2024. Series L are fixed rate bonds while Series M and N are taxable bond issues. Series N is a long-term, variable rate bond issue. All series closed July 2, 2024. In accordance with the Debt and Balance Sheet Management Policy the attached detailed post-sale report is provided by the Agency's financial advisor, CSG Advisors.

### Fiscal Impact:

None.

### Agency Priorities:

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Improve the Housing System                | <input checked="" type="checkbox"/> Make Homeownership More Accessible |
| <input checked="" type="checkbox"/> Preserve and Create Housing Opportunities | <input type="checkbox"/> Support People Needing Services               |
|   | <input type="checkbox"/> Strengthen Communities                        |

### Attachments:

- Post-Sale Report

**\$225,000,000**  
**Minnesota Housing Finance Agency**  
**Residential Housing Finance Bonds**  
**2024 Series L (Non-AMT)**  
**2024 Series M (Taxable)**  
**2024 Series N (Variable-Rate, Taxable)**

## POST-SALE ANALYSIS

### ***KEY RESULTS FOR MINNESOTA HOUSING***

***Purpose.*** 2024 Series LMN accomplished the following major objectives:

1. Enabled Minnesota Housing to profitably finance Start Up first mortgages on the balance sheet and earn net annual income over future years.
2. Used taxable debt for 64% of the issue, together with 2021 carryforward volume cap and recycled cap from loan prepayments, so that the Agency used less than \$44 million of new volume cap (less than 20% of the total issue).
3. Achieved an effective spread on the bond issue of 1.71%, including hedge loss.

***Key Measurable Objectives and Accomplishments.*** This issue was very successful despite a volatile market environment.

<i>Objective</i>	<i>Result</i>
Finance new production on balance sheet	\$214 million of new Start Up first-mortgage loans in MBS securities and \$11 million of 0% deferred payment loan second mortgages
Leverage private activity bond volume cap by efficiently incorporating taxable debt	Included \$145 million of taxable bonds (Series M and N)
Maximize spread on the overall transaction	Achieved a direct spread of 1.72% on the bond issue and, after accounting for a hedge loss of \$265k, a total effective spread of 1.71%
Minimize use of and/or create zero participations (interest subsidies under IRS rules), and preserve them for future issues	Neither created nor used zero participations; the Agency has approximately \$24 million of zeros available to help achieve full spread on future issues
Achieve cost-effective bond yield	Overall bond yield (including hedge loss) is projected to be approximately 5.32%
Create future income streams that will support Pool 3	Increased indenture's expected net present value by approximately \$7.9 million at 150% PSA prepayment speed, after accounting for net service release premiums and hedge loss
Maintain high bond ratings	RHFB bonds are rated Aa1/AA+



## ***TIMING AND STRUCTURE***

**Timing.** The bonds were priced on Tuesday, June 11th.

**Sizing.** The issue was sized to fund pipeline lending.

### ***Major Design Decisions***

1. **Efficiently leverage volume cap.** To help preserve volume cap at a time when loan prepayments (and thus the ability to recycle past volume cap) have decreased significantly, the Agency structured 64% of the issue (\$145 million) as taxable debt. The Agency also utilized \$35.35 million of recycled cap from loan prepayments so only \$43.88 million of new volume cap was needed (including PAC premium) from the 2024 Minnesota City Participation Program.
2. **Finance deferred payment loans.** To help fund deferred payment loans from resources outside Pool 3, the issue included \$11 million of such loans. Because they have a 0% interest rate and are deferred until sale or refinancing, these loans reduced the net spread and net income earned by the indenture on this issue.
3. **Issue variable-rate debt.** In order to finance Start Up and 0% deferred payment loans at or above full spread with so much taxable debt and so little volume cap, the Agency issued \$40 million of taxable bonds (18% of the entire issue) as variable-rate demand bonds (Series N). For RHFB as a whole, the total amount of variable-rate debt remains about 19%, well below the 30% of total indenture bonds outstanding often used as a benchmark for comparisons among HFAs and presentations to rating agencies.
4. **Appropriately hedge the variable-rate debt.** For the \$40 million of variable-rate Series N bonds, the Agency entered into an interest rate swap with Bank of America (Aa2/A+) at a rate of 5.011%. Minnesota Housing can terminate the entire swap at no cost to the Agency starting on July 1, 2031.
5. **Time and size the issue to address volatile interest rates.** To deal with fluctuations in the bond and mortgage markets, Minnesota Housing has been (a) actively adjusting interest rates for new loan reservations to help keep pace with the market and (b) issuing bonds frequently and quickly, in relationship to the amount of loans reserved, to help reduce interest rate risk.

### ***Bond Structure***

1. **Series L.** The \$80 million of tax-exempt fixed-rate bonds included \$13.265 million of serial maturities due between 2025 and 2035, \$4.88 million of term bonds due in 2038, and \$61.855 million of planned amortization class (PAC) bonds due in 2055.
2. **Series M.** The \$105 million of taxable fixed-rate bonds included \$27.155 million of serial maturities due between 2025 and 2036, as well as term bonds due in 2039 (\$10.485 million), 2044 (\$22.49 million), 2049 (\$31.065 million), and 2051 (\$13.805 million).
3. **Series N.** The \$40 million of taxable variable-rate demand bonds are covered by an initial 4-year standby bond purchase agreement from State Street Bank and Trust Company, assuring investors they can tender their bonds with reasonable notice if desired. The cost of the liquidity facility to the Agency is 23 basis points per year.

## **SOCIAL BONDS**

Minnesota Housing continued its practice since 2021 of designating its RHFB bonds as meeting an important social purpose. This confirms to investors that the bonds meet specific environmental, social, and governance standards. Single-family housing bonds generally meet the social purpose standards because of the level of affordability in serving low- and moderate-income households. Like many housing finance agencies, Minnesota Housing contracts with an independent party to evaluate and confirm that the bonds specifically meet the criteria for social bonds. Kestrel Verifiers, widely recognized across the industry, provided this certification based on detailed information from Minnesota Housing on the income mix of borrowers.

## **BOND SALE RESULTS**

1. **Market Environment.** After significant fluctuations in the 10-year Treasury yield earlier in 2024—from 4.14% when Series ABC was priced and as high as 4.70% in late April—yields have settled into a stabler range. The 10-year was at 4.38% on May 16<sup>th</sup> when Series JK was priced and 4.39% when 2024LMN was priced on June 11<sup>th</sup>.
2. **Tax-Exempt Serial, Term, and PAC Bonds (Non-AMT), 2024 Series L.** Institutional interest in the \$80 million of Series L bonds was especially strong on the term and PAC maturities. The \$4.88 million 2038 maturity was 4.7x oversubscribed, leading to a 5-basis point reduction in spread. The \$61.855 million of PAC bonds received 9 orders totaling \$259.31 million, leading to 4.2x oversubscription. As a result, the spread on the PAC bonds was reduced by 4 basis points.

On the much smaller serial maturities, spreads on the January and July 2029 maturities were reduced by 2.5 and 5 basis points, respectively, due to 3.5x oversubscription. Underwriters purchased the \$4.3 million of unsold balances on the undersubscribed serial maturities with no change in yield.

3. **Taxable Serial and Term Bonds, 2024 Series M.** As with the Series L bonds, institutional interest in the \$105 million of Series M bonds was modest. The spreads on the January 2027 maturity (which was 3x oversubscribed) was reduced by 2 basis points; the spreads on 6 serial maturities were increased by 5 basis points as underwriters purchased the \$7 million of unsold balances. The term bonds were undersubscribed, leading to increases in spread of 3 to 7 basis points, with underwriters purchasing \$43 million of unsold balances.
4. **Comparable Transactions**

**Tax-Exempt Serial, Term, and PAC Bonds (Non-AMT), 2024 Series L.** For the tax-exempt serial and term bonds, the most comparable offerings were Alabama, Maine, and Rhode Island (all priced on 6/11). Spreads to treasuries for Minnesota's serial maturities were generally equal to or tighter than Maine and 5 basis points wider than Alabama and Rhode Island. The spread to treasuries for Minnesota's 2038 term maturity was 4 basis points tighter than Alabama's 2039 maturity and 1-6 basis points wider than the 2039 maturities for Maine and Rhode Island.

For the tax-exempt PAC bonds, the most comparable offerings were Alabama (on 6/11), Maine (on 6/6), and Wyoming (on 6/5). Minnesota's PAC bonds priced 114 basis points over the 6-year Treasury—6 basis points tighter than Alabama (+120 to 5.6-year), 5 basis points tighter than Wyoming (+119 to 5-year), and 1 basis point tighter than North Dakota (+115 to 6-year).

**Taxable Serial and Term Bonds, 2024 Series M.** The most comparable taxable offerings were Rhode Island (on 6/11), Wyoming (on 6/5), Mississippi (on 6/4), and North Carolina (on 6/4). Spreads to treasuries for Minnesota's serial maturities were generally 5-10 basis points tighter than Rhode Island

and 5 basis points tighter or wider than the other comparable offerings, depending on maturity. The spread to treasuries for Minnesota's 2039 term maturity was 5 basis points tighter than Rhode Island and 6 basis points tighter than North Carolina. The spreads on Minnesota's 2044 and 2049 term maturities were 7 basis points wider than the comparable maturities from Rhode Island and North Carolina.

## **UNDERWRITING**

**Underwriters.** RBC was senior manager. Morgan Stanley, Piper Sandler, and Wells Fargo served as regular co-managers, while Northland Securities was included as a co-manager based on its sales performance on the 2024JK issue. Selling group members included AmeriVet Securities, Blaylock Van, BofA, Huntington Securities, J.P. Morgan, Mesirow Financial, Raymond James, and TD Securities.

**Sales by Underwriter.** Of the \$279.165 million of institutional orders for the \$80 million of tax-exempt bonds (Series L), RBC brought in \$277.965 million, Northland brought in \$700k, and Wells Fargo brought in \$500k. The largest amount of retail orders came from RBC (\$6.715 million), followed by \$5.980 million from J.P. Morgan, \$2.355 million from BofA, \$2.1 million from Wells Fargo, \$1.805 million from Piper Sandler, \$910k from Raymond James, \$580k from Morgan Stanley, and \$500k from Northland.

For institutional orders on the \$105 million of Series M taxable serial and term bonds, RBC brought in \$147.015 million, Northland brought in \$6.515 million, and Piper Sandler brought in \$600k. This was a strong combined institutional and retail performance by Northland, which will continue as rotating co-manager for the next RHFB bond issue.

**Underwriter Fees.** Management fees were appropriate, consistent with industry standards, and in the same range as fees reported for other housing issues of similar size and structure.

## **ISSUE DETAILS**

**Economic Calendar.** Data releases show continued progress towards the Federal Reserve's annual inflation target of 2%, but with continued strong economic growth, the Fed has continued to defer its long-expected rate cuts. As a result, short-term rates remain at their highest level in 22 years.

**Treasuries.** At market close on the day of bond pricing, the 10-year Treasury yield was 4.39%, almost the same as when Series JK priced in mid-May. The yield curve remains inverted, with the 2-year Treasury 42 basis points higher than the 10-year. This is a significant reduction since early 2023, when the 2-year Treasury had been as much as 100 basis points above the 10-year Treasury.

**Municipals.** In 2023, the supply of new-issue municipal bonds was the lowest of the past 5 years at just \$380 billion. Interest rates reached highs not seen in more than a decade, creating more demand from investors while fewer bonds were available, thus resulting in lower MMD to Treasury ratios by the end of 2023. Throughout 2023, while outflows continued from muni bond funds, municipal ETFs received periodic inflows, and there has been a much more favorable tone to investor demand in the muni market, due to lower supplies of new bond issues as well as investors looking to reinvest recent bond redemptions. This led to an especially favorable market for municipal issuers throughout much of 2023, which has continued into 2024. On the date of pricing for 2024LMN, the 10-year MMD/Treasury ratio was 66.5%, compared to ratios in the 80% range in late 2022 and ratios near 70% in late 2023.

*Post-Sale Report: Minnesota Housing \$125,000,000 RHFB Series 2024 LMN*  
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**TABLE 1: COMPARISON OF RATES IN RECENT MHFA SINGLE-FAMILY TRANSACTIONS**

Issue	Date	10-Year Treasury	10-Year MMD	MMD/Treasury	30-Year Treasury	30-Year MMD	MMD/Treasury
2022 RHFB AB	2/1/22	1.79%	1.50%	83.8%	2.11%	1.91%	91.1%
2022 RHFB CD	3/3/22	1.73%	1.61%	93.1%	2.16%	2.03%	94.0%
2022 RHFB EF	4/13/22	2.70%	2.46%	91.1%	2.81%	2.81%	100.0%
2022 RHFB GH	6/8/22	3.02%	2.45%	81.1%	3.17%	2.92%	92.1%
2022 RHFB IJK	9/13/22	3.42%	2.81%	82.1%	3.51%	3.62%	103.1%
2022 RHFB LMN	11/9/22	3.83%	3.26%	85.1%	4.31%	4.06%	94.2%
2023 RHFB ABC	2/7/23	3.68%	2.23%	60.6%	3.71%	3.24%	87.3%
2023 RHFB DE	4/19/23	3.60%	2.36%	65.6%	3.79%	3.40%	89.7%
2023 RHFB FG	6/18/23	3.72%	2.57%	69.1%	3.84%	3.50%	91.1%
2023 RHFB HI	6/29/23	3.85%	2.56%	66.5%	3.90%	3.49%	89.5%
2023 RHFB JK	7/27/23	4.01%	2.52%	62.8%	4.06%	3.51%	86.5%
2023 RHFB LM	8/23/23	4.19%	2.95%	70.4%	4.27%	3.91%	91.6%
2023 RHFB NOPQ	9/12/23	4.27%	2.98%	69.8%	4.35%	3.92%	90.1%
2023 RHFB RST	11/8/23	4.49%	3.20%	71.3%	4.64%	4.20%	90.5%
2023 RHFB UV	11/15/23	4.53%	3.10%	68.4%	4.68%	4.12%	88.0%
2024 RHFB ABC	1/23/24	4.14%	2.46%	59.4%	4.38%	3.61%	82.4%
2024 RHFB DE	3/11/24	4.10%	2.40%	58.5%	4.26%	3.57%	83.8%
2024 RHFB FGHI	4/9/24	4.36%	2.65%	60.8%	4.50%	3.81%	84.7%
2024 RHFB JK	5/16/24	4.38%	2.75%	62.8%	4.52%	3.76%	83.2%
2024 RHFB LMN	6/11/24	4.39%	2.92%	66.5%	4.53%	3.79%	83.7%
<b>Change from RHFB 2024 JK</b>		<b>+ 1 bp</b>	<b>+ 17 bps</b>	<b>+ 3.7%</b>	<b>+ 1 bp</b>	<b>+ 3 bps</b>	<b>+ 0.5%</b>

NON-AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST MONTH PLUS EARLIER MHFA

Pricing Date	6/11/24	6/11/24	6/11/24	6/11/24	6/6/24	6/5/24	6/5/24							
Amount	\$80,000,000	\$75,000,000	\$70,000,000	\$83,350,000	\$200,000,000	\$77,305,000	\$69,785,000							
Issuer	Minnesota HFA	Alabama HFA	Maine SHA	Rhode Island HMFC	North Dakota HFA	Wyoming CDA	Phoenix & Maricopa IDA's (AZ)							
Series	2024 Series L	2024 Series B	2024 Series C	Series 83-A	2024 Series C	2024 Series 1	2024 Series C							
Program	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated							
Rating(s)	Aa1 / AA+ / -	Aaa / - / -	Aa1 / AA+ / -	Aa1 / AA+ / -	Aa1 / - / -	Aa1 / AA+ / -	Aa1 / - / -							
Tax Status	Non-AMT	Non-AMT	Non-AMT	Non-AMT	Non-AMT	Non-AMT	Non-AMT							
Maturity Year (24 pricings)	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD						
0 2024														
1 2025	3.400	+20	3.400	+21		3.400	+20							
2 2026	3.45 / 3.45	+27 / +30	3.45 / 3.45	+28 / +34	3.450	+35	3.45 / 3.45	+28 / +32		3.55 / 3.55	+34 / +39			
3 2027	3.50 / 3.50	+41 / +47	3.45 / 3.45	+40 / +43	3.500	+49	3.50 / 3.50	+43 / +49		3.55 / 3.60	+45 / +55			
4 2028	3.55 / 3.60	+54 / +60	3.50 / 3.55	+50 / +55	3.550	+55	3.55 / 3.60	+56 / +62		3.65 / 3.70	+61 / +67			
5 2029	3.625 / 3.65	+66 / +68	3.60 / 3.65	+63 / +68	3.625	+66	3.625 / 3.70	+68 / +75	3.65 / 3.70	+65 / +70	3.75 / 3.80	+75 / +80		
6 2030	3.75 / 3.80	+80 / +85	3.70 / 3.75	+75 / +80	3.750	+80	3.75 / 3.80	+82 / +87	3.75 / 3.80	+77 / +82	3.85 / 3.90	+87 / +92		
7 2031	3.85 / 3.90	+91 / +96	3.80 / 3.85	+86 / +91	3.850	+91	3.800	+86	3.85 / 3.90	+93 / +98	3.85 / 3.90	+88 / +93	3.90 / 4.00	+93 / +103
8 2032	3.95 / 3.95	+102 / +102	3.90 / 3.90	+97 / +97	3.950	+102	3.90 / 3.90	+97 / +97	3.95 / 3.95	+104 / +104	3.95 / 3.95	+99 / +99	4.00 / 4.00	+104 / +104
9 2033	4.00 / 4.00	+108 / +108	3.95 / 3.95	+103 / +103	4.000	+108	3.95 / 3.95	+103 / +103	4.00 / 4.00	+110 / +110	4.00 / 4.00	+105 / +105	4.05 / 4.05	+110 / +110
10 2034	4.05 / 4.05	+113 / +113	4.00 / 4.00	+108 / +108	4.000	+108	4.00 / 4.00	+108 / +108	4.00 / 4.05	+110 / +115	4.00 / 4.00	+105 / +105	4.05 / 4.05	+110 / +110
11 2035	4.10 / 4.10	+118 / +117	4.05 / 4.05	+113 / +111	4.050	+110	4.05 / 4.05	+113 / +111	4.10 / 4.10	+120 / +119	4.05 / 4.05	+110 / +107	4.05 / 4.05	+110 / +108
12 2036			4.10 / 4.10	+115 / +112	4.100	+112	4.05 / 4.10	+110 / +112	4.15 / 4.15	+122 / +121	4.10 / 4.10	+112 / +108	4.10 / 4.10	+112 / +110
13 2037									4.15 / 4.15	+118 / +112				
14 2038	4.150	+105												
15 2039			4.250	+109	4.150	+99	4.200	+104	4.300	+116	4.00* & 4.15	+82 / +97	4.250	+107
16 2040														
17 2041														
18 2042									4.10*	+72				
19 2043														
20 2044			4.550	+104	4.550	+104	4.600	+109	4.650	+117	4.550	+103	4.625	+111
21 2045														
22 2046														
23 2047														
24 2048														
25 2049			4.700	+99	4.750	+104	4.50* / 4.70	+79 / +99	4.750	+107	4.700	+98	4.750	+103
26 2050														
27 2051									4.800	+109	4.750	+100		
28 2052														
29 2053														
30 2054			4.800	+101	4.850	+106	4.900	+111					4.850	+105
31 2055														
PAC	6.50C/4.09Y	+114 to 6yr	6.00C/4.15Y	+120 to 5.6yr					6.25C/4.08Y	+115 to 6yr	6.00C/4.19Y	+119 to 5yr	6.25C/4.41Y	+143 to 6yr
Notes	1/55 PAC bond has 6.50% coupon priced at 112.427 to yield 4.09% and has an average life of 6 years from 75-500% PSA	4/55 PAC bond has 6% coupon priced at 108.998 to yield 4.15% and has an average life of 5.6 years from 75-400% PSA			* Portion of 10/49 is 5.25% coupon priced to yield 4.50%; remainder is 4.70% coupon at par		* 7/42 is 5% coupon; 1/55 PAC bond has 6.25% coupon priced at 111.206 to yield 4.08% and has an average life of 6 years from 50-400% PSA		* Portion of 12/39 is 5% coupon; 12/54 PAC bond has 6% coupon priced at 107.947 to yield 4.19% and has an average life of 5 years from 75-500% PSA		3/55 PAC bond has 6.25% coupon priced at 109.299 to yield 4.41% and has an average life of 6 years from 75-400% PSA			
Maturity Dates	7/1 and 1/1	10/1 and 4/1	11/15	11/15/33 at par	10/1 and 4/1	7/1 and 1/1	6/1 and 12/1	3/1 and 9/1						
Call Provisions	1/1/33 at par	4/1/33 at par/adj PAC			4/1/33 at par	7/1/33 at par	6/1/33 at par	3/1/33 at par/102.594 PAC						
Mkt Index	BBI / RBI 3.97% / 4.26%	BBI / RBI 3.97% / 4.26%	BBI / RBI 3.97% / 4.26%		BBI / RBI 3.97% / 4.26%	BBI / RBI 4.13% / 4.42%	BBI / RBI 4.13% / 4.42%	BBI / RBI 4.13% / 4.42%						
Sr Manager	RBC Capital Markets	Raymond James	Barclays		J.P. Morgan	RBC Capital Markets	RBC Capital Markets	Stifel						

**NON-AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST MONTH PLUS EARLIER MHFA**

Pricing Date	6/4/24	6/4/24	5/30/24	5/29/24	5/23/24	5/23/24	5/22/24
Amount	\$98,735,000	\$199,500,000	\$48,000,000	\$17,065,000	\$25,000,000	\$75,000,000	\$100,000,000
Issuer	Mississippi HC	North Carolina HFA	West Virginia HDF	Montgomery Co. HOC (MD)	Nevada Rural HA	Oklahoma HFA	Florida HFC
Series	Series 2024C	Series 54-A	2024 Series B	2024 Series A	2024 Series A	Series 2024B	2024 Series 3
Program	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated
Rating(s)	Aaa / - / -	Aa1 / AA+ / -	Aaa / AAA / -	Aa2 / - / -	Aa1 / - / -	Aaa / - / -	Aaa / - / -
Tax Status	Non-AMT	Non-AMT	Non-AMT	Non-AMT	Non-AMT	Non-AMT	Non-AMT
Maturity	Coupon/	Spread	Coupon/	Spread	Coupon/	Spread	Coupon/
Year (24 pricings)	Yield	to iMMD	Yield	to iMMD	Yield	to iMMD	Yield
0 2024							
1 2025			3.400 +9				3.40 / 3.40 +1 / +9
2 2026			3.45 / 3.45 +16 / +20				3.45 / 3.45 +15 / +21
3 2027			3.50 / 3.50 +31 / +37				3.50 / 3.50 +34 / +39
4 2028			3.55 / 3.60 +44 / +50		3.550 +39		3.55 / 3.60 +48 / +54
5 2029	3.750 +68		3.65 / 3.65 +58 / +58	3.800 +66		3.900 +87	3.65 / 3.70 +62 / +67
6 2030	3.80 / 3.80 +75 / +75		3.75 / 3.80 +70 / +75			4.000 +99	3.75 / 3.80 +74 / +79
7 2031	3.95 / 3.95 +91 / +91		3.85 / 3.90 +81 / +86	4.000 +89		4.00 / 4.00 +100 / +100	3.85 / 3.90 +85 / +90
8 2032	4.00 / 4.00 +97 / +97		3.95 / 3.95 +92 / +92			4.05 / 4.05 +105 / +105	3.95 / 3.95 +95 / +95
9 2033	4.00 / 4.00 +98 / +98		3.95 / 3.95 +93 / +93	4.100 +99		4.10 / 4.10 +110 / +110	3.95 / 3.95 +95 / +95
10 2034			4.00 / 4.00 +98 / +98			4.10 / 4.10 +109 / +109	4.00 / 4.00 +99 / +99
11 2035			4.05 / 4.05 +103 / +102			4.10 / 4.10 +109 / +106	4.00 / 4.00 +99 / +97
12 2036			4.10 / 4.10 +105 / +104	4.150 +98	4.000 +85		4.05 / 4.05 +100 / +98
13 2037							
14 2038							
15 2039	3.999* +75		4.150 +90	4.350 +101		4.250 +100	4.100 +85
16 2040							
17 2041							
18 2042							
19 2043							
20 2044	4.650 +106		4.550 +96	4.700 +102		4.650 +106	4.600 +101
21 2045							
22 2046							
23 2047							
24 2048							4.750 +100
25 2049	4.800 +101			4.850 +97	4.800 +92	4.850 +106	4.700 +94
26 2050			4.700 +89				
27 2051							
28 2052							
29 2053							
30 2054	4.850 +98			4.900 +94		4.900 +103	4.750 +91
31 2055			4.800 +93		4.900 +94 to 30yr		
PAC			6.25C/4.23Y +118 to 6yr			6.00C/4.42Y +141 to 6yr	6.25C/4.16Y +115 to 6yr
							6.25C/4.10Y +121 to 5yr
Notes	* 12/1/39 is 5% coupon	1/55 PAC bond has 6.25% coupon priced at 110.358 to yield 4.23% and has an average life of 6 years from 100-400% PSA				11/55 PAC bond has 6% coupon priced at 108.005 to yield 4.42% and has an average life of 6 years from 75-400% PSA	9/55 PAC bond has 6.25% coupon priced at 110.757 to yield 4.16% and has an average life of 6 years from 100-400% PSA
Maturity Dates	12/1 and 6/1	7/1 and 1/1	5/1 and 11/1	7/1	11/1/29 & 11/1 and 5/1	3/1 and 9/1	7/1 and 1/1
Call Provisions	6/1/33 at par	1/1/33 at par	5/1/33 at par	7/1/33 at par	5/1/33 at par/102.487 PAC	3/1/33 at par	7/1/33 at par/adj PAC
Mkt Index	BBI / RBI 4.13% / 4.42%	BBI / RBI 4.13% / 4.42%	BBI / RBI 4.00% / 4.29%	BBI / RBI 4.00% / 4.29%	BBI / RBI 4.00% / 4.29%	BBI / RBI 4.00% / 4.29%	BBI / RBI 3.93% / 4.22%
Sr Manager	Raymond James	RBC Capital Markets	Raymond James	BofA	Stifel	Raymond James	BofA

**NON-AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST MONTH PLUS EARLIER MHFA**

Pricing Date	5/22/24	5/21/24	5/21/24	5/15/24	5/14/24	4/9/24	1/23/24		
Amount	\$374,795,000	\$49,310,000	\$190,000,000	\$75,000,000	\$76,500,000	\$26,780,000	\$31,395,000		
Issuer	Pennsylvania HFA	Arizona IDA	Wisconsin HEDA	Kentucky HC	Tennessee HDA	Minnesota HFA	Minnesota HFA		
Series	Series 2024-145A	2024 Series A	2024 Series B	2024 Series C	Issue 2024-2A	2024 Series G	2024 Series A		
Program	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated		
Rating(s)	Aa1 / AA+ / -	Aa1 / - / -	Aa2 / AA+ / -	Aaa / - / -	Aa1 / AA+ / -	Aa1 / AA+ / -	Aa1 / AA+ / -		
Tax Status	Non-AMT	Non-AMT	Non-AMT	Non-AMT	Non-AMT	Non-AMT	Non-AMT		
Maturity	Coupon/	Spread	Coupon/	Spread	Coupon/	Spread	Coupon/	Spread	
Year ("24 pricings)	Yield	to iMMD	Yield	to iMMD	Yield	to iMMD	Yield	to iMMD	
0 2024									
1 2025			3.40 / 3.40	+12 / +20	3.30 / 3.30	+1 / +10	3.250	+12	
2 2026			3.40 / 3.40	+20 / +28	3.35* / 3.35*	+15 / +21	3.25 / 3.25	+18 / +21	
3 2027			3.45 / 3.45	+40 / +44	3.40* / 3.40	+34 / +39	3.30 / 3.35	+35 / +46	
4 2028			3.50 / 3.50	+57 / +58	3.45 / 3.50	+52 / +58	3.40 / 3.45	+61 / +68	
5 2029			3.60 / 3.60	+71 / +71	3.50 / 3.55*	+61 / +66	3.45 / 3.50	+71 / +76	
6 2030			3.70 / 3.75	+83 / +88	3.60* / 3.65*	+73 / +78	3.60 / 3.65	+88 / +93	
7 2031			3.80 / 3.80	+94 / +94	3.75* / 3.80	+89 / +94	3.70 / 3.75	+99 / +104	
8 2032			3.85 / 3.875	+99 / +102	3.85 / 3.85	+99 / +99	3.80 / 3.80	+109 / +109	
9 2033			3.90 / 3.90	+103 / +103	3.90 / 3.90	+103 / +103	3.80 / 3.80	+108 / +108	
10 2034	3.900	+98	3.90 / 3.90	+102 / +102	3.95 / 3.95	+107 / +107	3.85 / 3.85	+113 / +112	
11 2035	3.95 / 4.00	+103 / +106	3.95 / 3.95	+107 / +105	3.950	+107	3.90 / 3.90	+115 / +114	
12 2036	4.00 / 4.00	+104 / +101	3.95 / 3.95	+102 / +99	4.05*	+110	3.90 / 3.90	+110 / +107	
13 2037									
14 2038									
15 2039	4.100	+90	4.000	+83	4.00*	+83	3.97*	+86	
16 2040	4.250	+95					4.000	+89	
17 2041	4.350	+96							
18 2042									
19 2043									
20 2044	4.600	+106	4.500	+99	4.50*	+99	4.400	+93	
21 2045							4.450	+98	
22 2046									
23 2047									
24 2048			4.650	+95					
25 2049	4.750	+99					4.600	+91	
26 2050									
27 2051	4.800	+101	4.700	+93	4.750	+98			
28 2052									
29 2053									
30 2054							4.650	+88	
31 2055							4.650	+89 to 30yr	
PAC	6.00C/4.13Y	+119 to 5yr	6.00C/4.15Y	+126 to 5yr	6.00C/4.08Y	+119 to 5yr	6.25C/4.00Y	+126 to 5yr	
							6.00C/4.01Y	+129 to 6yr	
							6.50C/4.05Y	+137 to 5yr	
								6.25C/3.93Y	+148 to 5yr
Notes	10/54 PAC bond has 6% coupon priced at 108.234 to yield 4.13% and has an average life of 5 years from 75-500% PSA	10/54 PAC bond has 6% coupon priced at 108.159 to yield 4.15% and has an average life of 5 years from 50-500% PSA	*3/26-3/27&9/29-3/31 are 5% cpns (lock out), 9/36 4%, 9/39 5%, 9/44 4.25%; 3/55 PAC is 6% at 108.468 to yield 4.08% w/5 yr avg. life 75-500% PSA	*7/39 is 4% coupon; 1/55 PAC bond has 6.25% coupon priced at 109.948 to yield 4.00% and has an average life of 5 years from 100-400% PSA	1/55 PAC bond has 6% coupon priced at 110.288 to yield 4.01% and has an average life of 6 years from 75-400% PSA	7/54 PAC bond has 6.50% coupon priced at 110.824 to yield 4.05% and has an average life of 5 years from 75-500% PSA	1/54 PAC bond has 6.25% coupon priced at 110.285 to yield 3.93% and has an average life of 5 years from 75-500% PSA		
Maturity Dates	10/1 and 4/1	4/1 and 10/1	3/1 and 9/1	7/1 and 1/1	1/1 and 7/1	7/54 PAC only	1/54 PAC only		
Call Provisions	4/1/33 at par	4/1/33 at par	9/1/33 at par	7/1/33 at par	1/1/33 at par	7/1/33 at par	7/1/33 at par		
Mkt Index	BBI / RBI 3.93% / 4.22%	BBI / RBI 3.93% / 4.22%	BBI / RBI 3.93% / 4.22%	BBI / RBI 3.93% / 4.22%	BBI / RBI 3.93% / 4.22%	BBI / RBI 3.68% / 3.96%	BBI / RBI 3.39% / 3.67%		
Sr Manager	Raymond James	Barclays	RBC Capital Markets	BofA	RBC Capital Markets	RBC Capital Markets	RBC Capital Markets		

NON-AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST MONTH PLUS EARLIER MHFA

Pricing Date	11/8/23		9/12/23		6/15/23	
Amount	\$48,750,000		\$49,005,000		\$60,000,000	
Issuer	Minnesota HFA		Minnesota HFA		Minnesota HFA	
Series	2023 Series R		2023 Series O		2023 Series F	
Program	Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated	
Rating(s)	Aa1 / AA+ / -		Aa1 / AA+ / -		Aa1 / AA+ / -	
Tax Status	Non-AMT		Non-AMT		Non-AMT	
Maturity Year ('24 pricings)	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD
0 2024						
1 2025					3.250	+18
2 2026			3.500	+35	3.25 / 3.25	+24 / +33
3 2027					3.25 / 3.25	+42 / +46
4 2028					3.30 / 3.30	+60 / +61
5 2029					3.35 / 3.35	+69 / +71
6 2030					3.45 / 3.50	+83 / +88
7 2031					3.60 / 3.65	+105 / +110
8 2032					3.75 / 3.80	+122 / +127
9 2033					3.85 / 3.85	+133 / +133
10 2034						
11 2035					3.95 / 4.00	+136 / +137
12 2036					4.10 / 4.10	+141 / +136
13 2037						
14 2038						
15 2039			4.450	+96	4.200	+110
16 2040						
17 2041						
18 2042			4.650	+103		
19 2043						
20 2044					4.500	+122
21 2045						
22 2046						
23 2047						
24 2048						
25 2049						
26 2050						
27 2051						
28 2052						
29 2053						
30 2054						
31 2055						
PAC	6.25C/4.63Y	+151 to 5yr	6.00C/4.31Y	+143 to 5yr	5.75C/4.11Y	+147 to 5yr
Notes	7/54 PAC bond has 6.25% coupon priced at 107.02 to yield 4.63% and has an average life of 5 years from 75-500% PSA		7/53 PAC bond has 6% coupon priced at 107.412 to yield 4.31% and has an average life of 5 years from 75-500% PSA		7/53 PAC bond has 5.75% coupon priced at 107.223 to yield 4.11% and has an average life of 5 years from 75-500% PSA	
Maturity Dates	7/1/54 only		7/1		7/1 and 1/1	
Call Provisions	1/1/33 at par		1/1/33 at par		1/1/33 at par	
Mkt Index	BBi / RBI 4.17% / 4.45%		BBi / RBI 3.85% / 4.13%		BBi / RBI 3.67% / 3.95%	
Sr Manager	RBC Capital Markets		RBC Capital Markets		RBC Capital Markets	



## TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST MONTH PLUS EARLIER MHFA

Pricing Date	6/11/24				6/11/24				6/5/24				6/4/24				6/4/24			
Amount	\$105,000,000				\$103,655,000				\$15,000,000				\$29,260,000				\$100,000,000			
Issuer	Minnesota HFA				Rhode Island HMFC				Wyoming CDA				Mississippi HC				North Carolina HFA			
Series	2024 Series M				Series 83-T				2024 Series 3				Series 2024D				Series 54-B			
Program	Single Family / Negotiated				Single Family / Negotiated				Single Family / Negotiated				Single Family / Negotiated				Single Family / Negotiated			
Rating(s)	Aa1 / AA+ / -				Aa1 / AA+ / -				Aa1 / AA+ / -				Aaa / - / -				Aa1 / AA+ / -			
Tax Status	Taxable				Taxable				Taxable				Taxable				Taxable			
Maturity	Coupon/	Spread			Coupon/	Spread			Coupon/	Spread			Coupon/	Spread			Coupon/	Spread		
Year ('24 pricings)	Yield	to UST			Yield	to UST			Yield	to UST			Yield	to UST			Yield	to UST		
1 2025	5.130	+30	to 2 yr										5.08 / 5.08	+31 / +31	to 2 yr		5.062	+30	to 2 yr	
2 2026	5.08 / 5.08	+25 / +25	to 2 yr						5.026	+30	to 2 yr		5.03 / 5.03	+26 / +26	to 2 yr		5.012 / 5.012	+25 / +25	to 2 yr	
3 2027	4.894 / 4.914	+28 / +30	to 3 yr		4.989 / 5.039	+35 / +40	to 3 yr		4.813	+30	to 3 yr		4.82 / 4.87	+27 / +32	to 3 yr		4.848 / 4.848	+30 / +30	to 3 yr	
4 2028	4.763 / 4.763	+35 / +35	to 5 yr		4.84 / 4.89	+40 / +45	to 5 yr						4.72 / 4.77	+37 / +42	to 5 yr		4.692 / 4.692	+35 / +35	to 5 yr	
5 2029	4.863 / 4.863	+45 / +45	to 5 yr		4.89 / 4.94	+45 / +50	to 5 yr		4.708	+40	to 5 yr		4.82 / 4.87	+47 / +52	to 5 yr		4.742 / 4.792	+40 / +45	to 5 yr	
6 2030	4.954 / 5.004	+55 / +60	to 7 yr		4.981 / 5.031	+55 / +60	to 7 yr		4.846	+55	to 7 yr						4.829 / 4.879	+50 / +55	to 7 yr	
7 2031	5.004 / 5.054	+60 / +65	to 7 yr		5.081 / 5.131	+65 / +70	to 7 yr		4.896 / 4.946	+60 / +65	to 7 yr						4.919 / 4.969	+59 / +64	to 7 yr	
8 2032	5.10* / 5.15	+70 / +75	to 10 yr		5.18 / 5.23	+75 / +80	to 10 yr		4.993 / 5.043	+70 / +75	to 10 yr						5.018 / 5.078	+69 / +75	to 10 yr	
9 2033	5.18 / 5.23*	+78 / +83	to 10 yr		5.28 / 5.33	+85 / +90	to 10 yr		5.093 / 5.143	+80 / +85	to 10 yr						5.098 / 5.158	+77 / +83	to 10 yr	
10 2034	5.33 / 5.33	+93 / +93	to 10 yr		5.38 / 5.43	+95 / +100	to 10 yr		5.193	+90	to 10 yr						5.208 / 5.258	+88 / +93	to 10 yr	
11 2035	5.38* / 5.42*	+98 / +102	to 10 yr		5.48 / 5.53	+105 / +110	to 10 yr										5.308 / 5.358	+98 / +103	to 10 yr	
12 2036	5.45* / 5.50	+105 / +110	to 10 yr		5.56 / 5.58	+113 / +115	to 10 yr										5.388 / 5.418	+106 / +109	to 10 yr	
13 2037																				
14 2038																				
15 2039	5.730	+133	to 10 yr		5.710	+128	to 10 yr										5.598	+127	to 10 yr	
16 2040																				
17 2041																				
18 2042																				
19 2043																				
20 2044	5.937*	+140	to 30 yr		5.891	+133	to 30 yr										5.811	+133	to 30 yr	
21 2045																				
22 2046																				
23 2047																				
24 2048																				
25 2049	6.007*	+147	to 30 yr														5.881	+140	to 30 yr	
26 2050																				
27 2051	6.037*	+150	to 30 yr																	
28 2052																				
29 2053																				
30 2054																				
31 2055																	5.901	+142	to 30 yr	
PAC					6.25C/5.55Y	+111	to 5 yr						6.25C/5.447Y	+110	to 5 yr		6.50C/5.492Y	+115	to 5 yr	
Notes	* 7/25 priced to 2yr; 1/32, 7/33, and 1/35-1/36 are 6% coupons; 7/44 is 5.915% coupon; 7/49 is 5.968% coupon; 7/51 is 6.018% coupon				10/54 PAC is 6.25% coupon priced at 102.962 to yield 5.55% w/5 year avg. life 75-500% PSA								6/25 and 12/25 spread to 2yr; 12/54 PAC is 6.25% coupon priced at 103.411 to yield 5.447% w/5 year avg. life 50-500% PSA				7/25 spread to 2yr; 1/55 PAC is 6.50% coupon priced at 104.274 to yield 5.492% w/5 year avg. life 50-400% PSA			
Maturity Dates	7/1 and 1/1				4/1 and 10/1				12/1/26,27,29 then 12/1 and 6/1				6/1 and 12/1				7/1 and 1/1			
Call Provisions	1/1/33 at par				4/1/33 at par				6/1/33 at par				6/1/33 at par				1/1/33 at par			
Mkt Index	BBI / RBI 3.97% / 4.26%				BBI / RBI 3.97% / 4.26%				BBI / RBI 4.13% / 4.42%				BBI / RBI 4.13% / 4.42%				BBI / RBI 4.13% / 4.42%			
Sr Manager	RBC Capital Markets				J.P. Morgan				RBC Capital Markets				Raymond James				RBC Capital Markets			

**TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST MONTH PLUS EARLIER MHFA**

Pricing Date	5/30/24				5/29/24				5/22/24				5/22/24				5/16/24									
Amount	\$32,000,000				\$12,935,000				\$150,000,000				\$75,170,000				\$60,000,000									
Issuer	West Virginia HDF				Montgomery Co. HOC (MD)				Florida HFC				Pennsylvania HFA				Minnesota HFA									
Series	2024 Series C				2024 Series B				2024 Series 4				Series 2024-145B				2024 Series J									
Program	Single Family / Negotiated				Single Family / Negotiated				Single Family / Negotiated				Single Family / Negotiated				Single Family / Negotiated									
Rating(s)	Aaa / AAA / -				Aa2 / - / -				Aaa / - / -				Aa1 / AA+ / -				Aa1 / AA+ / -									
Tax Status	Taxable				Taxable				Taxable				Taxable				Taxable									
Maturity Year ('24 pricings)	Coupon/ Yield		Spread to UST		Coupon/ Yield		Spread to UST		Coupon/ Yield		Spread to UST		Coupon/ Yield		Spread to UST		Coupon/ Yield		Spread to UST							
1 2025	5.248	/ 5.248	+30	/ +30	to 2 yr	5.251	+29	to 2 yr	5.175	+30	to 2 yr	5.151	/ 5.151	+32	/ +32	to 2 yr										
2 2026	5.198	/ 5.198	+25	/ +25	to 2 yr	5.151	/ 5.151	+19	/ +19	to 2 yr	5.075	/ 5.075	+20	/ +20	to 2 yr	5.031	/ 5.081	+20	/ +25	to 2 yr	4.983* +20 to 2 yr					
3 2027	4.99	/ 5.04	+25	/ +30	to 3 yr	5.058	/ 5.108	+27	/ +32	to 3 yr	4.90	/ 4.90	+25	/ +25	to 3 yr	4.857	/ 4.907	+25	/ +30	to 3 yr	4.812* +25 to 3 yr					
4 2028	4.935	/ 4.985	+35	/ +40	to 5 yr	4.984	+35	to 5 yr	4.766	/ 4.766	+30	/ +30	to 5 yr	4.734	/ 4.784	+30	/ +35	to 5 yr	4.691*	+30	to 5 yr	4.691* +30 to 5 yr				
5 2029	5.035	/ 5.035	+45	/ +45	to 5 yr	4.984	/ 5.034	+35	/ +40	to 5 yr	4.816	/ 4.866	+35	/ +40	to 5 yr	4.834	/ 4.884	+40	/ +45	to 5 yr	4.741	/ 4.791	+35	/ +40	to 5 yr	4.741 / 4.791 +35 / +40 to 5 yr
6 2030	5.066	/ 5.116	+50	/ +55	to 7 yr	5.078	/ 5.128	+45	/ +50	to 7 yr	4.841	/ 4.891	+40	/ +45	to 7 yr	4.869	/ 4.919	+45	/ +50	to 7 yr	4.825	/ 4.875	+45	/ +50	to 7 yr	4.825 / 4.875 +45 / +50 to 7 yr
7 2031	5.166	/ 5.216	+60	/ +65	to 7 yr	5.178	/ 5.228	+55	/ +60	to 7 yr	4.941	/ 4.991	+50	/ +55	to 7 yr	4.969	/ 5.019	+55	/ +60	to 7 yr	4.925	/ 4.975	+55	/ +60	to 7 yr	4.925 / 4.975 +55 / +60 to 7 yr
8 2032	5.252	/ 5.302	+70	/ +75	to 10 yr	5.263	/ 5.313	+65	/ +70	to 10 yr	5.074	/ 5.124	+65	/ +70	to 10 yr	5.112	/ 5.162	+70	/ +75	to 10 yr						
9 2033	5.352	/ 5.402	+80	/ +85	to 10 yr	5.363	/ 5.413	+75	/ +80	to 10 yr	5.174	/ 5.224	+75	/ +80	to 10 yr	5.212	/ 5.262	+80	/ +85	to 10 yr	5.119*	/ 5.219	+75	/ +85	to 10 yr	5.119* / 5.219 +75 / +85 to 10 yr
10 2034	5.452	/ 5.502	+90	/ +95	to 10 yr	5.463	/ 5.513	+85	/ +90	to 10 yr	5.274	/ 5.324	+85	/ +90	to 10 yr	5.312	/ 5.362	+90	/ +95	to 10 yr	5.319	/ 5.369	+95	/ +100	to 10 yr	5.319 / 5.369 +95 / +100 to 10 yr
11 2035	5.552	/ 5.602	+100	/ +105	to 10 yr	5.563	/ 5.613	+95	/ +100	to 10 yr	5.374	/ 5.424	+95	/ +100	to 10 yr						5.419	/ 5.469	+105	/ +110	to 10 yr	5.419 / 5.469 +105 / +110 to 10 yr
12 2036						5.663	+105	to 10 yr	5.424	/ 5.474	+100	/ +105	to 10 yr													
13 2037																										
14 2038																										
15 2039	5.832		+128		to 10 yr	5.913		+130		to 10 yr	5.674		+125		to 10 yr	5.712		+130		to 10 yr	5.619		+125		to 10 yr	5.619 +125 to 10 yr
16 2040																										
17 2041																										
18 2042																										
19 2043																										
20 2044	6.019		+133		to 30 yr	6.089		+135		to 30 yr	5.878		+133		to 30 yr						5.848		+133		to 30 yr	5.848 +133 to 30 yr
21 2045																										
22 2046																										
23 2047																					5.908		+139		to 30 yr	5.908 +139 to 30 yr
24 2048																										
25 2049	6.069		+138		to 30 yr						5.928		+138		to 30 yr											
26 2050																										
27 2051																										
28 2052																										
29 2053																										
30 2054	6.119		+143		to 30 yr						5.948		+140		to 30 yr											
31 2055																										
PAC											6.25C/5.616Y		+115		to 5 yr						6.50C/5.591Y		+120		to 5 yr	6.50C/5.591Y +120 to 5 yr
Notes	5/25 and 11/25 priced to 2yr				7/25 spread to 2yr				7/25 priced to 2yr; 1/55 PAC is 6.25% coupon priced at 102.671 to yield 5.616% w/5 year avg. life 50-500% PSA				4/25 and 10/25 priced to 2yr				* 7/26, 7/27, 7/28, and 1/33 are 6% coupons; 7/54 PAC is 6.50% coupon priced at 102.996 to yield 5.591% w/5 year avg. life 75-500%									
Maturity Dates	5/1 and 11/1				7/1 and 1/1				7/1 and 1/1				4/1 and 10/1				7/1/26,27,28; 1/1 and 7/1									
Call Provisions	5/1/33 at par				7/1/33 at par				7/1/33 at par				4/1/33 at par				7/1/33 at par									
Mkt Index	BBi / RBI 4.00% / 4.29%				BBi / RBI 4.00% / 4.29%				BBi / RBI 3.93% / 4.22%				BBi / RBI 3.93% / 4.22%				BBi / RBI 3.93% / 4.22%									
Sr Manager	Raymond James				BofA				BofA				Raymond James				RBC Capital Markets									

**TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST MONTH PLUS EARLIER MHFA**

Pricing Date	5/15/24	5/15/24	5/14/24	4/9/24	3/11/24
Amount	\$145,510,000	\$75,000,000	\$178,500,000	\$62,095,000	\$60,000,000
Issuer	Colorado HFA	Kentucky HC	Tennessee HDA	Minnesota HFA	Minnesota HFA
Series	2024 Series C-1	2024 Series D	Issue 2024-2B	2024 Series H	2024 Series D
Program	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated
Rating(s)	Aaa / AAA / -	Aaa / - / -	Aa1 / AA+ / -	Aa1 / AA+ / -	Aa1 / AA+ / -
Tax Status	Taxable	Taxable	Taxable	Taxable	Taxable
Maturity	Coupon/	Spread	Coupon/	Spread	Coupon/
Year ('24 pricings)	Yield	to UST	Yield	to UST	Yield
1 2025			5.041 +30 to 2 yr	5.171 +35 to 2 yr	5.145 / 5.145 +40 / +40 to 2 yr
2 2026	4.941*	+20 to 2 yr	4.941 / 4.941 +20 / +20 to 2 yr	5.071 / 5.071 +25 / +25 to 2 yr	5.025 / 5.045 +28 / +30 to 2 yr
3 2027	4.775*	+25 to 3 yr	4.722 / 4.722 +20 / +20 to 3 yr	4.918 / 4.918 +30 / +30 to 3 yr	4.857 / 4.907 +30 / +35 to 3 yr
4 2028	4.711 / 4.711*	+35 / +35 to 5 yr	4.611 / 4.661 +25 / +30 to 5 yr	4.76 / 4.76 +30 / +30 to 5 yr	4.827 / 4.887 +45 / +51 to 5 yr
5 2029	4.761 / 4.811*	+40 / +45 to 5 yr	4.711 / 4.751 +35 / +39 to 5 yr	4.81 / 4.84 +35 / +38 to 5 yr	4.887 / 4.937 +51 / +56 to 5 yr
6 2030	4.804 / 4.854*	+45 / +50 to 7 yr	4.804 / 4.854 +45 / +50 to 7 yr	4.901 / 4.951 +45 / +50 to 7 yr	5.019 / 5.069 +64 / +69 to 7 yr
7 2031	5.000*	+65 to 7 yr	4.904 / 4.954 +55 / +60 to 7 yr	4.981 / 5.011 +53 / +56 to 7 yr	5.139 / 5.179 +76 / +80 to 7 yr
8 2032	5.059 / 5.099*	+70 / +74 to 10 yr	5.037 / 5.107 +68 / +75 to 10 yr	5.135 / 5.175 +69 / +73 to 10 yr	5.238 / 5.268 +87 / +90 to 10 yr
9 2033	5.139 / 5.199	+78 / +84 to 10 yr	5.157 / 5.207 +80 / +85 to 10 yr	5.225 / 5.275 +78 / +83 to 10 yr	5.348 / 5.388 +98 / +102 to 10 yr
10 2034	5.249 / 5.289	+89 / +93 to 10 yr	5.232 / 5.307 +88 / +95 to 10 yr	5.335 / 5.385 +89 / +94 to 10 yr	5.428 / 5.428 +106 / +106 to 10 yr
11 2035	5.349 / 5.399	+99 / +104 to 10 yr	5.357 / 5.407 +100 / +105 to 10 yr	5.445 / 5.495 +100 / +105 to 10 yr	5.488 / 5.488 +112 / +112 to 10 yr
12 2036	5.459 / 5.509	+110 / +115 to 10 yr	5.437 / 5.437 +108 / +108 to 10 yr		
13 2037					
14 2038					
15 2039	5.659	+130 to 10 yr	5.557	+120 to 10 yr	5.645
16 2040					
17 2041					
18 2042					
19 2043					
20 2044	5.894	+137 to 30 yr	5.822	+130 to 30 yr	5.912
21 2045					
22 2046					
23 2047					
24 2048	5.944	+142 to 30 yr			
25 2049			5.872	+135 to 30 yr	5.962
26 2050					
27 2051					
28 2052					
29 2053					
30 2054					
31 2055			5.902	+138 to 30 yr	
PAC			6.25C/5.541Y	+118 to 5 yr	6.25C/5.621Y
Notes	* 11/26, 11/27, 11/28 11/29, 11/30, 11/31, and 11/32 are 6% coupons	7/25 priced to 2yr; 1/55 PAC is 6.25% coupon priced at 102.996 to yield 5.541% w/5 year avg. life 50-400% PSA	7/25 priced to 2yr; 1/55 PAC is 6.25% coupon priced at 103.075 to yield 5.621% w/6 year avg. life 75-400% PSA	1/25 and 7/25 priced to 2yr	7/34 priced to 5yr (+84 to 10yr); 7/54 PAC is 6.25% coupon priced at 104.008 to yield 5.308% w/5 year avg. life 75-500% PSA
Maturity Dates	11/1/26, 11/1/27, 5/1 and 11/1	7/1 and 1/1	7/1 and 1/1	1/1 and 7/1	1/1 and 7/1
Call Provisions	5/1/33 at par	7/1/33 at par	1/1/33 at par	7/1/33 at par	7/1/33 at par
Mkt Index	BBi / Rbi 3.93% / 4.22%	BBi / Rbi 3.93% / 4.22%	BBi / Rbi 3.93% / 4.22%	BBi / Rbi 3.68% / 3.96%	BBi / Rbi 3.52% / 3.80%
Sr Manager	RBC Capital Markets	BofA	RBC Capital Markets	RBC Capital Markets	RBC Capital Markets

**TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST MONTH PLUS EARLIER MHFA**

Pricing Date	1/23/24	11/15/23
Amount	\$73,605,000	\$48,750,000
Issuer	Minnesota HFA	Minnesota HFA
Series	2024 Series B	2023 Series U
Program	Single Family / Negotiated	Single Family / Negotiated
Rating(s)	Aa1 / AA+ / -	Aa1 / AA+ / -
Tax Status	Taxable	Taxable
Maturity Year ('24 pricings)	Coupon/ Yield	Spread to UST
1 2025	4.853 / 4.883	+47 / +50 to 2 yr
2 2026	4.733 / 4.783	+35 / +40 to 2 yr
3 2027	4.718 / 4.748	+56 / +59 to 3 yr
4 2028	4.719 / 4.769	+67 / +72 to 5 yr
5 2029		
6 2030		
7 2031		
8 2032		
9 2033		
10 2034	5.205	+110 to 7 yr
11 2035		5.742 +120 to 5yr
12 2036		
13 2037		
14 2038		
15 2039	5.520	+138 to 10 yr
16 2040		6.121 +157 to 10 yr
17 2041		
18 2042		
19 2043		
20 2044	5.780	+139 to 30 yr
21 2045		
22 2046		
23 2047		
24 2048		
25 2049	5.900	+151 to 30 yr
26 2050		
27 2051	5.960	+157 to 30 yr
28 2052		
29 2053		
30 2054		
31 2055		
PAC		6.50C/6.052Y +151 to 5 yr
Notes	1/25 and 7/25 priced to 2yr; 1/34 priced to 7yr avg. life	1/34 priced to 5yr avg. life; 1/39 priced to 10yr (+140 to 30yr); 7/54 PAC is 6.50% at 101.856 to yield 6.052% w/5 yr avg. life 75-500%
Maturity Dates	1/1 and 7/1	1/1/34, 1/1/39, 7/1/43, 7/1/54
Call Provisions	7/1/33 at par	1/1/33 at par
Mkt Index	BBi / RBI 3.39% / 3.67%	BBi / RBI 3.93% / 4.21%
Sr Manager	RBC Capital Markets	RBC Capital Markets