



2024 Single Family Gap Financing Program Guide

The Greater Minnesota Housing Fund (GMHF) is a 501(c)3 non-profit organization founded in 1996 and Minnesota's largest affordable housing Community Development Finance Institution (CDFI), certified by the United States Department of Treasury in 2004. Since its inception, GMHF has provided direct financing of nearly \$1 billion to affordable housing projects and created or preserved more than 21,000 homes for low- and moderate-income Minnesotans. GMHF combines its affordable housing loan products with equity investments (offered through its two wholly owned subsidiaries Minnesota Equity Fund and NOAH Impact Fund) to create and preserve affordable housing statewide. Our mission is to support the creation of strong communities and affordable homes through making strategic investments and forming effective partnerships.

GMHF Single Family Gap Financing Program Overview

GMHF's Single Family Gap Financing Program provides funding for need-based deferred subordinate mortgage financing to qualified homebuyers for a qualified home purchase. The financing provided is designed to fill the gap between what a homebuyer can afford based on their income and the cost to acquire a home to be used as their principal residence. GMHF delivers its financing through qualified local administrators in Greater Minnesota who have been awarded funds by GMHF to make qualifying secondary loans to homebuyers. GMHF makes resources available for its Single Family Gap Financing Program on an annual basis as a co-funder with Minnesota Housing in its consolidated Request for Proposals (RFP) funding application process published each spring, and also accepts proposals on a pipeline basis outside of the RFP.

Eligible Applicants

- ✓ Cities
- ✓ Housing and Redevelopment Authorities
- ✓ For-profit and nonprofit organizations
- ✓ Indian tribes or tribally designated housing entities
- ✓ Public Housing Agencies
- ✓ Joint powers boards

Income Limits

- ✓ Household income cannot exceed 80% of greater of state or area median for a household of four, or adjusted for household size for households larger than four.

Eligible Use of Funds

All projects must support owner-occupied, single-family housing and comply with Green Communities Criteria. Eligible uses include:

- ✓ Down Payment & Closing Cost Assistance for Qualified Home Purchase

Type of Funds Available

- ✓ **Deferred Loans:** Interest-free deferred loan financing of up to \$15,000 per home is available to help eligible home buyers and homeowners bridge affordability gaps after maximizing the first mortgage and other funding sources.

Selection Criteria and Funding Priorities

Threshold Criteria

Applicants must demonstrate ability to meet the threshold criteria below.

1. **Project Feasibility:** The proposed activity is efficient, cost effective and economically viable given market conditions and the experience of the applicant.
2. **Community need:** The project aligns with a well-defined community need for the housing activity in the Target Area based on local demographic, workforce, and economic factors.
3. **Organization capacity:** The applicant and its partners' related housing experience and track record demonstrates organizational capacity to undertake and complete the proposed activity.
4. **Alignment with Funding Priorities:** The applicant demonstrates the ability to meet one or more of the funding priorities outlined below.

Funding Priorities

Preference will be given to proposals based on the extent to which the applicant demonstrates the ability to meet one or more of the following GMHF priorities:

- ☐ Proposals which apply a racial and economic equity lens to promote economic inclusion in the benefits of homeownership among households of color, immigrant households, and households with disabled members.
- ☐ Proposals that seek to leverage cross-sector health and housing partnerships to improve community and individual health through investments in affordable housing.

Single Family Gap Financing Program Contact Information

For more information on GMHF's lending products and technical assistance, contact:

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