



Updated 1/27/2022

MEETINGS SCHEDULED FOR JANUARY

Minnesota Housing
400 Wabasha Street N. Suite 400
St. Paul, MN 55102

THURSDAY, JANUARY 27, 2022

Regular Board Meeting
10:00 a.m.

Conference Call

Toll-free dial-in number (U.S. and Canada):
1- 866- 952- 8437

Access code:
676-547-919

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, January 27, 2022.

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 or Minn. Stat. 13D.021 are met. 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.

This page intentionally left blank.



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

Mission

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

Vision

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

AGENDA

Minnesota Housing Board Meeting

Thursday January 27, 2022

10:00 a.m.

- 1. Call to Order**
- 2. Roll Call**
- 3. Agenda Review**
- 4. Approval of Minutes**
 - A. (page 5) Regular Meeting of December 16, 2021
- 5. Reports**
 - A. **Chair**
 - B. **Commissioner**
 - C. **Committee**
- 6. Consent Agenda**
 - A. (page 9) Forbearance, Low Income Large Family Rental Housing Program (LILF)
- Park Crossing Apartments, D1526, Saint Paul
 - B. (page 13) Waiver, Predictive Cost Model 25% Threshold
- Fire Station One, D8133, Minneapolis
 - C. (page 15) Modification to Commitment, Bridge Loan (BL)
- Bimosedaa, Minneapolis, D8235
- 7. Action Items**
 - A. (page 23) Selection and Commitment, Low and Moderate Income Rental Loan (LMIR)
- Edison, D8005, Roseville
 - B. (page 35) Selection and Commitment, Low and Moderate Income Rental Loan (LMIR)

-Maple Village II, D6286, Maple Grove

- C. (page 47) Request for Updated Delegated Authority Related to Forbearance and Servicing of the Multifamily Loan Portfolio
- D. (page 55) Single Family Selections, Manufactured Home Community Redevelopment Program
- E. (page 73) Single Family Selections, Community Homeownership Impact Fund
- F. (page 163) 2021 Multifamily Selections, Amortizing and Deferred Loans, and 2022 Housing Tax Credits

8. Discussion Items

- A. (page 217) 2022 Governor's Capital Budget and Supplemental Budget Recommendations

9. Information Items

- A. (page 219) Post-sale, RHFB Series 2021 GHI

10. Other Business

None.

11. Adjournment

DRAFT Minutes
Minnesota Housing Board Meeting
Thursday, December 16, 2021
1:00 p.m.
Via Conference Call

1. Call to Order.

Chair DeCramer called to order the regular meeting of the Board of Minnesota Housing Finance Agency at 1:02 p.m.

2. Roll Call.

Members Present via conference call: Chief Executive Melanie Benjamin, Auditor Blaha, Chair John DeCramer, Craig Klausung, Stephanie Klinzing, Stephen Spears and Terri Thao.

Minnesota Housing Staff present via conference call: Tal Anderson, Tom Anderson, Caitlin Arreola, Vi Bergquist, Ibtisam Brown, Kevin Carpenter, Jessica Deegan, Matt Dieveney, Michelle Doyal, Ben Eggersdorfer, Diane Elias, Rachel Franco, Graydon Francis, Zahra Hassan, John Hawkinson, Anne Heitlinger, Darryl Henchen, Adam Himmel, Summer Jefferson, Katey Kinley, Kasey Kier, Dan Kitzberger, Greg Krenz, Laurie Krivitz, Tresa Larkin, Debbi Larson, Song Lee, James Lehnhoff, Amanda Lor, Nira Ly, Paul Marzynski, Jill Mazullo, Don McCabe, Amy Melmer, Judi Mortenson, John Patterson, Caryn Polito, William Price, Brittany Rice, Paula Rindels, Cheryl Rivinius, Rachel Robinson, Lael Robertson, Dani Salus, Joel Salzer, Anne Smetak, Corey Strong, Kim Stuart, Jodell Swenson, Susan Thompson, Mike Thone, Kayla Vang, Tyler Wenande, Alyssa Wetzels-Moore, and Kristy Zack.

Others present via conference call: Michelle Adams, Kutak Rock; Ramona Advani, Minnesota Office of the State Auditor; David R Anderson, All Parks Alliance for Change.

3. Agenda Review

No changes.

4. Approval

A. Regular Meeting Minutes of November 16, 2021

Motion: Auditor Blaha moved to approve the November 16, 2021, Regular Meeting Minutes. Seconded by Terri Thao. Roll call was taken. Stephanie Klinzing abstained. Stephen Spears was not present. Motion carries 5-0. All were in favor.

5. Reports

A. Chair

None.

B. Commissioner

Commissioner Ho shared the following with the Board:

- Welcome new employees Vanessa Joy Haight, Tereza Ponce de Leon, Brenda Bouthilet, and Ibtisam Brown

- Meetings with Equity in Place, USDA Rural Development Team, Senator Kunesch, NSCHA Board of Directors, Secretary Fudge.
- Visits to Hibbing, Eastgate Apartments open house, Rise Modular in Owatonna.
- 2021 Consolidated RFP Selections Update
- Workforce Housing Development Program Update
- 2022 Session Prep Update
- RentHelpMN Update
- HomeHelpMN Update

C. Committee

None.

6. Consent Agenda

- A.** Moved to Action Item
- B.** Program Guide Waiver, Rental Rehabilitation Deferred Loan (RRDL)
 - Ridgeway Court III, D0140, Bemidji
 - Ridgeway Court IV, D0141, Bemidji
- C.** Approval, Waiver to the 2021 Housing Tax Credit Qualified Allocation Plan and Program Procedural Manual
 - The Crest Apartments II, D7876, Brooklyn Center, MN
- D.** Revision to Board Policy 12, Rotation of Independent Auditor

Motion: Stephanie Klinzing moved to approve the Consent Agenda Items 6B-6D. Seconded by Craig Klausing. Roll call was taken. Motion carries 7-0. All were in favor. Board Member Klausing requested Consent Agenda Item 6A move to Action Item.

7. Action Items

6A. Approval, Community Homeownership Impact Fund Program Procedural Manual

Board Member Klausing inquired on Chapter 2 regarding Conflict of Interest 2.3 of the procedural manual. Staff provided answers to his inquiry.

Motion: Craig Klausing moved to approve Approval, Community Homeownership Impact Fund Program Procedural Manual. Seconded by Stephanie Klinzing. Roll call was taken. Motion carries 7-0. All were in favor.

A. Approval, Revisions to the Rehabilitation Loan Program Procedural Manual

Noemi Arocho presented to the board a request for approval of the revised Rehabilitation Loan Program Procedural Manual. Chair DeCramer opened up the discussion. Board members asked questions and staff provided answers.

Motion: Stephanie Klinzing moved Approval, Revisions to the Rehabilitation Loan Program Procedural Manual. Seconded by Terri Thao. Roll call was taken. Motion carries 7-0. All were in favor.

B. Pulled from the Agenda**C. Pulled from the Agenda****D. Commitment, Low and Moderate Income Rental Loan (LMIR)****-Fieldcrest Apartments, D2795, Moorhead**

Erin Coons presented to the board a request for adoption of a resolution authorizing the issuance of a LMIR program commitment in the amount of up to \$2,618,000. All commitments are subject to the terms and conditions of the Agency term letter. Chair DeCramer opened up the discussion. There were no questions from board members.

Motion: Terri Thao moved Commitment, Low and Moderate Income Rental Loan - Fieldcrest Townhomes, D2795, Moorhead, MN. Seconded by Stephen Spears. Roll call was taken. Motion carries 7-0. All were in favor.

E. COVID-19 Emergency Rental Assistance Expansion for Housing Stabilization Services

Diane Elias presented to the board a request for approval for a set aside of up to \$9 million in federal COVID-19 Emergency Rental Assistance to be used for Housing Stabilization Services. Chair DeCramer opened up the discussion. Board members asked questions and staff provided answers.

Motion: Chief Executive Benjamin moved COVID-19 Emergency Rental Assistance Expansion for Housing Stabilization Services. Seconded by Terri Thao. Roll call was taken. Motion carries 7-0. All were in favor.

F. Selection of firms to serve on the Investment Banking/Underwriting Team for years 2022-2025

Kevin Carpenter presented to the board a request for one-year waiver of the provision in section 1.10 of the Board Debt and Balance Sheet Management policy that provides for undertaking an RFP every four years for the appointment of the Agency's underwriting/investment banking team. In addition, since the existing appointment of the underwriting team expires at the end of 2021, staff seeks Board approval for appointing RBC Capital Markets as the senior manager of the Agency's underwriting/investment banking team, and Wells Fargo, Piper Sandler and JP Morgan as comanagers of the Agency's underwriting/investment banking team for 2022. Chair DeCramer opened up the discussion. Board members asked questions and staff provided answers.

Motion: Auditor Blaha moved Selection of firms to serve on the Investment Banking/Underwriting Team for year 2022. Seconded by Craig Klausung. Roll call was taken. Motion carries 7-0. All were in favor.

G. Adoption, Resolution Authorizing Amendments to Minnesota Housing Finance Agency Direct Purchase Revolving Line of Credit Notes

Kevin Carpenter presented to the board a request for approval of the resolution authorizing the amendment of certain terms and the extension of the Agency's Direct Purchase Revolving Line of Credit Note Agreement. Michelle Adams, Kutak Rock joined the meeting to review the resolution. Chair DeCramer opened up the discussion. Board members asked questions and staff provided answers.

Motion: Stephanie Klinzing moved Adoption, Resolution Authorizing Amendments to Minnesota Housing Finance Agency Direct Purchase Revolving Line of Credit Notes. Seconded by Stephen Spears. Roll call was taken. Motion carries 7-0. All were in favor.

8. Discussion Items

A. 2021 Cost Containment Report

John Patterson reviewed the 2021 Cost Containment Report.

B. 1Q FY 2022 Financial Reporting Package

Kevin Carpenter reviewed the 1Q FY 2022 Financial Reporting Package.

C. Federal Legislative Outlook - Build Back Better Act

Jessica Deegan provided the board with a Federal Legislative Outlook.

9. Information Items

A. Post-Sale Report, Homeownership Finance Bonds (HFB) 2021 Series D

10. Other Business

None.

11. Adjournment

The meeting was adjourned at 3:13 p.m.

John DeCramer, Chair

Item: Forbearance, Low Income Large Family Rental Housing Program (LILF)

- Park Crossing Apartments, D1526, Saint Paul, MN

Staff Contact(s):

Megan Sanders, 651.297.5142, megan.sanders@state.mn.us

Request Type:

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

Summary of Request:

Staff requests the board adoption of a resolution authorizing the forbearance of the following loan made to Park Crossing Apartments Limited Partnership:

- Low Income Large Family Rental Housing Program (LILF) with a current loan balance of \$120,000.

Fiscal Impact:

Loans under the LILF program do not earn interest for the Agency.

Meeting Agency Priorities:

- Improve the Housing System
- Preserve and Create Housing Opportunities
- Make Homeownership More Accessible
- Support People Needing Services
- Strengthen Communities

Attachment(s):

- Background
- Resolution

Background:

Park Crossing Apartments is a 19-unit tax credit development located in Saint Paul. The property is owned by Park Crossing Apartments, LP and managed by Project for Pride in Living, Inc. (PPL). Park Crossing reached the end of the initial compliance period in 2007 and is now in the extended use period.

The Agency has an existing Low Income Large Family Rental Housing Program (LILF) deferred loan in the amount of \$120,000, which matured on July 10, 2021. In June 2021, the Agency approved a 180-day forbearance for the LILF loan from its maturity date of July 10, 2021 to January 10, 2022. This forbearance exceeded the existing delegated authority by one month. A proposed revision to the forbearance Board Delegation No. 028 is also being brought to the Board for review this month to help prevent this situation in the future.

A Capital Needs Assessment has been completed for the property and results indicate that there is approximately \$1.2 million needed to address immediate repairs and an additional \$1.8 million needed over the next 10 years. PPL is working with the City of Saint Paul on a refinancing and rehabilitation plan for the property.

Staff requests Board approval of a loan forbearance to January 10, 2023 to allow time for the funding sources and rehabilitation plan for Park Crossing to be completed.

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

RESOLUTION NO. MHFA 22-XX

**RESOLUTION APPROVING FORBEARANCE
LOW INCOME LARGE FAMILY RENTAL HOUSING PROGRAM (LILF)
FOR PARK CROSSING (D1526)**

WHEREAS, Park Crossing, a multi-unit housing development, was provided a Low Income Large Family Rental Housing Program (LILF) loan in the amount of \$120,000 with an original maturity date of July 10, 2021; and,

WHEREAS, LILF loan was previously approved for a Forbearance Agreement that expired on January 10, 2022; and

WHEREAS, the LILF loan received approval from the Mortgage Credit Committee on December 23, 2021, to extend the Forbearance Agreement to January 10, 2023 subject to Board approval; and

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

NOW THEREFORE, BE IT RESOLVED:

THAT, the Board hereby approves the following:

1. A forbearance of the LILF loan in the amount of \$120,000 to January 10, 2023.

Adopted this 27th day of January 2022

CHAIRMAN

This page intentionally left blank.



Board Agenda Item: 6.B

Date: 1/27/2022

Item: Waiver, Predictive Cost Model 25% Threshold

- Fire Station One, D8133, Minneapolis, MN

Staff Contact(s):

Jimena Dake, 651.296.7991, jimena.dake@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:

At the December 17, 2020 Board meeting, deferred funding under the Economic Development and Housing Challenge (EDHC) program was selected for the proposed development under Resolution No. 20-064 in the amount of \$2,048,150. Agency staff completed the underwriting and technical review of the proposed development and recommends approval of a waiver to the predictive cost model. The total development cost (TDC) per unit is \$370,103 and now exceeds the predictive model by 34%. Because the percentage is over the predictive cost model threshold of 25%, the increase requires a Board approved waiver.

Fiscal Impact:

The Agency will not earn interest revenue, as the loan will not carry an interest rate. There will not be a fiscal impact as a result of this waiver.

Meeting Agency Priorities:

- Improve the Housing System
- Preserve and Create Housing Opportunities
- Make Homeownership More Accessible
- Support People Needing Services
- Strengthen Communities

Attachment(s):

- Background

Background:

At its meeting on December 17, 2020, the Board selected Fire Station One to receive \$2,048,150 of deferred funding under the Economic Development and Housing Challenge (EDHC) program in Resolution No. 20-064. Agency staff completed underwriting and technical review of the proposed development and final Mortgage Credit Committee approval was received on December 22, 2021.

The project involves the new construction of ninety (90) units in a six-story elevator building. The project will provide general occupancy, workforce, and permanent supportive housing for singles, families, and High Priority Homeless households. There will be ten (10) units with rental assistance through the Minneapolis Public Housing Authority. At the time of selection, the estimated costs of construction were within the threshold at 19% above the predictive model. Upon completion of a full underwriting analysis, the total construction costs increased by 14% resulting from market volatility of construction material prices, high demand of labor, and a significant increase of new construction in the metro. The overall development budget was also impacted by increased costs of property and liability insurance, along with financing costs. Additional sources to fill in funding gaps were committed to the project from the construction lender, American National Bank, and permanent lender, JLL.

The proposed total development cost (TDC) per unit is now \$370,103, which exceeds the predictive cost model estimate of \$276,643 by 34%.

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 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 the components of every proposed project. In accordance with Board Policy #15, if a project's proposed TDC is more than 25% over the predicted costs, staff must conduct additional due diligence and determine that the costs are still reasonable before seeking a cost waiver from the board.

With respect to Fire Station One, the Agency architect, underwriting, and research teams believe the costs are reasonable in light of market conditions. Agency staff has concluded that the TDC for the subject property is reasonable and seek approval for a board waiver from the predictive cost model 25% threshold limit.

Item: Modification to Commitment, Bridge Loan (BL)

– Bimosedaa, D8235, Minneapolis

Staff Contact(s):

Ted Tulashie, 651.297.3119, ted.tulashie@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 checked="" type="checkbox"/> Resolution | <input type="checkbox"/> Information |

Summary of Request:

At the September 23, 2021 Minnesota Housing board meeting, the proposed development was approved for commitment under the Low and Moderate Income Rental Bridge Loan (LMIRBL) product under Resolution No. 21-050. Agency staff recommends the adoption of a resolution:

- extending the maturity date from June 15, 2027 to December 31, 2028; and
- increasing the interest rate from 3.5% to 3.875%; and
- increasing the Bridge Loan amount from \$3,625,204 to \$3,687,705; and,

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

Fiscal Impact:

The Bridge Loan will be funded from Housing Investment Fund Pool 2 resources, and as such, Minnesota Housing will earn interest income on the loan without incurring financing expenses.

Meeting Agency Priorities:

- Improve the Housing System
- Preserve and Create Housing Opportunities
- Make Homeownership More Accessible
- Support People Needing Services
- Strengthen Communities

Attachments:

- Background
- Resolution
- Resolution Attachment: Term Letter

Background

Bimosedaa is an acquisition, adaptive reuse, and historic preservation of a seven-story elevator building in downtown Minneapolis that will provide 48 units of permanent supportive housing for single people.

The project received Minnesota Housing Board approval on September 23, 2021, which included a \$3,625,204 loan to bridge expected Minnesota historic tax credit proceeds. The project will receive the historic tax credit proceeds over a five-year period after the project is complete and has submitted the necessary documentation to the State Historic Preservation Office.

Due to construction market disruptions, the closing process experienced delays. As a result, the project will not be eligible to receive Minnesota historic tax credit proceeds until approximately 18 months later than originally expected, which, therefore, delays the repayment of the Bridge Loan. To remedy the situation, staff recommends that the start of Bridge Loan repayments be extended by 18 months and the corresponding maturity date be extended from June 15, 2027 to December 31, 2028. Along with this extension, staff recommends increasing the interest rate on the loan from 3.50% to 3.875% and increasing the Bridge Loan amount from a maximum of \$3,625,204 to a maximum of \$3,687,705.

The approval originally referred to the bridge loan as a Low and Moderate Income Rental Bridge Loan (LMIRBL); however, since Bimosedaa does not include a permanent LMIR first mortgage, this loan product is not a bridge to a LMIR first mortgage and is more precisely referred to as a Bridge Loan.

At the same September 2021 board meeting, the development was approved for a Housing Infrastructure Bond (HIB) loan for an amount of up to \$10,840,000. The HIB loan was subsequently increased by \$150,000 for an amount of up to \$10,990,000 under Board Delegation #005 to help address a project gap. No further action is required for the HIB loan.

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

**RESOLUTION NO. MHFA 22- XX
Modifying Resolution No. MHFA 21-050**

**RESOLUTION APPROVING MORTGAGE LOAN COMMITMENT MODIFICATION
BRIDGE LOAN (BL) PRODUCT**

WHEREAS, the Board has previously authorized a commitment for the Bimosedaa development by its Resolution No. 21-050; 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 the development requires additional time to fully amortize the loan.

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 loan maturity shall be extended from June 15, 2027 to December 31, 2028; and
2. The interest rate on the BL shall be increased from 3.5% to 3.875% with monthly interest payments; and
3. The BL amount shall be increased from a maximum of \$3,625,204 to a maximum of \$3,687,705; and
4. All other terms and conditions of Minnesota Housing Resolution No. 21-050 remain in effect.

Adopted this 27th day of January 2022

CHAIRMAN

This page intentionally blank.



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

January 12, 2022

Lee Blons
 Beacon Interfaith Housing Collaborative
 2610 University Avenue West, Suite 100
 St. Paul, MN 55114

RE: Term Letter (Revised)
 Bimosedaa, Minneapolis
 MHFA Development #D8235, Project #M18237

Dear Ms. Blons:

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: **Bimosedaa Housing Limited partnership**

General Partner(s): Bimosedaa LLC
 Sole Member: Beacon Interfaith Housing Collaborative

Bimosedaa Co-GP LLC
 Sole Member: Beacon Interfaith Housing Collaborative

Development Description/Purpose: Bimosedaa is the acquisition, adaptive reuse, historic preservation and substantial rehabilitation of an 48 unit of permanent supportive housing project located in Minneapolis, Minnesota

Program	Bridge Loan (Pool2)	Housing Infrastructure Bonds (HIB) Loan
Loan Amount	\$3,687,705	\$10,990,000
Interest Rate	3.875%	0.00%
Mortgage Insurance Premium (%)	Not Applicable	Not Applicable
Term	Maturity 12/31/2028	40 Years
Amortization/Repayment	Principle & Interest	Deferred lump sum payment due in 40 years.*
Prepayment Provision	Prepay at any time without penalty	No prepayment first 10 years from date of the HIB Note*

Nonrecourse or Recourse	Recourse	Nonrecourse
Construction/Permanent Loan or Construction Bridge Loan or End Loan	Construction / Permanent Loan	Construction / Permanent Loan
Lien Priority	First	Second (until bridge loan paid off.)

***\$5,283,000 of the HIB loan to be repaid no later than May 1, 2024.**

Origination Fee: **HIB** Loan: \$88,000
 Bridge Loan: \$29,000
 (both are payable at the earlier of loan commitment or loan closing)

Inspection Fee: \$40,000
 (payable at the earlier of loan commitment or loan closing)

Guaranty/Guarantor(s): For the term of the LMIR Bridge Loan, the following guarantees will be required from Beacon Interfaith Housing Collaborative

- Construction Completion
- Repayment Guaranty
- Operations

Operating Deficit Escrow Reserve Account: Not Applicable

Operating Cost Reserve Account: Capitalized in the amount of \$403,000 funded with 2nd equity installment. The reserve will be held by Minnesota Housing and will be used to make interest payments on the five year Bridge Loan.

Replacement Reserve Account: Replacement reserve will be required in the amount of \$450/unit/annum. The monthly replacement reserve will be \$1,800.00. The replacement reserve will be held by Minnesota Housing.

Escrows: Real estate tax escrow and property insurance escrow to be established at the time of permanent loan closing and held by Minnesota Housing.

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

- HAP or other Subsidy Agreement:** Commitment to 10 years of affordability from the date of loan closing under the Housing support program for 48 units.
- Rent and Income Requirements:** HIB Loan
48 units with incomes not exceeding 50% MTSP and rents at 50% MTSP.
- Notwithstanding these restrictions, in no case may the initial income exceed 80% of the greater of state or area median income as determined by HUD, and the rents may not exceed the Affordable to the Local Workforce rent limits, as published by MHFA.
- Commitment to 40 years of affordability from the date of loan closing.
- Other Occupancy Requirements:**
- 24 High Priority Homeless (HPH) units that are set aside and rented to single adults; and
 - 24 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 (i) six months from the date of this letter or (ii) Minnesota Housing board approval of a loan commitment.
- Additional Terms:** None
- Other Conditions:** None
- Board Approval:** Commitment of loans under the HIB Bridge Loan program is subject to Minnesota Housing's board approval and adoption of a resolution authorizing the commitment of the loan.
- 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 Adam Himmel at adam.himmel@state.mn.us on or before January 24, 2022.

If you have any questions related to this letter, please contact Ted Tulashie at 651.297.3119 or by e-mail at ted.tulashie@state.mn.us.

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

Sincerely,

James Lehnhoff
Assistant Commissioner, Multifamily

AGREED AND ACCEPTED BY:

BIMOSEDAA HOUSING LIMITED PARTNERSHIP

By: Bimosedaa LLC
Its: General Partner

By: _____
Lee Blons, its Authorized Representative

Date Accepted: _____



Board Agenda Item: 7.A
Date: 1/27/2022

Item: Selection and Commitment, Low and Moderate Income Rental Loan (LMIR)
 - Edison, D8005, Roseville, MN

Staff Contact(s):

Caryn Polito, 651.297.3123, caryn.polito@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 checked="" type="checkbox"/> Resolution | <input type="checkbox"/> Information |

Summary of Request:

Agency staff completed the underwriting and technical review of the proposed development and recommends the development for selection and adoption of a resolution authorizing the issuance of a Low and Moderate Income Rental (LMIR) program commitment in the amount of up to \$3,535,000.

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

Fiscal Impact:

LMIR loans are funded from Housing Investment Fund Pool 2 resources, and as such, Minnesota Housing will earn interest income without incurring financing expenses. The Agency will earn additional fee income from originating the loan for this project.

Meeting Agency Priorities:

- Improve the Housing System
- Preserve and Create Housing Opportunities
- Make Homeownership More Accessible
- Support People Needing Services
- Strengthen Communities

Attachments:

- Development Summary
- Resolution
- Resolution Attachment: Term Letter

DEVELOPMENT SUMMARY

SECTION I: PROJECT DESCRIPTION AND RECOMMENDATIONS

Project Information			
Development Name	Edison	D# 8005	M# 18996
Address	3110 Old Highway 8		
City	Roseville	County	Ramsey
Date of Selection	1/27/2022	Region	Metro

A. Project Description and Population Served

- The development involves the refinance of 59 units in a four-story elevator building with units ranging from one to three bedrooms.
- The development provides workforce housing for single and family households. Four units serve high priority homeless (HPH) families with children and four units serve people with disabilities.
- The development serves households with incomes that range from 30% to 60% multifamily tax subsidy project (MTSP).
- Four units benefit from Project-based Section 8 and four units benefit from Section 811 rental assistance. Four units benefit from Housing Support income supplement. These 12 units are deeply affordable to households at 30% MTSP.
- Edison was built in 2020 and achieved stabilized occupancy in April 2020.
- Edison is a three-phase development. This refinance relates to the first phase of Edison only.
- The refinance will replace the existing first mortgage with Bridgewater Bank that has a 5.35% interest rate with a LMIR with HUD Risk-Sharing with a 3.50% interest rate.
 - Other existing debt includes Ramsey County HOME and Environmental Response Fund (ERF) loans. The Agency has no loans on this property, but it is the tax credit administrator for the 9% housing tax credits.
 - The Bridgewater Bank loan has a 5% prepayment penalty, which is included in the budget.
- Syndicator Wells Fargo provided consent to proceed with the refinance.
- The development is being re-platted as part of the refinance process. The legal interest in the land will be changed from a ground lease to fee simple. This is to accommodate the development of Edison 3. Because Edison 1 will own its lot, the owner is now

responsible to pay a park dedication fee of approximately \$250,000. This is included in the development budget.

B. Mortgagor Information

Ownership Entity:	Roseville Edison, LLC
Sponsor:	SCI Associates, LLC
General Partner(s)/ Principal(s):	Roseville Housing Group, LLC
Guarantor(s):	SCI Associates, LLC and John E. Belisle

C. Development Team Capacity Review

The property is owned by an affiliate of Sand Companies. The sponsor has the experience and capacity to complete the project.

The property manager, Sand Property Management, LLC, was established in 2011. They are a subsidiary of Sand Companies, Inc., who has been managing properties since 1996. They currently have 38 developments, with a total of 1,666 units. The property manager has the capacity to continue managing this development.

CommonBond is the service provider for the development. They have extensive experience providing supportive housing services to the population being served.

There is no rehabilitation as part of the refinance; therefore, a general contractor and architect are not required.

Sand Property Management, LLC is a woman-owned business enterprise.

D. Current Funding Request

Loan Type	Program	Source	Amount	IR	MIP	Term	Amort/ Cash Flow	Constr uction/ End Loan
Permanent / Amortizing	LMIR	Pool 2	\$3,535,000	3.50%*	0.125%	35 years	Amort	End

- The LMIR loan will be insured under the United States Department of Housing and Urban Development (HUD) Risk-Sharing program.
- The LMIR loan may be securitized with the United States Department of the Treasury’s Federal Financing Bank (FFB) via their partnership with HUD.

Permanent Mortgage Loan to Cost: 100%

Permanent Mortgage Loan to Value: 43%

E. Significant Changes Since Date of Selection**SECTION II: FINAL SOURCES AND USES; FINANCING DETAILS****A. Project Uses**

Description	Amount	Per Unit
Acquisition or Refinance	\$ 3,129,000	\$ 53,034
Construction Costs	\$ 0	\$ 0
Environmental Abatement	\$ 0	\$ 0
Professional Fees	\$ 283,250	\$ 4,801
Developer Fee	\$ 35,000	\$ 593
Financing Costs	\$ 87,750	\$ 1,487
Total Mortgageable Costs	\$ 3,535,000	\$ 59,915
Reserves	\$ 0	\$ 0
Total Development Cost	\$ 3,535,000	\$ 59,915

B. Permanent Capital Sources

Description	Amount	Per Unit
LMIR Permanent Mortgage	\$ 3,535,000	\$ 59,915
Total Permanent Financing	\$ 3,535,000	\$ 59,915

C. Financing Structure

- The permanent LMIR first mortgage will have a 3.50% interest rate with a 35-year term and amortization. The loan will be insured under the HUD Risk-sharing program and borrower will pay 0.125% mortgage insurance premium (MIP) on the permanent loan.

D. Cost Reasonableness

- Refinances are not subject to the predictive cost 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
1 BR	3	\$ 879	See below	See below	Section 811
1 BR	4	\$ 656	See below	See below	Housing Support
1 BR	7	\$ 892	See below	See below	n/a
2 BR	1	\$ 1,081	See below	See below	Section 811
2 BR	4	\$ 1,030	See below	See below	Section 8
2 BR	20	\$ 1,068	See below	See below	n/a
3 BR	20	\$ 1,231	See below	See below	n/a

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

The restrictions under the Minnesota Housing programs will be as follows:

- LMIR Restrictions (new)
 - 24 units with rents and incomes at or below 60% MTSP
 - Up to 14 units unrestricted
 - 21 units with incomes at or below 100% of the greater of area or statewide median income

B. Feasibility Summary

All projects are underwritten within the Agency's underwriting guidelines unless a modification is approved by the Mortgage Credit Committee. This includes management and operating expenses, vacancy rate, rent and income inflators, and annual replacement reserve contributions. Projects also undergo a sensitivity analysis on property operations to further enhance underwriting.

- The project maintains positive cash flow for 15 years, with a projected debt coverage ratio in year 15 of 1.31.
- The project was underwritten at 3% vacancy, with 2% income and 3% expense inflators.

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

RESOLUTION NO. MHFA 22-XX

**RESOLUTION APPROVING MORTGAGE LOAN COMMITMENT
LOW AND MODERATE INCOME RENTAL (LMIR) PROGRAM**

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

Name of Development: Edison
Sponsors: SCI Associates, LLC
Guarantors: SCI Associates, LLC and John E. Belisle
Location of Development: Roseville, MN
Number of Units: 59
Amount of LMIR Mortgage: \$3,535,000
(not to exceed)

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 refinance and rehabilitation of 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 a permanent mortgage loan to the sponsor or an affiliate thereof from the Housing Investment Fund (Pool 2 under the LMIR Program) for the indicated development, upon the following terms and conditions:

1. The amount of the LMIR amortizing loan shall not exceed \$3,535,000; and
2. The interest rate on the permanent LMIR loan shall be 3.50% per annum (subject to change, as set forth in the attached Agency term letter dated December 8, 2021), plus 0.125% per

annum HUD Risk-share Mortgage Insurance Premium, with monthly payments based on a 35-year amortization; and

3. The term of the permanent LMIR loan shall be 35 years; and
4. The loan closing shall occur on or before July 31, 2022; and
5. 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
6. The mortgagor shall execute documents embodying the above in form and substance acceptable to Agency staff; and
7. SCI Associates, LLC and John E. Belisle shall guarantee the mortgagor's payment under the LMIR Regulatory Agreement and LMIR Mortgage (other than principal and interest) with the Agency; and
8. The sponsor, 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 27th day of January 2022

CHAIRMAN

This page intentionally blank.



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

December 8, 2021

Mr. Jamie Thelen
 Roseville Edison, LLC
 Sand Companies
 366 10th Avenue S
 Waite Park, MN 56387

RE: Term Letter
 Edison, Roseville
 MHFA Development #8005, Project #18996

Dear Mr. Thelen:

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: Roseville Edison, LLC

[General Partner(s)] Roseville Housing Group, LLC
[Managing Member(s)]:

Development Description/Purpose: Refinance of a 59-unit affordable housing development located in Roseville, Minnesota

Minnesota Housing Loan Type/Terms

Program	Low and Moderate Income Rental Program (LMIR) (HUD Risk Share)
Loan Amount	\$3,535,000
Interest Rate	*3.50%
Mortgage Insurance Premium (%)	0.125% <i>(first year premium is paid in advance)</i>
Term	35 years

December 8, 2021

Page 2

Amortization/Repayment	35 years
Prepayment Provision	No prepayment first 10 years from date of the Note.
Nonrecourse or Recourse	Nonrecourse
Construction/Permanent Loan or Construction Bridge Loan or End Loan	End Loan
Lien Priority	First

*Subject to change. Loan closing must occur by March 31, 2022 for the quoted interest rate to be valid; interest rate may be subject to adjustment after this date at Minnesota Housing’s sole discretion.

Origination Fee: LMIR HUD Risk Share Loan: \$70,700
(payable at loan closing)

Inspection Fee: Not applicable

Interest Rate Lock Extension Fee: 25 basis points per 30-day extension

Guaranty/Guarantors): Operations Guaranty to be provided by: SCI Associates, LLC and John E. Belisle

Operating Deficit Escrow Reserve Account: Not applicable

Operating Cost Reserve Account: Not applicable

Replacement Reserve Account: A replacement reserve will be required in the amount of \$450/unit/annum. The monthly replacement reserve will be \$2,212.50. The replacement reserve will be held by Minnesota Housing.

Escrows: Real estate tax escrow and property insurance escrow to be established at the time of loan closing (outside of the development budget) and held by Minnesota Housing.

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

December 8, 2021
Page 3

HAP or other Subsidy Agreement: Not applicable

Rent and Income Requirements:

- LMIR Restrictions
 - 24 units with rents and incomes at or below 60% MTSP
 - Up to 14 units unrestricted
 - 21 units with incomes at or below 100% of the greater of area or statewide median income

Commitment to affordability in effect while the loan is outstanding.

Other Occupancy Requirements: Not applicable

Other Requirements: Not applicable

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

Expiration Date: The terms will expire six months from the date of this letter.

Additional Terms: Not applicable

Other Conditions:

- Appraised value of at least \$4,063,218.
- The Ramsey County loans must be re-subordinated to the new first mortgage.

Board Approval: Commitment of all loans under the LMIR program is subject to Minnesota Housing's board approval and adoption of a resolution authorizing the commitment of the loan.

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 Caryn.Polito@state.mn.us on or before December 17, 2021.

If you have any questions related to this letter, please contact Caryn Polito 651.297.3123 or by e-mail at caryn.polito@state.mn.us.

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

Sincerely,



James Lehnhoff
Assistant Commissioner, Multifamily

AGREED AND ACCEPTED BY:

ROSEVILLE EDISON, LLC

By:



Its:

Sec/Trea of Manager

Date Accepted:

12/9/21



Board Agenda Item: 7.B

Date: 1/27/2022

Item: Selection and Commitment, Low and Moderate Income Rental Loan (LMIR)

- Maple Village II, D6286, Maple Grove, MN

Staff Contact(s):

Caryn Polito, 651.297.3123, caryn.polito@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 checked="" type="checkbox"/> Resolution | <input type="checkbox"/> Information |

Summary of Request:

Agency staff completed the underwriting and technical review of the proposed development and recommends the development for selection and adoption of a resolution authorizing the issuance of a Low and Moderate Income Rental (LMIR) program commitment in the amount of up to \$2,350,000.

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

Fiscal Impact:

LMIR loans are funded from Housing Investment Fund Pool 2 resources, and as such, Minnesota Housing will earn interest income without incurring financing expenses. The Agency will earn additional fee income from originating the loan for this project.

Meeting Agency Priorities:

- Improve the Housing System
- Preserve and Create Housing Opportunities
- Make Homeownership More Accessible
- Support People Needing Services
- Strengthen Communities

Attachments:

- Development Summary
- Resolution
- Resolution Attachment: Term Letter

DEVELOPMENT SUMMARY**SECTION I: PROJECT DESCRIPTION AND RECOMMENDATIONS**

Project Information			
Development Name	Maple Village II	D# 6286	M# 18997
Address	9150 Zanzibar Lane North		
City	Maple Grove	County	Hennepin
Date of Selection	1/27/2022	Region	Metro

A. Project Description and Population Served

- The development involves the refinance of 48 units in a three-story elevator building with units ranging from one to three bedrooms.
- The development provides general occupancy, workforce, and permanent supportive housing for single, family, and high priority homeless (HPH) households.
- The development serves households with incomes at or below 60% multifamily tax subsidy project (MTSP).
- Four units benefit from project-based Section 8 rental assistance through Metro Housing and Redevelopment Authority (HRA).
- Four units are deeply affordable to households at 30% MTSP.
- The property was built in 2013. Original funding sources include equity from 9% housing tax credits, a Minnesota Housing first mortgage, and a Metropolitan Council Local Housing Incentives Account (LHIA) loan. There are no Agency deferred loans.
- The existing Minnesota Housing LMIR with HUD Risk-Sharing with a 4.75% interest rate will be paid off in this transaction and replaced with a new LMIR with HUD Risk Share with a 3.25% interest rate.
- Minnesota Housing is the tax credit allocator. The land use restrictive agreement (LURA) expires in 2042.
- The tax credit syndicator is US Bank. US Bank provided consent to proceed with the refinance.

B. Mortgagor Information

Ownership Entity:	Maple Village II, LLC
Sponsor:	SCI Associates, LLC

General Partner(s)/ Principal(s):	Maple Village Partners, LLC
Guarantor(s):	SCI Associates, LLC

C. Development Team Capacity Review

The property is owned by an affiliate of Sand Companies. The sponsor has the experience and capacity to complete the project.

The property manager, Sand Property Management, LLC, was established in 2011. They are a subsidiary of Sand Companies, Inc., who has been managing properties since 1996. They currently have 38 developments, with a total of 1,666 units. The property manager has the capacity to continue managing this development.

CommonBond is the service provider for the development. They have extensive experience providing supportive housing services to the population being served.

Sand Architects, LLC performed the 20-year capital needs assessment. A general contractor is not required for the limited scope rehab.

Sand Property Management, LLC is a woman-owned business enterprise.

D. Current Funding Request

Loan Type	Program	Source	Amount	IR	MIP	Term	Amort/ Cash Flow	Constr uction/ End Loan
Permanent / Amortizing	LMIR	Pool 2	\$2,350,000	3.25%*	0.125%	30 years	Amort	End

- The LMIR loan will be insured under the United States Department of Housing and Urban Development (HUD) Risk-Sharing program.
- The LMIR loan may be securitized with the United States Department of the Treasury's Federal Financing Bank (FFB) via their partnership with HUD.

Permanent Mortgage Loan to Cost: 95%

Permanent Mortgage Loan to Value: 31%

E. Significant Changes Since Date of Selection

Not applicable

SECTION II: FINAL SOURCES AND USES; FINANCING DETAILS**A. Project Uses**

Description	Amount	Per Unit
Acquisition or Refinance	\$ 1,839,473	\$ 38,322
Construction Costs	\$ 274,150	\$ 5,712
Environmental Abatement	\$ 0	\$ 0
Professional Fees	\$ 36,000	\$ 750
Developer Fee	\$ 35,000	\$ 729
Financing Costs	\$ 61,377	\$ 1,279
Total Mortgageable Costs	\$ 2,246,000	\$ 46,792
Deposit to Reserves	\$ 240,000	\$ 5,000
Total Development Cost	\$ 2,486,000	\$ 51,792

B. Permanent Capital Sources

Description	Amount	Per Unit
LMIR Permanent Mortgage	\$ 2,350,000	\$ 48,958
Existing Replacement Reserves	\$ 136,000	\$ 2,833
Total Permanent Financing	\$ 2,486,000	\$ 51,791

C. Financing Structure

- The permanent LMIR first mortgage will have a 3.25% interest rate with a 30-year term and amortization. The loan will be insured under the HUD Risk-Sharing program and borrower will pay 0.125% mortgage insurance premium (MIP) on the permanent loan.

D. Cost Reasonableness

- Refinances are not subject to the predictive cost 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
1 BR	10	\$ 988	See below	See below	n/a
1 BR	2	\$ 961	See below	See below	Section 8
2 BR	22	\$ 1,135	See below	See below	n/a
2 BR	2	\$ 1,168	See below	See below	Section 8
3 BR	12	\$ 1,311	See below	See below	n/a

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

The restrictions under the Minnesota Housing programs will be as follows:

- LMIR Restrictions (new)
 - 20 units with rents and incomes at or below 60% MTSP
 - Up to 12 units unrestricted
 - 16 units with incomes at or below 100% of the greater of statewide or area median income

B. Feasibility Summary

All projects are underwritten within the Agency's underwriting guidelines unless a modification is approved by the Mortgage Credit Committee. This includes management and operating expenses, vacancy rate, rent and income inflators, and annual replacement reserve contributions. Projects also undergo a sensitivity analysis on property operations to further enhance underwriting.

- The project maintains positive cash flow for 15 years, with a projected debt coverage ratio in year 15 of 1.87.
- The project was underwritten at 3% vacancy, with 2% income and 3% expense inflators.

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

RESOLUTION NO. MHFA 22-XX

**RESOLUTION APPROVING MORTGAGE LOAN COMMITMENT
LOW AND MODERATE INCOME RENTAL (LMIR) PROGRAM**

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

Name of Development: Maple Village II
Sponsors: SCI Associates, LLC
Guarantors: SCI Associates, LLC
Location of Development: Maple Grove, MN
Number of Units: 48
Amount of LMIR Mortgage: \$2,350,000
(not to exceed)

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 refinance and rehabilitation of 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 a permanent mortgage loan to the sponsor or an affiliate thereof from the Housing Investment Fund (Pool 2 under the LMIR Program) for the indicated development, upon the following terms and conditions:

1. The amount of the LMIR amortizing loan shall not exceed \$2,350,000; and
2. The interest rate on thame permanent LMIR loan shall be 3.25% per annum (subject to change, as set forth in the attached Agency term letter dated December 8, 2021), plus

0.125% per annum HUD Risk-share Mortgage Insurance Premium, with monthly payments based on a 30-year amortization; and

3. The term of the permanent LMIR loan shall be 30 years; and
4. The loan closing shall occur on or before July 31, 2022; and
5. 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
6. The mortgagor shall execute documents embodying the above in form and substance acceptable to Agency staff; and
7. SCI Associates, LLC shall guarantee the mortgagor's payment under the LMIR Regulatory Agreement and LMIR Mortgage (other than principal and interest) with the Agency; and
8. The sponsor, 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 27th day of January 2022

CHAIRMAN

This page intentionally blank.



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

December 8, 2021

Mr. Jamie Thelen
 Maple Village II, LLC
 Sand Companies
 366 10th Avenue S
 Waite Park, MN 56387

RE: Term Letter
 Maple Village II, Maple Grove
 MHFA Development #6286, Project #18997

Dear Mr. Thelen:

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: Maple Village II, LLC

[General Partner(s)] Maple Village Partners, LLC
[Managing Member(s)]:

Development Description/Purpose: Refinance and limited scope rehab of a 48-unit affordable housing development located in Maple Grove, Minnesota

Minnesota Housing Loan Type/Terms

Program	Low and Moderate Income Rental Program (LMIR) (HUD Risk Share)
Loan Amount	\$2,350,000
Interest Rate	*3.25%
Mortgage Insurance Premium (%)	0.125% <i>(first year premium is paid in advance)</i>
Term	30 years

December 8, 2021

Page 2

Amortization/Repayment	30 years
Prepayment Provision	No prepayment first 10 years from date of the Note.
Nonrecourse or Recourse	Nonrecourse
Construction/Permanent Loan or Construction Bridge Loan or End Loan	End Loan
Lien Priority	First

*Subject to change. Loan closing must occur by January 31, 2022 for the quoted interest rate to be valid; interest rate may be subject to adjustment after this date at Minnesota Housing's sole discretion.

Origination Fee:	LMIR HUD Risk Share Loan: <u>\$47,000</u> (payable at loan closing)
Inspection Fee:	Not applicable
Interest Rate Lock Extension Fee:	25 basis points per 30-day extension
Guaranty/Guarantors):	Operations Guaranty to be provided by: SCI Associates, LLC
Operating Deficit Escrow Reserve Account:	Not applicable
Operating Cost Reserve Account:	Not applicable
Replacement Reserve Account:	Capitalized replacement reserve in the amount of \$240,000 funded at loan closing. In addition, A replacement reserve will be required in the amount of \$450/unit/annum. The monthly replacement reserve will be \$1,800. The replacement reserve will be held by Minnesota Housing.
Rehab Escrow Account:	Capitalized rehab escrow account in the amount of \$274,150 funded at loan closing. The replacement reserve will be held by Minnesota Housing.
Escrows:	Real estate tax escrow and property insurance escrow to be established at the time of loan closing (outside of the development budget) and held by Minnesota Housing.

Collateral/Security:	Mortgage and Assignment of Rents and Leases for each loan; UCC-1 Financing Statement on fixtures, personal property, accounts and equipment.
HAP or other Subsidy Agreement:	Not applicable
Rent and Income Requirements:	<ul style="list-style-type: none"> • LMIR Restrictions (new) <ul style="list-style-type: none"> • 20 units with rents and incomes at or below 60% MTSP • Up to 12 units unrestricted • 16 units with incomes at or below 100% of the greater of statewide or area median income <p>Commitment to affordability in effect while the loan is outstanding.</p>
Other Occupancy Requirements:	Not applicable
Other Requirements:	Not applicable
Closing Costs:	Borrower agrees to pay all closing costs related to the specific financing referenced in this letter.
Expiration Date:	The terms will expire six months from the date of this letter.
Additional Terms:	Not applicable
Other Conditions:	<ul style="list-style-type: none"> • The deferred loan through the City of Maple Grove must be resubordinated and extended to be coterminous with the new first mortgage. • The borrower will execute a new 20-year HAP contract with Metro HRA prior to closing. • Appraised value of at least \$2,701,149.
Board Approval:	Commitment of all loans under the LMIR program is subject to Minnesota Housing's board approval and adoption of a resolution authorizing the commitment of the loan.

December 8, 2021

Page 4

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 Caryn.Polito@state.mn.us on or before December 17, 2021.

If you have any questions related to this letter, please contact Caryn Polito 651.297.3123 or by e-mail at caryn.polito@state.mn.us.

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

Sincerely,



James Lehnhoff
Assistant Commissioner, Multifamily

AGREED AND ACCEPTED BY:

MAPLE VILLAGE II, LLC

By:



Its:

Secretary of Managing Member

Date Accepted:

12/9/21



Board Agenda Item: 7C
Date: 1/27/2022

Item: Request for Updated Delegated Authority Related to Forbearance and Servicing of the Multifamily Loan Portfolio

Staff Contact(s):

Jennifer Leimaile Ho, 651.276.1362, Jennifer.ho@state.mn.us
Anne Smetak, 651.263.1460, anne.smetak@state.mn.us

Request Type:

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

Summary of Request:

The Commissioner requests approval of two delegations of authority to facilitate the efficient servicing of the multifamily loan portfolio. The first requested delegation provides clarity regarding acceptable servicing actions that can be taken under delegated authority. The second requested delegation updates existing Board Delegation 28 to extend the allowable time of a forbearance.

Fiscal Impact:

None.

Meeting Agency Priorities:

- Improve the Housing System
- Preserve and Create Housing Opportunities
- Make Homeownership More Accessible
- Support People Needing Services
- Strengthen Communities

Attachment(s):

- Proposed Resolution: Delegation of Authority to the Commissioner Regarding Servicing of the Multifamily Loan Portfolio
- Proposed Resolution: Delegation of Authority to the Commissioner Regarding Loan Forbearance on Multifamily Loans
- Background: Board Delegation 28

**MINNESOTA HOUSING FINANCE AGENCY
400 Wabasha Street N, Suite 400
St. Paul, Minnesota 55102
RESOLUTION NO. MHFA 22-XXX
BOARD DELEGATION NO. XXX**

**DELEGATION OF AUTHORITY TO THE COMMISSIONER REGARDING
SERVICING OF THE MULTIFAMILY LOAN PORTFOLIO**

WHEREAS, the Minnesota Housing Finance Agency (“Minnesota Housing”) Commissioner (the “Commissioner”) has requested the Minnesota Housing Board (the “Board”) to delegate to the Commissioner certain authority regarding the administration of loans in order to improve the efficiency of Minnesota Housing’s loan programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without the prior approval of the Board; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of Minnesota Housing to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board delegates the authority described below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated in this delegation. This delegated authority shall remain in effect for the current Commissioner and future commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to make, under the Multifamily loan programs, certain actions relating to the servicing of the Multifamily loan portfolio that exceed the Commissioner’s administrative authority (as determined by the General Counsel and Assistant Commissioner for Multifamily).

PARAMETERS OF DELEGATED AUTHORITY

1. For a loan with an outstanding balance of less than \$3 million or a loan which has been outstanding for more than 10 years (and beyond the lock out period, if applicable) the following actions:
 - a. Modification or amendment of the terms (excluding: (i) any increase in the principal amount, (ii) forgiveness of principal or interest, (iii) waiver of a prepayment lockout period, or (iv) with respect to amortizing loans, any reamortization, reduction in an interest rate, or extension of a term), including the waiver of loan terms and restrictions;
 - b. Extensions of the loan terms;

- c. Establishing defaults and accelerations; and
 - d. Initiating foreclosures.
2. Any proposed action taken under paragraph 1 of this delegation must also satisfy at least one of the following considerations:
 - a. There is an increased risk or liability to Minnesota Housing if the action is not taken;
 - b. The action is deemed necessary to protect Minnesota Housing's interests;
 - c. The action preserves or provides for continued affordability; or
 - d. The action furthers Minnesota Housing's strategic priorities.
 3. The Minnesota Housing Mortgage Credit Committees must approve the activity in a form, substance and structure acceptable to committee members provided such actions are in conformance with all applicable laws, rules, and regulations.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually which provides a summary of the actions taken utilizing this delegated authority.

OTHER CONSIDERATIONS

None.

Adopted this 27th day of January 2022

CHAIRMAN

**MINNESOTA HOUSING FINANCE AGENCY
400 Wabasha Street N, Suite 400
St. Paul, Minnesota 55102
RESOLUTION NO. MHFA 22-XXX
BOARD DELEGATION NO. XXX**

**DELEGATION OF AUTHORITY TO THE COMMISSIONER REGARDING LOAN FORBEARANCE ON
MULTIFAMILY LOANS**

WHEREAS, the Minnesota Housing Finance Agency (“Minnesota Housing”) Commissioner (the “Commissioner”) has requested the Minnesota Housing Board (the “Board”) to delegate to the Commissioner certain authority regarding the administration of loans in order to improve the efficiency of Minnesota Housing’s loan programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without the prior approval of the Board; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of Minnesota Housing to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board delegates the authority described below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated in this delegation. This delegated authority shall remain in effect for the current Commissioner and future commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to allow for forbearance on a Multifamily loan.

PARAMETERS OF DELEGATED AUTHORITY

1. The borrower must be current on its payment of principal and/or interest on its loan.
2. The borrower must demonstrate it is experiencing a financial hardship that has compromised its ability to pay all remaining principle and interest, if any, when due.
3. Forbearance shall only apply to the loan’s principal and/or interest and does not constitute forgiveness of the principal or interest.
4. Forbearance must comply with all applicable state and federal laws.
5. If necessary, HUD approval must be obtained.
6. The initial forbearance period plus any extensions cannot exceed a total of 12 months.
7. Forbearance requests must be approved by the Minnesota Housing Mortgage Credit Committee.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing this delegated authority.

OTHER CONSIDERATIONS

This delegation supersedes Board Delegation 28 approved on May 7, 2020

Adopted this 27th day of January 2022

CHAIRMAN

Background: Attached for reference is existing Board Delegation 28, adopted in May of 2020. This delegation would be superseded by the proposed delegation that would extend the amount of time allowed for forbearances up to twelve (12) months and makes other clarifying edits.

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

**RESOLUTION NO. MHFA 20-016
BOARD DELEGATION NO. 028**

**DELEGATION OF AUTHORITY TO THE COMMISSIONER REGARDING LOAN FORBEARANCE ON
MULTIFAMILY LOANS**

WHEREAS, the Minnesota Housing Finance Agency (“Agency”) Commissioner (“Commissioner”) has requested the Minnesota Housing Finance Agency Board (“Board”) to delegate to the Commissioner certain authority regarding the administration of loans in order to improve the efficiency of the Agency’s loan programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board grants the delegated authority below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to allow forbearances on Agency Multifamily loans.

PARAMETERS OF DELEGATED AUTHORITY

1. The borrower must be current on its payment of principal and/or interest on its loan.
2. The borrower must demonstrate it is experiencing a financial hardship that has compromised its ability to continue making full and timely debt service payments.
3. Forbearance shall only apply to the loan’s principal and/or interest and does not constitute forgiveness of the principal or interest.
4. Forbearance must comply with all applicable state and federal laws.
5. If necessary, HUD approval must be obtained.

6. Agency staff must establish criteria for forbearance and a forbearance review process.
7. The initial forbearance period plus any extensions cannot exceed a total of five months.
8. Forbearance requests must be approved by either the Agency's Mortgage Credit Committee or the Commissioner may establish a Forbearance Review Group comprised of appropriate members of Agency leadership to review and approve forbearance requests.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.

OTHER CONSIDERATIONS

None.

Adopted this 7th day of May 2020

CHAIRMAN

This page intentionally left blank.

Item: Single Family Selections, Manufactured Home Community Redevelopment Program

Staff Contact(s):

Annie Reiersen, 651.296.3495, annie.reiersen@state.mn.us

Request Type:

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

Summary of Request:

Staff requests Board approval of the Single Family Manufactured Home Community Redevelopment Program Request for Proposals (RFP) and Selection Committee recommendations.

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 would also be awarded as grants that do not earn interest for the Agency.

Meeting Agency Priorities:

- Improve the Housing System
- Preserve and Create Housing Opportunities
- Make Homeownership More Accessible
- Support People Needing Services
- Strengthen Communities

Attachment(s):

- Background and Funding Recommendations
- Map of Manufactured Home Community Proposals
- Proposal Summaries
- Resolution

Background

The Manufactured Home Community Redevelopment Program was created in 2020 when the state legislature allocated \$2 million in state appropriations to the statute governing the program to address the needs of aging manufactured home communities around the state. The Minnesota Legislature has funded the program with \$3.75 million in state appropriations for the current biennium, with an additional \$15 million in Housing Infrastructure Bond (HIB) proceeds set aside for the program until January 16, 2024. Program funds will be awarded as grants to eligible applicants for infrastructure improvements or acquisition of manufactured home parks, as described in statute.

Eligible applicants include privately, publicly or cooperatively owned communities, as well as nonprofit organizations acting as an intermediary on behalf of a park. Eligible infrastructure improvements include:

- water and sewer installation, installment or repair of storm shelters, electrical work, road and sidewalk improvements, or other infrastructure needs as approved in writing by Minnesota Housing.
- Funds are also eligible for acquisition of Manufactured Home Parks, with priority given to Cooperative ownership models.
- Funds are not eligible for use on individual homes, but intended to benefit the community as a whole.

Grantees will be expected to meet the terms of an affordability period of up to 25 years, and lot rent increase restrictions of no more than 5% per year, unless approved by Minnesota Housing. Statute requires that park owners establish an account for replacement reserves for infrastructure and improvement repairs and Agency staff will oversee monitoring and reporting requirements.

Proposal Review and Selection Process

Proposal applications were accepted through a competitive request for proposals (RFP) process. Minnesota Housing received 14 proposals for infrastructure redevelopment from manufactured home communities totaling \$9,488,798. No proposals were submitted for acquisition activities.

Ten reviewers, consisting of Minnesota Housing staff and external community reviewers, scored and reviewed each proposal based on the needs of the community, risk of park closure, households served, affordable lot rents, community support, project leverage, costs and experience. Each proposal was assigned two reviewers and scores were averaged. An organizational capacity assessment was also conducted to review the financial health of the applicant and ability to implement the project.

Scored proposals were reviewed by a selection committee, consisting of five Agency leadership and staff members. The selection committee then scored the proposals based on community need, households served, community support, and project leverage & costs. Scores were averaged and combined with the initial reviewer scores.

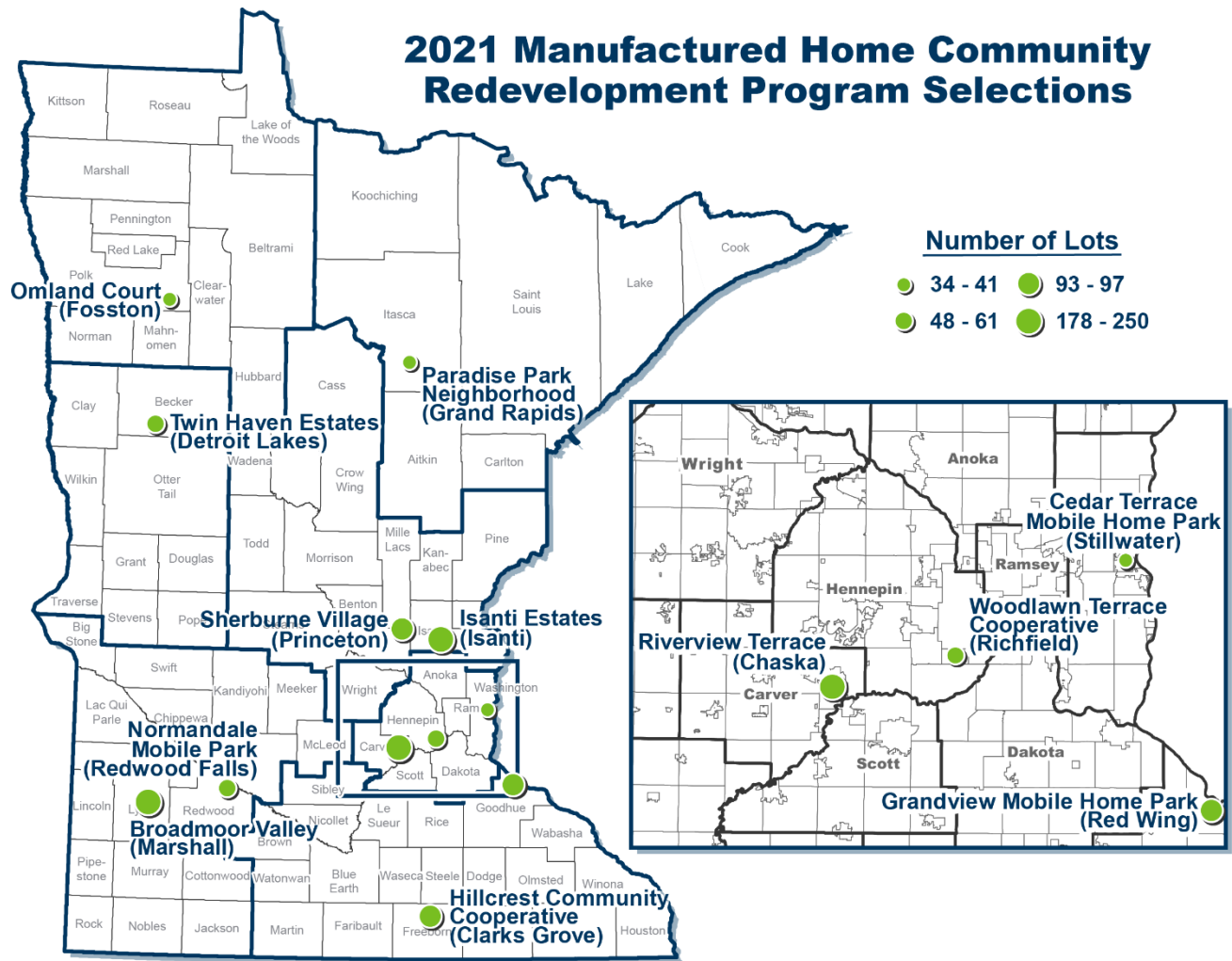
Background and Funding Recommendations

Funding Recommendations

Staff recommends funding 12 Manufactured Home Community Redevelopment proposals, totaling \$7,490,510. State appropriations of \$2,090,170 will support five of the proposals. HIB proceeds in the amount of \$5,400,340 will support seven proposals. Two proposals did not meet the minimum scoring threshold and are not recommended for funding. Proposal summaries are found on the pages attached to this report.

Funding selection letters will be sent to the approved applicants in January 2022. Selections are subject to the program requirements outlined in the Funding Agreement. Agency staff will reach out to applicants who are not recommended for funding and will offer each applicant a debriefing meeting and technical assistance.

Manufactured Home Community Redevelopment Program 2021 Request For Proposals Funding Recommendations					
<u>Community Name</u>	<u>Location</u>	<u>Proposal Activity</u>	<u>Funding Request</u>	<u>State Appropriation</u>	<u>HIB Proceeds Recommendation</u>
Hillcrest Cooperative	Clarks Grove	Infrastructure Redevelopment	\$ 400,000	\$ 400,000	--
Woodlawn Terrace	Richfield	Infrastructure Redevelopment	\$ 1,042,675	--	\$ 1,042,675
Twin Haven Estates	Detroit Lakes	Infrastructure Redevelopment	\$ 600,000	--	\$ 600,000
Grandview MHP	Red Wing	Infrastructure Redevelopment	\$ 700,000	--	\$ 700,000
Cedar Terrace MHP	Stillwater	Infrastructure Redevelopment	\$ 659,825	\$ 659,825	--
Riverview Terrace	Chaska	Infrastructure Redevelopment	\$ 799,785	--	\$ 799,785
Normandale Mobile Park	Redwood Falls	Infrastructure Redevelopment	\$ 553,345	\$ 333,345	--
Paradise Park	Grand Rapids	Infrastructure Redevelopment	\$ 1,183,647	--	\$ 1,150,000
Sherburne Village	Princeton	Infrastructure Redevelopment	\$ 197,000	\$ 197,000	--
Omland Court	Fosston	Infrastructure Redevelopment	\$ 320,000	--	\$ 320,000
Isanti Estates	Isanti	Infrastructure Redevelopment	\$ 1,575,761	--	\$ 787,880
Broadmoor Valley	Marshall	Infrastructure Redevelopment	\$ 500,000	\$ 500,000	--
Hillcrest Terrace	Plainview	Infrastructure Redevelopment	\$ 425,000	--	--
Clearwater Forest	South Haven	Infrastructure Redevelopment	\$ 531,760	--	--
Totals:			\$ 9,488,798	\$ 2,090,170	\$ 5,400,340
Combined Total:					\$ 7,490,510



Hillcrest Community Cooperative			
Ownership Model:	Resident Owned Cooperative		
Grantee	Libraries Without Borders		
# of Lots:	97		
Activity Type:	Infrastructure Redevelopment		
Location:	Greater MN: Clarks Grove (Freeborn County)		
Project Funding Details			
Funds Requested:	\$400,000		Recommended Funds: \$400,000
Total Project Cost:	\$463,040		Grant (Appropriations): \$400,000
Funds per Lot:	\$4,123.71		Grant (HIB proceeds): n/a
Project Cost per Lot:	\$4,773.61		
Total Leverage \$:	\$63,040		
Total Leverage %	14%		
MHFA Leverage (included in total):	\$0		
Manufactured Home Park Description and Project Activities:			
<p>The Hillcrest Community Cooperative is a year-round residential Park located in Clarks Grove. While Hillcrest owns two of the homes on the lot, renting them out to families in need, all of the other seventy-seven homes are owner-occupied. Just six years ago, the Hillcrest Park was privately owned. In 2015, however, the landowner decided to sell. Faced with eviction, Hillcrest residents partnered with the NorthCountry Cooperative Foundation (NCF), receiving a loan and technical assistance from NCF to become a resident-owned cooperative. The storm shelter at the Hillcrest Community Cooperative is currently unfinished, undeveloped, and inaccessible for people with disabilities. With a grant from Minnesota Housing, Libraries Without Borders U.S (LWB) will begin and complete capital improvements to transform the storm shelter into a secure, accessible, and fully winterized community safe space. Specifically, funding will be used for electrical, plumbing, flooring, and ADA accessibility updates, including adding a wheelchair lift to the underground storm shelter.</p> <p>The project will repair the storm shelter and make it accessible by adding ramps for those residents who have disabilities. This project addresses a definite community need. It effects a community that clearly needs help with cultural barriers and co-op living. The community is diverse with the majority of residents falling into underserved communities: 60% of residents are Karen, 40% elderly and veterans, 20% are white.</p> <p>LWB US has secured \$3,540 from the Minnesota Department of Education/State Library Services; \$16,000 from the Hilda Mullen Foundation; and \$10,000 from the Institute of Museum and Library Services (IMLS), in support of this project, additional funds are needed for project completion.</p>			

Woodlawn Terrace			
Ownership Model:	Resident Owned Cooperative		
Grantee:	Northcountry Cooperative Foundation		
# of Lots:	61		
Activity Type:	Infrastructure Redevelopment		
Location:	Metro: Richfield (Hennepin County)		
Project Funding Details			
Funds Requested:	\$1,042,675		Recommended Funds: \$1,042,675
Total Project Cost:	\$1,392,675		Grant (Appropriations): n/a
Funds per Lot:	\$17,093.03		Grant (HIB proceeds): \$1,042,675
Project Cost per Lot:	\$22,830.74		
Total Leverage \$:	\$350,000		
Total Leverage %	25%		
MHFA Leverage:	\$0		
Manufactured Home Park Description and Project Activities:			
<p>Woodlawn Terrace is the only manufactured home park in Richfield and is one of the most centrally located parks in the metro area. They are currently using their own well for water supply and the mains and services were installed in the 1950's. The community would greatly benefit from connecting to the City's treated municipal water supply with new lines as well as relining the sewer lines with epoxy to extend the useful life. Some street patching is also included in the project. Northcountry Cooperative Foundation has applied for funds as an intermediary organization to oversee the project.</p> <p>The project would enable discontinued use of the well and would connect utilities with City water services. The residents currently purchase bottled water for drinking and culinary use. Re-lining the clay pipes also extends their useful life by 35-50 years.</p> <p>Most of the households have incomes at or below 80% AMI and a large population are seniors over the age of 55. Average income is \$28,000, with some residents having incomes under \$10k and as high as \$79k. With a recent resident survey, 36% of residents who completed the survey have household incomes under 30% AMI, 45% of residents were between 30 and 50% AMI, 9% at or below 60%, 10% below 100% AMI. All the units are occupied by single adults.</p> <p>The City of Richfield supports this project. The Richfield HRA gave preliminary approval of grant funds in the amount of \$350k for the project. The project would result in 7-20 new affordable homes to the area, which would likely garner interest and support. The preliminary grant approval for the project from the Richfield HRA is 25% of the budget. The engineer involved in the project is experienced in this type of infrastructure work and have provided the initial onsite assessment and are familiar with the property. Project completion is dependent on the requested grant funds.</p>			

Twin Haven Estates			
Ownership Model:	Privately owned		
Grantee:	Twin Haven Estates, LLC		
# of Lots:	60		
Activity Type:	Infrastructure Redevelopment		
Location:	Greater MN: Detroit Lakes (Becker County)		
Project Funding Details			
Funds Requested:	\$600,000		Recommended Funds: \$600,000
Total Project Cost:	\$900,000		Grant (Appropriations): n/a
Funds per Lot:	\$10,000		Grant (HIB proceeds): \$600,000
Project Cost per Lot:	\$15,000		
Total Leverage \$:	\$300,000		
Total Leverage %	33%		
MHFA Leverage:	\$0		
Manufactured Home Park Description and Project Activities:			
<p>Twin Haven Estates is a privately-owned, residential year-round community with 60 homes. The community includes a storm shelter, swimming pool, rec center, onsite laundry, playground, and access to lawn mowers. The community is in rural Becker County five miles east of Detroit Lakes.</p> <p>The community is in a rural area without access to city water and sewer systems and the current private septic system is not functioning properly. The drain field failed resulting in leakage above ground in the community. Funds would be used to design, permit, and implement a new septic system. Water and sewage are currently leaking above ground in the community. The community owner pays \$2,300 per month to pump the system, which is an added cost and would not be needed if the community had a functioning sewer system. The owner has identified this as only a temporary fix and cannot afford the cost of replacing the septic system without financial support, putting the community at risk to be closed or converted to another use if the repairs are not completed.</p> <p>The community owner indicates there is a range of income levels and households, including young families, single residents of all ages and many retired couples. The community owner is working with Becker County and Detroit Lakes on the design, permits, and current issues with the existing and proposed new septic system, but there is no financial support from the city. The electrical utility is currently and will continue to be provided by Wild Rice Electric. However, the community is located in a rural area and there are no plans for the water and sewer to be connected to city services.</p> <p>An approved loan from Citizens National Bank would cover 33% of the project costs. A letter documenting approval of this loan for this purpose was provided. The community owner has secured some other resources and may be able to increase the resources coming from other sources, but that is not certain.</p>			

Cedar Terrace MHP			
Ownership Model:	Privately owned		
Grantee:	Allenspach Companies		
# of Lots:	39		
Activity Type:	Infrastructure Redevelopment		
Location:	Metro: Stillwater (Washington County)		
Project Funding Details			
Funds Requested:	\$659,825		Recommended Funds: \$659,825
Total Project Cost:	\$659,825		Grant (Appropriations): \$659,825
Funds per Lot:	\$16,918.59		Grant (HIB proceeds): n/a
Project Cost per Lot:	\$16,918.59		
Total Leverage \$:	\$0		
Total Leverage %	0%		
MHFA Leverage:	\$0		
Manufactured Home Park Description and Project Activities:			
<p>Cedar Terrace is a year-round community that has been privately owned by a family for many years. The family members are committed to maintaining the park as an affordable community for the residents. If granted funding, they will replace the sewage system, build a new well for residents' water supply, update the electrical system, and invest in a new storm shelter. There are plans to expand the park to the maximum units allowed, according to their conditional use permit granted by Grant Township.</p> <p>The septic system and well water quality require constant monitoring and patchwork repairs to keep functional. The failure of the septic system is a constantly looming concern that would force the owner to close the park and is the number one priority. In the past two years, three underground water supply lines have burst which required extensive digging for circuits of supply to be redone. The septic system has frequent plugs for undiagnosed reasons. The manganese level in the water supply is not quite over the threshold of unsafe drinking water, but the levels are close enough to require a substantial overhaul of existing infrastructure. Additionally, a more sustainable alternative to the storm shelter is needed.</p> <p>Household income of residents is estimated to be \$50,000 and under. The demographics of the Cedar Terrace are diverse, and including residents from the Latino and Black community, as well as quite a few residents living with disabilities. Nearly all Cedar Terrace residents have lived in the community long-term.</p> <p>There is no leverage included in this proposal. The community owners have looked into obtaining financing but were not able to secure a loan at the time of application.</p>			

Grandview MHP			
Ownership Model:	Privately Owned		
Grantee:	F4U, LLC		
# of Lots:	93		
Activity Type:	Infrastructure Redevelopment		
Location:	Greater MN: Red Wing (Goodhue County)		
Project Funding Details			
Funds Requested:	\$700,000		Recommended Funds: \$700,000
Total Project Cost:	\$1,000,000		Grant (Appropriations): n/a
Funds per Lot:	\$7,526.88		Grant (HIB proceeds): \$700,000
Project Cost per Lot:	\$10,752.69		
Total Leverage \$:	\$300,000		
Total Leverage %	30%		
MHFA Leverage:	\$300,000		
Manufactured Home Park Description and Project Activities:			
<p>Grandview is a year-round community with no seasonal lots. The owner just purchased the park in June of 2021. The infrastructure has not been updated in 50 years and the project includes water, sewer, storm system and road repair. The infrastructure issues are caused by roots intrusions and the yard erosion, as the park is built into a hill. The project will correct these issues. The water and sewer upgrades would benefit the health and safety of the community. The condition of the community infrastructure is well documented through a descriptive narrative in the application and through the engineer's report on the probable costs to the proposed work, all of which will benefit all residents of the community. The current systems fail with sewer system backups and the water system breaks frequently. The project would also improve site drainage to eliminate ponding, add two water hydrants for fire protection, and include improvements/replacement of streets which are badly deteriorated.</p> <p>The household income of the current residents range 40-50% AMI. The demographic information provided in the application indicates that most residents are BIPOC households, which also include senior residents and two residents with disabilities.</p> <p>The application included a letter of support from the City/Chamber of Commerce but no financial leverage had been committed at the time of application. The city is considering TIF or fee reductions on the project, so additional leverage may become available. The local Chamber of Commerce recognizes the park as a needed affordable housing option but is not providing financial contributions. Applicant suggests conversations are being had with the City regarding the City taking over ownership/maintenance of the new utilities but nothing formal and no plan has been established. The owner has applied for financing in the form of a Minnesota Housing loan in the amount of \$300,000.</p>			

Normandale Mobile Park			
Ownership Model:	Privately Owned		
Grantee:	Normandale, LLC		
# of Lots:	48		
Activity Type:	Infrastructure Redevelopment		
Location:	Greater MN: Redwood Falls (Redwood County)		
Project Funding Details			
Funds Requested:	\$553,345		Recommended Funds: \$333,345
Total Project Cost:	\$632,893		Grant (Appropriations): \$333,345
Funds per Lot:	\$11,528.02		Grant (HIB proceeds): n/a
Project Cost per Lot:	\$13,185.27		
Total Leverage \$:	\$79,548		
Total Leverage %	13%		
MHFA Leverage:	\$0		
Manufactured Home Park Description and Project Activities:			
<p>Normandale is a privately owned community in Redwood Falls. The owner applied for grant funds in 2020, but the project was not funded due to high development costs of the project and limited program funds. The owner has reduced the scale of the project and submitted a new proposal. This project consists of the replacement of the parking and road system and adding a code compliant storm sewer system to the park will eliminate the tripping hazards currently present for residents. It will also aid in preserving the longevity of the residents' homes by properly controlling water flow and keeping it away from homes.</p> <p>The owner believes this project will ensure long term workforce housing options in Redwood Falls for decades to come. The lots in the community are 48% vacant, 35% occupied by homeowners, and 8% occupied by renters. 30% of residents are very low income, 38% of residents are BIPOC households, occupied by Indigenous and Latino residents.</p> <p>The City has committed \$885,000 of TIF funds for additional activities outside of this project. The applicant states that the infrastructure activities in this project are not eligible for TIF. Two local employers provided letters of support for the project (Daktronics and Carris Health). The owners are trying to negotiate with the City to take over maintenance of the new roads, but no plan is in place from the city for that piece.</p> <p>13% of the project funds will be provided by the applicant from their lender, Franklin State Bank. The applicant states that they would scale back this project if necessary. The current project includes expansion of new lots with sidewalks and parking pads and the applicant states that these could be cut from the project, reducing the costs by \$225,000. Agency staff recommend funding the infrastructure updates, but do not recommend funding the \$225,000 costs for expansion.</p>			

Riverview Terrace			
Ownership Model:	Privately Owned		
Grantee:	Brakemeier Properties, Inc.		
# of Lots:	250		
Activity Type:	Infrastructure Redevelopment		
Location:	Metro: Chaska (Carver County)		
Project Funding Details			
Funds Requested:	\$799,785		Recommended Funds: \$799,785
Total Project Cost:	\$1,187,880		Grant (Appropriations): n/a
Funds per Lot:	\$3,199.14		Grant (HIB proceeds): \$799,785
Project Cost per Lot:	\$4,751.52		
Total Leverage \$:	\$388,095		
Total Leverage %	33%		
MHFA Leverage:	\$0		
Manufactured Home Park Description and Project Activities:			
<p>The applicant is a private owner of the community and owns other manufactured home communities in the state. This is a fully occupied 250 site community in the south Twin Cities Metro. This is a returning applicant who did not receive funding in 2020, due to limited available funding.</p> <p>The application seeks support for a new storm shelter as well as electrical upgrades. There is an existing storm shelter in the community, but it is not large enough to accommodate all park residents. The current storm shelter structure is also used as a community meeting space for residents and other local organizations. The other major part of the request is to update a failing electrical system in the community.</p> <p>The application includes letters of support from the city, schools, and local organizations. The owners are very engaged in the community. However, the city is not contributing financially to the project.</p> <p>The remaining funds for the project will come from the owner's cash on hand and a line of credit from Old National Bank that is currently setup for Riverview Terrace MHP. The owners are experienced with this type of project, subcontractors and related vendors included in the proposal are experienced, as well. The storm shelter costs were estimated based on another storm shelter the owners constructed in a different community earlier, additional bids will be required prior to disbursement of funds.</p>			

Paradise Park Neighborhood			
Ownership Model:	Privately Owned		
Grantee:	Grand Partners, LLC		
# of Lots:	34		
Activity Type:	Infrastructure Redevelopment		
Location:	Greater MN: Grand Rapids (Itasca County)		
Project Funding Details			
Funds Requested:	\$1,183,647		Recommended Funds: \$1,150,000
Total Project Cost:	\$1,583,000		Grant (Appropriations): n/a
Funds per Lot:	\$34,813.15		Grant (HIB proceeds): \$1,150,000
Project Cost per Lot:	\$46,558.83		
Total Leverage \$:	\$399,353		
Total Leverage %	25%		
MHFA Leverage:	\$0		
Manufactured Home Park Description and Project Activities:			
<p>The applicant is a major manufactured home community owner in MN. Their family corporations have owned and operated many communities in the state for decades. Paradise Park Neighborhood is a 34-unit community in Grand Rapids, which was built in the 1970s and currently has private wells and septic systems. The applicant and company officials have been involved in the Manufactured and Modular Housing Association of MN leadership for a long time. With the completion of this project, private water and sewer infrastructure would be replaced and connected to municipal water and sewer service systems. Also, a 20-unit expansion of the park is proposed including all new site and infrastructure development, as well as a storm shelter. Agency staff do not recommend funding the expansion portion of the project. Updating to city water connection would bring clean water to residents, reduce water failures and disruptions, abandon existing wells, replace water lines and risers, and add two fire hydrants. Storm shelters are also a great need for manufactured home communities for residents to have a safe place to harbor during inclement weather.</p> <p>Most residents living in this community are seniors living on fixed incomes. The project involves connecting to the city water and sewer systems - so the city of Grand Rapids and the Public Utilities Department are involved heavily in this project. The city will contribute \$50,000 to support the project. Total project leverage is \$399,000, which includes \$50,000 from the city and the remainder from a combination of the owners' own funds and financing. A letter of commitment was provided with the application. Costs were assessed by an engineer, but bids have not been solicited yet. This will be required prior to disbursement of funds. The project timeline is reasonable.</p>			

Omland Court			
Ownership Model:	City Owned		
Grantee:	City of Fosston		
# of Lots:	41		
Activity Type:	Infrastructure Redevelopment		
Location:	Greater MN: Fosston (Polk County)		
Project Funding Details			
Funds Requested:	\$320,000		Recommended Funds: \$320,000
Total Project Cost:	\$400,000		Grant (Appropriations): n/a
Funds per Lot:	\$7,804.88		Grant (HIB proceeds): \$320,000
Project Cost per Lot:	\$9,756.10		
Total Leverage \$:	\$80,000		
Total Leverage %	20%		
MHFA Leverage:	\$0		
Manufactured Home Park Description and Project Activities:			
<p>Omland Court is a year-round residential park with capacity for 41 single-wide manufactured homes. The community is located across from the city of Fosston's Industrial Park where nearly 300 people are employed. Several residents of Omland Court are employed at a business in the Industrial Park and can walk to work year-round. The city acquired the park a few years ago but has not been able to complete the needed infrastructure updates due to budget limitations.</p> <p>Funds received through this program will be used to update the roadways and water and sewer connections. The community has a need for upgraded water and sewer connections. Streets are currently gravel. Applicant indicated that improvements are needed so homes can be brought into the vacant 21 lots and bring more affordable housing options into the community.</p> <p>The applicant estimates annual household incomes to be between \$10,000 and \$80,000 in the community. Per the applicant, Omland Court consists of people with disabilities, some Native American residents, but is largely populated by white non-Hispanic residents.</p> <p>City of Fosston is providing \$80,000 in matching funds. The Industry park businesses are supportive of the improvements as many of their employees live in the community.</p> <p>Total project leverage is \$80,000 provided by the city. The city will take over road maintenance of the community going forward. Without support from this program, the city estimates it would take several years to finding funding to complete this project.</p>			

Sherburne Village			
Ownership Model:	Privately Owned		
Grantee:	KAW Parks, LLC		
# of Lots:	96		
Activity Type:	Infrastructure Redevelopment		
Location:	Metro: Princeton (Sherburne County)		
Project Funding Details			
Funds Requested:	\$197,000		Recommended Funds: \$197,000
Total Project Cost:	\$227,000		Grant (Appropriations): \$197,000
Funds per Lot:	\$2,052.08		Grant (HIB proceeds): n/a
Project Cost per Lot:	\$2,364.58		
Total Leverage \$:	\$30,000		
Total Leverage %	13%		
MHFA Leverage:	\$0		
Manufactured Home Park Description and Project Activities:			
<p>Sherburne Village is a year-round residential park that is privately owned. 77 of the homes in the community are owner-occupied, 13 rented and 6 vacant lots. The owners are requesting funds to build a storm shelter within the community. The residents currently use a church across the street from the community as a storm shelter.</p> <p>The current use of the church building across the street is an existing exception from the MN Department of Health. A new community built today would require an on-site storm shelter. By building their own storm shelter, during a weather emergency, residents would need only walk 1000 feet to get to a storm shelter on-site. This would provide quicker, more readily accessible access for residents, year-round, in the event of weather emergencies.</p> <p>The applicant states that the range of household income of those living in the community is between \$18,000 - \$78,000. They also describe the community as being of households in the low-income category and some senior households.</p> <p>The project includes \$30,000 of leveraged funds. The leveraged funds come from the owners' own company cash. The owners do not have sufficient funds to complete this project without assistance.</p>			

Isanti Estates			
Ownership Model:	Privately Owned		
Grantee:	Brakemeier Properties, Inc.		
# of Lots:	250		
Activity Type:	Infrastructure Redevelopment		
Location:	Metro: Isanti (Isanti County)		
Project Funding Details			
Funds Requested:	\$1,575,761		Recommended Funds: \$787,880
Total Project Cost:	\$2,206,201		Grant (Appropriations): n/a
Funds per Lot:	\$13,131.34		Grant (HIB proceeds): \$787,880
Project Cost per Lot:	\$18,385.01		
Total Leverage \$:	\$630,440		
Total Leverage %	29%		
MHFA Leverage:	\$0		
Manufactured Home Park Description and Project Activities:			
<p>Isanti Estates is a privately owned park in Isanti with 120 occupied lots, 91 occupied by homeowners with a "small town" feel. Many of the residents are senior households and single mothers. Over 50 school aged children live in the community.</p> <p>The community is experiencing two problems: a failing water system; and a playground and basketball court that are broken, worn out, and not ADA compliant.</p> <p>The water lines have had several patches repaired, but it is not a long-term solution. Funds would be used to replace water mains and lines throughout the community. Much of the playground equipment is broken and in an area that floods. The project would remove the current playground, re-grade the area and install new equipment that is safe and ADA compliant.</p> <p>Letters of support from Lakes & Pines CAC and Iron Rock Off Road (local employer/ manufacturer) were included in the application and attest to the park being a supporter of affordable housing and work force housing. The owners themselves host free backpacks for kids' events, food distributions, vaccine clinics, ramp programs and holiday gift events.</p> <p>The park owners have \$475,000 cash in hand that they can contribute to the project, as well as financing options. Project costs are well documented with bids and the project can be divided into two zones. Funding is limited to one zone to replace the water lines, as well as funding demolition of the playground, but not to be used for zone two of the water lines or the installation of new playground equipment.</p>			

Broadmoor Valley			
Ownership Model:	Privately Owned		
Grantee:	Schierholz & Associates		
# of Lots:	178		
Activity Type:	Infrastructure Redevelopment		
Location:	Greater MN: Marshall (Lyon County)		
Project Funding Details			
Funds Requested:	\$500,000		Recommended Funds: \$500,000
Total Project Cost:	\$500,000		Grant (Appropriations): \$500,000
Funds per Lot:	\$2,808.99		Grant (HIB proceeds): n/a
Project Cost per Lot:	\$2,808.99		
Total Leverage \$:	\$0		
Total Leverage %	0%		
MHFA Leverage:	\$0		
Manufactured Home Park Description and Project Activities:			
<p>Broadmoor Valley is a privately owned community, located in the city of Marshall, in a commercial and residential area and one of the only affordable housing options in the county. Residents and the city have complained about the conditions of the roads and other issues in the community. This project includes road improvements, upgrade to the electrical system and water delivery system.</p> <p>The residents and the city want to see repairs completed for this community. School buses no longer enter the community due to the conditions of the roads, which contain potholes, some measuring 11 inches deep.</p> <p>No specific demographic documents were found in the application, but the park is home to 75 families of diverse backgrounds.</p> <p>If the project is funded, the City of Marshall is considering contributing \$100,000 and Marshall Municipal Utilities (MMU) is considering contributing to the electrical upgrade. The funds from the city have not been committed, so they are not included in project leverage, but the city has shown its support of the project and has urged the park owner to complete repairs. The recommendation to fund this proposal is contingent on the City of Marshall completing the scope of work for the project, as well as signing off on project completion and approving the work as it is completed.</p>			

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

RESOLUTION NO. MHFA 20-

RESOLUTION APPROVING SELECTION OF PROJECTS FOR GRANT FUNDS FOR THE MANUFACTURED HOME COMMUNITY REDEVELOPMENT PROGRAM AND HOUSING INFRASTRUCTURE BOND (HIB) PROCEEDS

WHEREAS, the Minnesota Housing Finance Agency (Agency) has received applications to provide grant funds to manufactured home parks for infrastructure redevelopment and/or acquisition; and

WHEREAS, Agency staff has reviewed the applications and determined that the applications are in compliance under the Agency's rules, regulations and policies; and that the applications will assist in fulfilling the purpose of the program.

NOW THEREFORE, BE IT RESOLVED:

1. The Board hereby authorizes Agency staff to enter into grant contracts, for the applications and in the amounts set forth below, subject to the terms and conditions contained herein and in the respective grant agreements:

2021 Manufactured Home Community Name	Grantee	Program Activity	Funding Source	Funding Amount
Hillcrest Community Cooperative	Libraries Without Borders	Infrastructure Redevelopment	State Appropriations	\$ 400,000
Woodlawn Terrace	Northcountry Cooperative Foundation	Infrastructure Redevelopment	HIB Proceeds	\$ 1,042,675
Twin Haven Estates	Twin Haven Estates, LLC	Infrastructure Redevelopment	HIB Proceeds	\$ 600,000
Grandview MHP	F4U, LLC	Infrastructure Redevelopment	HIB Proceeds	\$ 700,000
Cedar Terrace MHP	Allenspach Companies	Infrastructure Redevelopment	State Appropriations	\$ 659,825
Riverview Terrace	Brakemeier Properties, Inc.	Infrastructure Redevelopment	HIB Proceeds	\$ 799,785
Normandale Mobile Park	Normandale, LLC	Infrastructure Redevelopment	State Appropriations	\$ 333,345
Paradise Park Neighborhood	Grand Partners, LLC	Infrastructure Redevelopment	HIB Proceeds	\$ 1,150,000
Sherburne Village	KAW Parks, LLC	Infrastructure Redevelopment	State Appropriations	\$ 197,000
Omland Court	City of Fosston	Infrastructure Redevelopment	HIB Proceeds	\$ 320,000

Isanti Estates	Brakemeier Properties, Inc.	Infrastructure Redevelopment	HIB Proceeds	\$ 787,880
Broadmoor Valley	Schierholz & Associates	Infrastructure Redevelopment	State Appropriations	\$ 500,000
Total				\$ 7,490,510

2. With respect to grants funded with bond proceeds, the Agency is able to issue and sell tax-exempt bonds on terms acceptable to the Agency; and
3. The applicant and any other parties that Agency staff, in its sole discretion deem necessary, shall execute all such documents relating to the grant contract, terms and conditions as the Agency, in its sole discretion, deems necessary.

Adopted this 27th day of January 2022

Item: Single Family Selections, Community Homeownership Impact Fund

Staff Contact(s):

Song Lee, 651.296.2291, song.lee.mhfa@state.mn.us

Leighann McKenzie, 651.296.8147, leighann.mckenzie@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 checked="" type="checkbox"/> Resolution | <input type="checkbox"/> Information |

Summary of Request:

Staff requests approval of funding recommendations for the Single Family Consolidated Request for Proposals (RFP) and Community Homeownership Impact Fund (Impact Fund).

Fiscal Impact:

The Impact Fund includes Economic Development and Housing Challenge (EDHC) funds, Housing Infrastructure Bond (HIB) proceeds and Pool 2 resources. EDHC funds are state-appropriated resources provided in the form of grants or deferred loans that do not earn interest for the Agency. HIB proceeds are provided in the form of deferred, forgivable loans that do not earn interest for the Agency. Interim Construction loans made from Pool 2 are repayable and earn interest for the Agency.

Meeting Agency Priorities:

- Improve the Housing System
- Preserve and Create Housing Opportunities
- Make Homeownership More Accessible
- Support People Needing Services
- Strengthen Communities

Attachment(s):

- Background and Funding Recommendations
- Maps of Impact Fund Recommended Projects
- Project Summaries
- 2021 Single Family Consolidated RFP Summary Spreadsheet
- 2021 Single Family Consolidated RFP Non-Recommended Applications
- Resolution

BACKGROUND

Minnesota Housing accepted proposals under the Single Family Consolidated Request for Proposals (RFP). The Single Family RFP is a mix of Pool 2, state appropriated resources, and Housing Infrastructure Bond proceeds. The Single Family RFP used a common application form and procedure, with applications due July 15, 2021. Projects selected for funding through the Single Family RFP are implemented under the Community Homeownership Impact Fund program (Impact Fund). Staff are recommending approval of selections of projects for Minnesota Housing resources under the Impact Fund.

The Agency received 41 single family proposals totaling \$36,813,965. Of the funds requested from the Agency, \$3,646,242, or 10 percent of total requests, proposed to serve communities in Greater Minnesota. Applicants requested \$33,167,723, or 90 percent of total requests, to serve the seven-county Twin Cities metropolitan area.

Proposal Review and Selection Process

All proposals were reviewed, scored, and ranked based on the 2021 Single Family Request for Proposals Scoring Criteria approved by the Agency's Board on March 25, 2021. First, staff assessed the extent to which a proposal meets the Selection Standards threshold that includes organizational capacity, project feasibility and community need. The organizational capacity assessment includes a consideration of an applicant's financial health and ability to implement the proposed project. The project feasibility assessment includes a consideration of the economic viability of a project and the proposed project costs as compared to Impact Fund's historical cost thresholds, which are based on an analysis of typical project costs under past Impact Fund awards. The community need assessment considers the identified need based on local demographics, housing needs of the local workforce, and economic factors in the community and how the proposal meets the identified need. If a proposal meets all three Selection Standards, then it will move forward to be scored under the Agency's funding priorities. These include workforce housing, efficient land use, location efficiency, community recovery, increase housing choice, rural and tribal designation, leverage, regulatory incentive, long term affordability, equitable access to homeownership, serve housing needs within a community, homeownership or financial education and counseling, business entities owned or led by Black, Indigenous and People of Color (BIPOC) individuals and/or women, and advancement of housing innovation and technology.

Impact Fund Eligible Activities

The Impact Fund is available statewide. The program offers significant versatility in the type of funds available and the type of eligible activities. The types of funds available include grants, deferred loans, and interim construction loans. The types of eligible activities include the following:

- Acquisition, rehabilitation and resale of housing units.
- Downpayment or affordability gap assistance programs that effectively serve homebuyers who may have difficulty accessing existing programs. Affordability gap assistance is the difference between the purchase price of a home and the mortgage financing a buyer can secure.
- Owner-occupied rehabilitation programs that effectively serve borrowers who are unable to obtain financing through other single-family home improvement programs.
- New construction of homes.
- Tribal Indian Housing Program to provide first mortgage financing, downpayment assistance, and owner-occupied rehabilitation for tribally-enrolled members.

Background and Funding Recommendations

The Agency provides value gap and interim construction financing for acquisition, rehabilitation, resale and new construction projects. Value gap is the difference between the total development cost of a unit and the after-improved appraised value.

Although interim construction loans are unsecured, by requiring monthly payments of interest due, as well as including covenants requiring the Borrower to maintain, on an ongoing quarterly basis, certain financial ratios, these loans may be viewed as investment quality and appropriate to be funded from Pool 2.

FUNDING RECOMMENDATIONS

Staff recommends funding 36 proposals for a total of \$12,544,223. Fifteen selections totaling \$2,799,242, or 42 percent of total projects selected, will serve communities in Greater Minnesota. Twenty-five selections totaling \$9,744,981, or 58 percent of total projects selected, will serve the seven-county Twin Cities metropolitan area. Five of the proposals received are not recommended for funding and several of the proposals are recommended to be funded for less than the amount requested based on funding availability and organizational capacity.

State-appropriated Economic Development Housing Challenge (EDHC) funds will support 29 of these proposals, totaling \$6,749,901. Staff also recommends interim construction financing in the total amount of \$440,000 for one applicant to support the construction of eight units. Housing Infrastructure Bond proceeds in the amount of \$5,354,322 are recommended for 16 proposals to support 88 units which include 36 community land trust units.

Improve the Housing System

Although all recommended selections market to the people most impacted, such as BIPOC households, large families and people facing barriers, 34 applicants will focus their outreach specifically to people most impacted within their target area. Twenty-five of these organizations serve the seven-county Twin Cities metropolitan area and nine serve Greater Minnesota.

Statewide, the percent of Black, Indigenous and people of color served under the Impact Fund increased from 53 percent in 2020 to 64 percent in 2021. Ninety-seven percent of households served had a household income below 80 percent area median income (AMI). The high percent of lower income households served was true for both Greater Minnesota and the Twin Cities metropolitan area.

Twelve projects intend to create 4 or more bedroom homes or homes with accessory dwelling units to serve larger families. Seventy percent of recommended applicants are entities that are owned or led by Black, Indigenous, and people of color, and/or women.

Preserve and Create Housing Opportunities

Six projects will preserve 33 existing homes by acquiring, rehabilitating and reselling homes. Twelve of these homes will be placed into a community land trust (CLT), preserving the long-term affordability of the homes.

Six projects will provide owner-occupied rehabilitation for a total of 67 units to preserve existing housing and allow current homeowners to remain in their homes.

Ten projects will create 68 new construction units in areas where there is an increasing need for workforce housing. Ten percent of these homes will be in Greater Minnesota and 90 percent in the seven-county Twin Cities metropolitan area.

Make Homeownership More Accessible

All applicants will offer or provide resources to homebuyers to access homebuyer and financial education and counseling to support successful homeownership.

Strengthen Communities

Three organizations with projects serving small communities are first time applicants or have not received an award in the past five years. These projects will create or preserve 24 homeownership housing units.

Ten projects will serve households in disinvested communities where there are lower median household incomes, older housing stock, and lower than average increases in home sales prices. These projects will create or preserve 69 homeownership housing units.

NEXT STEPS

Funding Agreements

Final funding selection letters will be sent to the organizations if Minnesota Housing selections are approved by the Agency Board. Selections are subject to the program requirements as outlined in each individual Grant Contract Agreement or Loan Contract. Grant Contract Agreement or Loan Contracts will be sent to all recipients in late February 2022.

Build Wealth MN Inc.	
Project	Family Stabilization & Perpetually Affordable Housing (PAH) Community Development Plan
Location	Seven-County Twin Cities Metropolitan Area: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties with a focus on North Minneapolis/Near North, Brooklyn Park, Brooklyn Center, East Side St. Paul, and HomeCo Pilot Project area
Activity	Affordability Gap/Downpayment Assistance
Typical # of Bedrooms	N/A

Project Funding Details			
Requested		Recommended	
# of units:	50	# of units:	13
Funding Requested:	\$540,000	Funding Recommended:	\$136,500
		EDHC - Grant	\$6,500
		EDHC - Deferred Loan	\$130,000

Organization Information
<p>Build Wealth MN, Inc. (BWMN) is a non-profit organization and their primary mission is to <i>“strengthen underserved communities by empowering families to build sustainable social and economic wealth.”</i></p> <p>Over the past five years, BWMN has closed 275 affordability gap loans. As a housing developer, they partner and work with home builders and community developers, focusing on acquiring vacant lots, and supported by the City of Minneapolis. BWMN is an administrator of the City of Minneapolis Homeownership Opportunity Minneapolis (HOM) Program and is an approved non-profit developer in the Home Ownership Works (HOW) program. Housing Opportunity Made Equitable Collaborative (HOMECO) Team Members, Model Cities & Aurora St. Anthony Neighborhood Development Corporation will be referral partners in providing wrap around support in Homeownership Capacity and providing downpayment assistance to buyers that require lending products that do not require traditional interest payments.</p>

Project Description
<p>The funds will be used for affordability gap/downpayment assistance to help homebuyers purchase a home in the seven-county Twin Cities metro area. BWMN will prioritize North Minneapolis/Near North, Brooklyn Center, Brooklyn Park, and the East Side of St. Paul. It will also serve first and second tier suburbs in the seven county metro area, if needed. Funds may also be provided to the buyers of two homes BWMN will build at 1111 James Avenue and 1216 Irving Avenue N through the Minneapolis Homes PAH initiative. Grant funds in the amount of \$5,000 is recommended for administration of the program. The applicant will serve households at or below 80 percent area median income (AMI).</p> <p>The proposed project is part of an existing program, the “Family Stabilization Plan” (FSP) that helps underserved families, who want stability or to get out of financial distress and move towards building sustainable assets and social and economic wealth. Affordability Gap financing will be provided</p>

through the “Family Stabilization 2nd Lending Program” to assist homebuyers with the downpayment and closing costs of a home purchase. It also specifically helps those who need culturally specific lending alternatives, due to interest bearing products not being an option.

Many homebuyers accepted will be households of four or more, requiring 3-4-bedroom units. BWMN has historically found that households are blended or multi-generational and there is a need to accommodate for this. They also are filling a need for a nontraditional financing alternative due to cultural and religious beliefs.

BWMS’s proposal meets several of Minnesota Housing’s strategic objectives. The proposed target areas are where most program participants come from and will continue to reside. This will help preserve and create housing opportunities and strengthen existing communities. Extensive financial counseling and homebuyer education will help homebuyers obtain and sustain affordable homeownership and build wealth for their future. With where median home prices at almost \$344,000, BWMN will be able to make use of vacant lots in the targeted areas to build new homes that are affordable and can accommodate larger family sizes. This will make homeownership more accessible and supports the need of this type of service. Keeping the home prices affordable will help these homebuyers build and sustain equity.

The proposed project will support addressing housing disparities and building power in communities most impacted by housing challenges and disparities. Since 2005, BWMN has been diligently and aggressively engaged in addressing housing disparities. The vast majority of its work has been geared toward closing disparity gaps for households of color, specifically for African Americans. Over 90 percent of their program participants are people of color and they provide culturally specific training, financial education and seek to help these targeted communities grasp new concepts around navigating through systemic barriers to ultimately become homeowners and build social and economic wealth in their communities. BWMN has been engaging in cluster strategy in North Minneapolis' Near North community. It is now embarking on 9000 Equities pilot initiative to close disparities by 15 percent for African Americans. They continue to work with a number of systems internally and externally with the University of MN that helps them count and measure the success of their programming and activities.

Costs and Subsidy

Typical Impact Fund Affordability Gap Subsidy Per Unit: \$10,000

Build Wealth MN Inc. (BWMN)	
Project	Affordability Assistance for Building Equity in Small Multifamily Ownership
Location	Seven-County Twin Cities Metropolitan Area: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties
Activity	Affordability Gap/Downpayment Assistance
Typical # of Bedrooms	N/A

Project Funding Details				
Requested			Recommended	
# of units:	25		# of units:	5
Funding Requested:	\$1,020,000		Funding Recommended:	\$102,500
			EDHC - Grant	\$2,500
			EDHC - Deferred Loan	\$100,000

Organization Information
<p>Build Wealth MN, Inc. (BWMN) is a non-profit organization and their primary mission is to <i>“strengthen underserved communities by empowering families to build sustainable social and economic wealth.”</i></p> <p>Over the last five years they have closed 275 affordability gap loans. As a housing developer, they partner and work with home builders and community developers, focusing on acquiring vacant lots, and supported by the City of Minneapolis. BWMN is an administrator of the City of Minneapolis Homeownership Opportunity Minneapolis (HOM) Program and is an approved non-profit developer in the Home Ownership Works (HOW) program.</p>

Project Description
<p>The funds will be used for affordability gap/downpayment assistance for homebuyers to purchase 2-4-unit properties as owner-occupant landlords in the Twin Cities Seven-County metro area. Grant funds in the amount of \$2,500 is recommended for administration of the program. The applicant will serve households at or below 80 percent area median income (AMI).</p> <p>The proposed project assistance will be coordinated with a broader effort, the Building Equity in Small Multifamily Ownership initiative, which is led by the Family Housing Fund in partnership with several other nonprofits, including Build Wealth MN, Inc (BWMN).</p> <p>The proposed project is compelling as it is a strategy to reduce racial wealth gaps in the Twin Cities region. It provides the opportunity to earn rent from 2nd (or 3rd, etc.) units and makes it possible for low- and moderate-income homebuyers to purchase larger properties and realize more wealth over time.</p> <p>BWMN’s proposed project meets several of Minnesota Housing’s strategic objectives of making homeownership more accessible and strengthening communities. It will focus on helping provide affordable and sustainable housing in their target area to help strengthen those communities. BWMN has consistently been engaged in addressing housing disparities. The vast majority of its work has been geared toward closing disparity gaps for households of color, specifically for African Americans.</p>

Over 70 percent of partner program participants are people of color and they provide culturally specific training, financial education and seek to help those in communities of color.

The proposal will support one or more of the following outcomes: "to address housing disparities, build power in communities most impacted by housing challenges and disparities, pilot innovative challenges and support inclusive communities." Minnesota experiences some of the nation's worst racial disparities in homeownership and wealth. Forty percent of households of color and just 24 percent of Black Minnesotans own their homes, compared to 76 percent of white households. As homeownership is a critical pathway to building wealth, this gap perpetuates racial wealth disparities. Unrest following the murder of George Floyd and the disparate impact of the COVID-19 pandemic have further underscored these disparities in the Twin Cities. Small multifamily buildings (duplexes, triplexes, and fourplexes) offer an opportunity to close racial wealth disparities. These buildings use the same conventional mortgage lending as single-family homes, representing an affordable entry to real estate investment. When a first-time buyer purchases a 2-4 unit building, they can earn additional income from rent, mortgage paydown, and appreciation.

Costs and Subsidy

Typical Impact Fund Affordability Gap Subsidy Per Unit: \$20,000

City of Lakes Community Land Trust (CLCLT)	
Project	628 Franklin Condos
Location	Ventura Village Neighborhood in Minneapolis (near south)
Activity	Affordability Gap/Downpayment Assistance
Typical # of Bedrooms	3 Bedrooms

Project Funding Details			
Requested		Recommended	
# of units:	7	# of units:	7
Funding Requested:	\$700,000	Funding Recommended:	\$560,000
		EDHC - Grant	\$560,000

Organization Information
<p>The City of Lakes Community Land Trust (CLCLT) is a non-profit whose mission is to create community ownership that preserves affordability and inclusivity. The mission is realized through several homebuyer, development, and homeowner support services provided through the organization.</p> <p>CLCLT has assisted 436 households into perpetually affordable homeownership with the community land trust model. Their CLT portfolio is currently comprised of 333 homes, with an estimated value of nearly \$70 million as of year-end 2020. This included 43 units with common interest communities managed by a Homeowners Association (HOA) as will be the case with this project.</p> <p>The applicant will work in close partnership with Hope Community both in the development phase and ongoing operation of the project. CLCLT will bring experience and expertise in affordable housing development. Hope Community will bring a knowledge of the subject neighborhood including community building and engagement with residents. Hope Community also has developed nearly 300 units of both new and rehabilitated affordable housing developments across 7 projects in the subject neighborhood. The plan delineates responsibilities for each party in the development process and they have completed successful projects together in the past.</p>

Project Description
<p>The funds will be used for affordability gap/downpayment assistance for buyers to purchase condominium units in the Ventura Village Neighborhood of Minneapolis. The applicant will serve households at or below 80 percent area median income (AMI) with preference for borrowers below 60 percent AMI.</p> <p>The project is paired with \$2.4 million in American Response Plan (ARP) funds committed from the City of Minneapolis for the project. A majority of these funds will be used to acquire and rehab the property. The remaining funds, approximately \$21,000 per unit will be used for additional affordability gap.</p> <p>This project will rehabilitate a long-term vacant and hazardous property into needed affordable housing units in the neighborhood. The building has been evaluated by the Heritage Planning Commission which determined the "building contains significant architectural detail and should be saved." The property is surrounded by property owned by a church. If the building was ever razed the</p>

likely use would be for additional church parking. Any new construction on the site would require a variance to match the number of units in this proposal.

CLCLT is partnering with Hope Community for this project. Hope Community is a local neighborhood non-profit that provides community engagement, small business support and successful affordable housing development/operation to the subject neighborhood.

This project meets the strategic objective of making homeownership more accessible by creating seven new affordable homeownership units targeted to borrowers with large families and under 60 percent AMI. The CLT model will ensure the units will perpetually remain affordable in the future. The proposal also supports strengthening communities. The proposed units will be priced and marketed to the residents in the immediate area with the assistance of Hope Community. Creating seven new housing units from a current vacant building will preserve this historic building in the community and bring future residents together.

The proposal will build power in a community with a 11 percent homeownership rate and the image of transforming a long vacant building to affordable housing would be a message of positive changes in the neighborhood. Given the CLCLT's track record of serving households of color, Ventura Village's high percentage of households of color and high percentage of renters of color, there is a strong likelihood that the majority of buyers will be households of color.

Costs and Subsidy

Typical Impact Fund Affordability Gap Subsidy Per Unit: \$80,000

City of Lakes Community Land Trust	
Project	Harrison Townhomes
Location	Harrison Neighborhood of Minneapolis
Activity	Affordability Gap/Downpayment Assistance
Typical # of Bedrooms	2, 3 and 4 Bedrooms

Project Funding Details			
Requested		Recommended	
# of units:	17	# of units:	7
Funding Requested:	\$832,832	Funding Recommended:	\$237,930
		EDHC - Grant	\$237,930

Organization Information

The City of Lakes Community Land Trust (CLCLT) is a non-profit whose mission is to create community ownership that preserves affordability and inclusivity. The mission is realized through several homebuyer, development, and homeowner support services provided through the organization.

CLCLT will partner with Twin Cities Habitat for Humanity (TCHFH), who has extensive experience as a developer and general contractor building townhomes, similar to the proposed Harrison Townhome project. TCHFH has developed and built over 1,264 homes in the Twin Cities, including over 300 townhome projects. The CLCLT and TCHFH has also collaborated on a townhome project in south Minneapolis where TCHFH homes were built on CLCLT owned lots. In this project, TCHFH has first right of refusal and the CLCLT has second right. Under both conditions, future buyers are subject to the CLCLT resale restrictions and resale formula.

Project Description

The funds will be used for affordability gap/downpayment assistance for homebuyers to purchase new construction townhomes in the Harrison neighborhood of Minneapolis. The applicant will serve households at or below 80 percent area median income (AMI).

The City of Lakes Community Land Trust (CLCLT) is partnering with Twin Cities Habitat for Humanity (TCHFH) and proposing to build 17 permanently affordable townhomes in the Harrison neighborhood of Minneapolis. The CLCLT and TCHFH will be building a combination of two, three and four-bedroom townhomes with a tuck-under garage unit. This proposed project is a part of a larger redevelopment initiative of the Basset Creek Valley area that is being spearheaded and developed by Wellington Management, Inc. (WMI). The project will bring the first opportunity for affordable homeownership into the redevelopment plan. The townhomes will help to bridge the traditional residential neighborhoods to the more modern commercial development in the Basset Creek Valley area, which is intended to be targeted as an anti-displacement strategy in the face of the pressures of gentrification sweeping through the area.

CLCLT was awarded funds for this project in 2019 for land acquisition and affordability gap for the first 10 units. This project meets the agency’s strategic objective to improve the housing system. The Harrison Townhomes project is a result of the local community and its residents wanting more affordable homeownership choices to be made available in the Harrison Neighborhood. As rents

surge in the Harrison Neighborhood and displacement increases, these 17 affordable townhomes will create an opportunity for residents to remain in a rapidly gentrifying neighborhood.

This project will also preserve and create housing opportunities. All of the townhome units created through this development will be targeted to sell to households at or below 50 percent AMI. The homes will be built as townhomes, which are a higher density than single family detached homes.

Costs and Subsidy

Typical Impact Fund Affordability Gap Subsidy Per Unit: \$33,990

City of Lakes Community Land Trust	
Project	Homebuyer Initiated Program (HIP)
Location	City of Minneapolis
Activity	Affordability Gap/Downpayment Assistance
Typical # of Bedrooms	N/A

Project Funding Details			
Requested		Recommended	
# of units:	20	# of units:	7
Funding Requested:	\$1,200,000	Funding Recommended:	\$420,000
		EDHC - Grants	\$280,000
		Housing Infrastructure Bond Proceeds Loan	\$140,000

Organization Information
<p>The City of Lakes Community Land Trust (CLCLT) is a non-profit whose mission is to create community ownership that preserves affordability and inclusivity. The mission is realized through several homebuyer, development, and homeowner support services provided through the organization.</p> <p>CLCLT has assisted 181 households with HIP affordability gap assistance grants through the end of 2020. CLCLT's portfolio is currently comprised of 333 homes, collectively estimated in value of nearly \$70 million. Of the 333 homes, currently 103 of them have been resold, retaining affordability and extending usage of the initial affordability gap assistance.</p>

Project Description
<p>The funds will be used for affordability gap assistance for borrowers to purchase homes through the City of Lakes Community Land Trust (CLCLT) Homebuyer Initiated Program (HIP) in the City of Minneapolis. The applicant will serve households at or below 80 percent area median income (AMI).</p> <p>The CLCLT's Homebuyer Initiated Program (HIP) is a scattered-site, buyer-initiated purchase program in which low- and moderate-income households choose a home in Minneapolis within their purchasing power (first mortgage plus CLCLT affordability gap assistance), with an owner-occupied rehabilitation component to the program. CLCLT is also applying for owner-occupied rehabilitation funds for HIP. Under this program the buyer chooses the home and the location which helps in diversifying neighborhoods and reducing pockets or clusters of households with similar economic means. This program also facilitates homeownership for households that have historically been priced out of certain markets or neighborhoods.</p> <p>CLCLT has several well-established relationships with housing counselors and homeownership advisors and requires participating buyers to complete pre-purchase education in addition to mortgage lenders, loan officers, and independent attorneys which assist buyers in understanding funding related documents, ground leases, and other CLCLT documents. This level of buyer support and education promotes successful homeownership and serves to narrow the racial disparity in homeownership in Minneapolis.</p>

The proposed project furthers Minnesota Housing's strategic objectives to improve the housing system and make homeownership more accessible. HIP strives to increase access to homeownership for low- and moderate-income households, especially for Black, Indigenous, and People of Color individuals and families. In 2020 CLCLT served 42 households and reports that 57 percent of all households served were households of color or members of Indigenous communities. CLCLT's HIP meets buyers at the mortgage amount that is affordable for them. The affordability investment through the CLCLT enhances a buyer's purchasing power, increasing homes available to them and providing an opportunity for a buyer to compete in the market.

Costs and Subsidy

Typical Impact Fund Affordability Gap Subsidy Per Unit: \$60,000

City of Lakes Community Land Trust (CLCLT)	
Project	Homebuyer Initiated Program (HIP)
Location	City of Minneapolis
Activity	Owner-Occupied Rehabilitation
Typical # of Bedrooms	N/A

Project Funding Details			
Requested		Recommended	
# of units:	20	# of units:	7
Funding Requested:	\$700,000	Funding Recommended:	\$245,000
		Housing Infrastructure Bond Proceeds Loan	\$245,000

Organization Information
<p>The City of Lakes Community Land Trust (CLCLT) is a non-profit whose mission is to create community ownership that preserves affordability and inclusivity. The mission is realized through several homebuyer, development, and homeowner support services provided through the organization.</p> <p>Over the past five years, CLCLT buyers have purchased 80 homes through the CLCLT's Homebuyer Initiated Program. Post-purchase, owner-occupied rehabilitation was completed on 55 homes with 25 homes still in progress.</p>

Project Description
<p>The funds will be used for owner-occupied rehabilitation for homeowners who purchase homes in the City of Minneapolis through the CLCLT's Homebuyer Initiated Program (HIP). The applicant will serve households at or below 80 percent area median income (AMI).</p> <p>The CLCLT's Homebuyer Initiated Program (HIP) is a scattered-site, buyer-initiated program in which low- and moderate-income households choose a home in Minneapolis within their purchasing power (first mortgage plus CLCLT affordability gap assistance), with an owner-occupied rehabilitation component to the program. CLCLT is also applying for affordability gap funds for HIP.</p> <p>Funds are available to the homebuyers to rehabilitate the homes that they purchase through the HIP program. The rehabilitation addresses deferred maintenance, mechanical, safety and code issues, identified environmental hazards (e.g. lead, radon, asbestos), and some energy efficiency needs that a house has at the time of purchase.</p> <p>CLCLT has established several partnerships that are essential to successfully implement its homeownership development projects. It will draw on its network of general contractors to complete the rehabilitation work on homes purchased through HIP. CLCLT continues to partner with Hennepin County's Lead Safe Home Program to perform lead risk assessments and clearance inspections on homes built before 1978. It will also work with Hennepin County Environmental Response Fund to access funding for asbestos and lead remediation. DPIS Builder Services will perform the initial and post-rehabilitation energy assessment audits.</p>

The proposed project furthers Minnesota Housing's strategic objectives to improve the housing system and make homeownership more accessible. HIP strives to increase access to homeownership for low- and moderate-income households, especially for Black, Indigenous, and people of color individuals and families. In 2020 CLCLT served 42 households and reports that 57 percent of all households served were households of color or members of Indigenous communities. CLCLT's HIP meets buyers at the mortgage amount that is affordable for them. The affordability investment through the CLCLT enhances a buyer's purchasing power, increasing homes available to them and providing an opportunity for a buyer to compete in the market.

Costs and Subsidy

Typical Development Cost Per Unit: Not applicable

Typical Impact Fund Subsidy Per Unit: \$35,000

City of Lakes Community Land Trust	
Project	City of Lakes Community Land Trust (CLCLT) New Construction
Location	City of Minneapolis
Activity	New Construction and Affordability Gap/Downpayment Assistance
Typical # of Bedrooms	2 Bedrooms

Project Funding Details			
Requested		Recommended	
# of units:	6	# of units:	1
Funding Requested:	\$570,000	Funding Recommended:	\$95,000
		EDHC - Grants	\$70,000
		Housing Infrastructure Bond Proceeds Loan	\$25,000

Organization Information
<p>The City of Lakes Community Land Trust (CLCLT) is a non-profit whose mission is to create community ownership that preserves affordability and inclusivity. The mission is realized through several homebuyer, development, and homeowner support services provided through the organization.</p> <p>Over the past five years, the CLCLT has completed and sold five new construction homes.</p>

Project Description
<p>The funds will be used for value gap and affordability gap/downpayment assistance in the construction of a home in the City of Minneapolis. The applicant will serve households at or below 80 percent area median income (AMI).</p> <p>City of Lakes Community Land Trust (CLCLT)'s new construction housing activity is complementary to the organization's ongoing efforts to create and preserve affordable homeownership in Minneapolis. New construction provides the CLCLT an opportunity to offer different housing types to low- and moderate-income buyers, examples of which include single-family homes with attached accessory dwelling units and a smaller square footage home built on slab because of soil-related issues and to support deeper affordability in a higher market value area of Minneapolis. The lot has been acquired or is under contract for this project.</p> <p>The affordability gap funds enable the initial CLT homebuyer to purchase an affordable new construction home. The funds will remain with the home in indefinitely, creating long-term affordability that is designed to provide affordability to multiple households over time.</p> <p>The project furthers the Agency's strategic objective to make homeownership more accessible. Even though the CLCLT's maximum income level is at or below 80 percent AMI, the organization works diligently to keep new construction homes at a price point affordable to households between 60-70 percent AMI and ideally lower. Lower-income buyers lose out on homes routinely because they are usually unable to compete in a bidding situation. This project provides an opportunity for lower income households to pursue a home without having to compete against higher income buyers with more resources.</p>

The project also furthers the Agency's strategic objective to create new housing opportunities. Building new homes also provides the organization with the ability to try and meet different needs of possible buyers, which could include accessory dwelling units for multi-generational living, passive designs to reduce overall cost of homeownership, or visitability features to support individuals with disabilities or aging in place.

Costs and Subsidy

Typical Development Cost Per Unit: \$435,000

Historical High Cost Threshold: \$416,956

Percent Above Historical High Cost Threshold: 4%

The anticipated per-unit construction cost of \$325,000 is above the industry average of \$257,472 for a unit of similar new construction in a similar geographic area.

Typical Impact Fund Value Gap Subsidy Per Unit: \$25,000

Historical High Subsidy Threshold: \$71,665

Percent Below Historical High Subsidy Threshold: 65%

Typical Impact Fund Affordability Gap Subsidy Per Unit: \$70,000

Historical High Subsidy Threshold: \$71,665

Percent Below Historical High Subsidy Threshold: 2%

City of Lakes Community Land Trust	
Project	CLCLT Strategic Opportunity Fund
Location	City of Minneapolis
Activity	Acquisition, Rehabilitation, and Resale
Typical # of Bedrooms	3 Bedrooms

Project Funding Details			
Requested		Recommended	
# of units:	5	# of units:	1
Funding Requested:	\$375,000	Funding Recommended:	\$75,000
		Housing Infrastructure Bond Proceeds Loan	\$75,000

Organization Information
<p>The City of Lakes Community Land Trust (CLCLT) is a non-profit whose mission is to create community ownership that preserves affordability and inclusivity. The mission is realized through several homebuyer, development, and homeowner support services provided through the organization.</p> <p>CLCLT has completed or is in the process of rehabilitating over 80 Homebuyer Initiated Program homes, 7 Project Sustained Legacy homes, and 6 gut-rehab homes that have all become part of the community land trust.</p>

Project Description
<p>The funds will be used for value gap to acquire, rehabilitate and resell one home in Minneapolis. The applicant will serve a household at or below 80 percent area median income (AMI).</p> <p>The Strategic Opportunity Fund is part of a newer program developed to leverage opportunities that arise when existing property owners (homeowners, attorneys, estates) approach CLCLT with interest in selling, donating, or willing their homes to CLCLT through a direct donation, discounted sale, or option bequest. CLCLT will then rehabilitate the home and resell it to a low income household.</p> <p>The project furthers the Agency's strategic objective to preserve and create housing opportunities through rehabilitate a home in the City of Minneapolis by completing environmental, safety, deferred maintenance, and code repairs before selling to a qualified buyer.</p> <p>The proposal seeks to address housing disparities and build power in communities most impacted by addressing housing challenges and disparities. Fifty-three percent of CLCLT homeowners are households of color, and at an average of 51% AMI. In light of this, there is a strong likelihood that the home acquired through the CLCLT Strategic Opportunity Fund will be sold to a household of color.</p>

Costs and Subsidy
<p><u>Typical Development Cost Per Unit:</u> \$315,000</p>

Historical High Cost Threshold: \$368,322

Percent Below Historical High Cost Threshold: 14%

Typical Impact Fund Value Gap Subsidy Per Unit: \$75,000

Historical High Subsidy Threshold: \$58,217

Percent Above Historical High Subsidy Threshold: 29%

City of Minneapolis Community Planning and Economic Development	
Project	Minneapolis Homes: Financing
Location	City of Minneapolis with focus on Webber-Camden, McKinley, Folwell, Victory, Cleveland, Jordan, Willard-Hay, Hawthorne, Lind-Bohanon, Near-North, Harrison, Summer-Glenwood. South Central (Corcoran, Powderhorn Park, Central, Whittier, Phillips West, Midtown Phillips, East Phillips West, and Ventura Village), and Northeast Minneapolis (Holland, Beltrami) neighborhoods
Activity	Acquisition, Rehabilitation, and Resale
Typical # of Bedrooms	4 Bedrooms

Project Funding Details			
Requested		Recommended	
# of units:	10	# of units:	10
Funding Requested:	\$500,000	Funding Recommended:	\$500,000
		Housing Infrastructure Bond Proceeds Loan	\$500,000

Organization Information
<p>The City of Minneapolis Community Planning and Economic Development's (Minneapolis CPED) mission is to grow a vibrant, livable, safely built city for everyone. The purpose of the Minneapolis CPED is to create healthy, mixed income housing markets in the City of Minneapolis by developing opportunities to purchase or sustain a home and responsibly managing City development properties.</p> <p>The City has partnered with developers to finance over 300 new construction homes since 2013. The City's previous Build Rehab and HOW programs (now part of MH: Financing) traditionally resulted in the completion of 15 rehab units per year. As City staff have worked to expand developer capacity and participation in the program, the annual projects financed has continually increased. In 2019-2020, 93 units of housing were approved for financing and so far in 2021, 105 units have been approved for financing in the most recent funding round. Additionally, through the Neighborhood Stabilization Program (NSP), 429 units of housing were developed from 2008-2014.</p> <p>Minneapolis Homes Financing (MH: Financing) partners have developed a wide variety of new construction homes over the past five years. A large share of new construction has been single family homes, but recently there have been more diverse housing types such as row homes, town houses, duplexes, and triplexes. Program consolidation into the MH: Financing umbrella from various City housing programs is also leading to improved efficiency for staff in implementation which supports a higher unit development.</p>

Project Description
<p>The funds will be used for value gap for the acquisition, rehabilitation and resale of units in several targeted neighborhoods throughout Minneapolis. The applicant will serve households at or below 80 percent area median income (AMI).</p> <p>The Minneapolis CPED's MH: Financing program is one component of the Minneapolis Homes' suite of programs that focus on providing financing and education to homebuyers, developers, and</p>

homeowners. MH: Financing is offered through an application process to award project gap and affordability gap funding to developers rehabilitating vacant or tax forfeited homes and reselling the property at affordable rates. City staff have conducted four rounds of funding with the 4th Round of funding receiving substantially more applications for funding as the application was extended to include a Missing Middle Pilot Program. For the 5th Round of funding, the City is collapsing several housing development financing programs (Development Assistance, Home Ownership Works, and Missing Middle) into one program that will finance 1-20 unit homeownership developments in Minneapolis.

MH: Financing builds off the framework of the Green Homes North and the Minneapolis Homes Development Assistancess program. These programs include capacity building training for new developers, emphasis on workforce development partnerships, and encouragement of sustainable and diverse home designs.

The City of Minneapolis will partner with developers by conducting an RFP to award development funding to acquisition, rehabilitation and resale projects. A team of City staff including project coordinators and construction managers will work with the awarded developer on each project from the point of application to construction, marketing, sale, and final reconciliation of all costs. City staff are involved through the development process and work with developers to ensure compliance with the Impact Fund program and the City's programmatic goals.

MH: Financing places considerable emphasis on addressing the racial disparity in homeownership. The communities in which the City owns the most land are also the communities most impacted by discriminatory housing practices. To acknowledge the disparities that exist from discrimination, the City Council made eliminating disparities a goal of the 2040 Comprehensive Plan. The program works toward this goal by evaluating development proposals by historic rate of service to Black, Indigenous, people of color, and immigrant households and methods both marketing homes to underserved households, as well as ensuring construction contracting maximizes the use of underutilized and businesses owned by people of color. Additionally, the City provides funding for financial coaching to help households attain sustainable homeownership. When evaluating incomes of Black, Indigenous, people of color, and immigrant households, as well as the members of the communities in which the homes are built, the City realized that that they needed to build more deeply affordable housing. As a result, the City initiated the creation of its perpetually affordable housing program that keeps homes more deeply affordable through an equity sharing model. As housing costs have increased, it's also essential to create housing opportunities through the development of new affordable housing types that are less frequently available in Minneapolis. As a result, the scope of Minneapolis Homes was expanded through the Missing Middle Housing Pilot to address a funding barrier for missing middle housing. By financing missing middle housing, they help to provide a variety of housing options that allow people to remain in their communities. Missing Middle Housing will help the city meet the changing needs of residents in terms of unit sizes, housing types, different levels of affordability, and the ability to find a home that meets their needs throughout the City. It will also help the City achieve the goal of increasing housing available to City residents thus impacting the current housing shortage.

Costs and Subsidy

Typical Development Cost Per Unit: \$364,500

Historical High Cost Threshold: \$342,739

Percent Above Historical High Cost Threshold: 6%

Typical Impact Fund Value Gap Subsidy Per Unit: \$50,000

Historical High Subsidy Threshold: \$48,804

Percent Above Historical High Subsidy Threshold: 2%

City of Minneapolis Community Planning and Economic Development	
Project	Minneapolis Homes: Financing
Location	City of Minneapolis with focus on Webber-Camden, McKinley, Folwell, Victory, Cleveland, Jordan, Willard-Hay, Hawthorne, Lind-Bohanon, Near-North, Harrison, Summer-Glenwood. South Central (Corcoran, Powderhorn Park, Central, Whittier, Phillips West, Midtown Phillips, East Phillips West, and Ventura Village), and Northeast Minneapolis (Holland, Beltrami) neighborhoods
Activity	New Construction
Typical # of Bedrooms	3 and 4 Bedrooms

Project Funding Details			
Requested		Recommended	
# of units:	70	# of units:	20
Funding Requested:	\$3,500,000	Funding Recommended:	\$1,000,000
		Housing Infrastructure Bond Proceeds Loan	\$1,000,000

Organization Information
<p>The City of Minneapolis Community Planning and Economic Development's (Minneapolis CPED) mission is to grow a vibrant, livable, safely built city for everyone. The purpose of Minneapolis CPED is to create healthy, mixed income housing markets in the City of Minneapolis by developing opportunities to purchase or sustain a home and responsibly managing City development properties.</p> <p>The City has partnered with developers to finance over 300 new construction homes since 2013. As City staff have worked to expand developer capacity and participation in the program, the annual projects financed has continually increased. In 2019-2020, 93 units of housing were approved for financing and so far in 2021, 105 units have been approved for financing in the most recent funding round. Additionally, through the Neighborhood Stabilization Program (NSP), 429 units of housing were developed from 2008-2014.</p> <p>Minneapolis Homes: Financing (MH: Financing) partners have developed a wide variety of new construction homes over the past five years. A large share of new construction has been single family homes, but recently there have been more diverse housing types such as row homes, town houses, duplexes, and triplexes. Program consolidation into the MH: Financing umbrella from various City housing programs is also leading to improved efficiency for staff in implementation which supports a higher unit development.</p>

Project Description
<p>The funds will be used for value gap for the new construction of single family homes, including multi-unit (1-4 units) homes in several targeted neighborhoods throughout Minneapolis. The applicant will serve households at or below 80 percent area median income (AMI).</p> <p>Minneapolis CPED's MH: Financing program is one component of the Minneapolis Homes' suite of programs that focus on providing financing and education to homebuyers, developers, and homeowners. Minneapolis MH: Financing is offered through an application process to award project</p>

gap and affordability gap funding to developers building affordable homeownership units in Minneapolis. City staff have conducted four rounds of funding with the 4th Round of funding receiving substantially more applications for funding as we expanded our application to include a Missing Middle Pilot Program. For our 5th Round of funding, we are collapsing several housing development financing programs (Development Assistance, Home Ownership Works, and Missing Middle) into one program that will finance 1-20 unit homeownership developments in Minneapolis.

MH: Financing will expand upon previous program goals with a greater focus on homebuyer products to serve households at lower incomes, an increased emphasis on reducing racial disparities and serving underserved markets by evaluating historic service rate and intended methods to maximize use of underutilized businesses during construction and market housing opportunities to underserved communities such as Black, Indigenous, people of color, and immigrant households, and households with a disability, and households below 50 percent AMI.

The City of Minneapolis will partner with developers by conducting an RFP to award development funding to new construction projects. A team of City staff including project coordinators and construction managers will work with the awarded developer on each project from the point of application to construction, marketing, sale, and final reconciliation of all costs. City staff are involved through the development process and work with developers to ensure compliance with the Impact Fund program and the City's programmatic goals.

MH: Financing places considerable emphasis on addressing the racial disparity in homeownership. The communities in which the City owns the most land are also the communities most impacted by discriminatory housing practices. To acknowledge the disparities that exist from discrimination, the City Council made eliminating disparities a goal of the 2040 Comprehensive Plan. The program works toward this goal by evaluating development proposals by historic rate of service to Black, Indigenous, people of color, and immigrant households and methods both marketing homes to underserved households, as well as ensuring construction contracting maximizes the use of underutilized and businesses owned by people of color. Additionally, the City provides funding for financial coaching to help households attain sustainable homeownership. When evaluating incomes of Black, Indigenous, people of color, and immigrant households, as well as the members of the communities in which the homes are built, the City realized that that they needed to build more deeply affordable housing. As a result, the City initiated the creation of its perpetually affordable housing program that keeps homes more deeply affordable through an equity sharing model. As housing costs have increased, it's also essential to create housing opportunities through the development of new affordable housing types that are less frequently available in Minneapolis. As a result, the scope of Minneapolis Homes was expanded through the Missing Middle Housing Pilot to address a funding barrier for missing middle housing. By financing missing middle housing, they help to provide a variety of housing options that allow people to remain in their communities. Missing Middle Housing will help the city meet the changing needs of residents in terms of unit sizes, housing types, different levels of affordability, and the ability to find a home that meets their needs throughout the City. It will also help the City achieve the goal of increasing housing available to City residents thus impacting the current housing shortage.

Costs and Subsidy**Single Unit**

Typical Development Cost Per Unit: \$401,500

Historical High Cost Threshold: \$393,413

Percent Above Historical High Cost Threshold: 2%

The anticipated per-unit construction cost of \$315,000 is below the industry average of \$345,462 for a unit of similar new construction in a similar geographic area.

Typical Impact Fund Value Gap Subsidy Per Unit: \$50,000

Historical High Subsidy Threshold: \$53,116

Percent Below Historical High Subsidy Threshold: 6%

Multi-Unit (2-4 units)

Typical Development Cost Per Unit: \$365,175

Historical High Cost Threshold: \$393,413

Percent Below Historical High Cost Threshold: 7%

The anticipated per-unit construction cost of \$293,750 is above the industry average of \$266,940 for a unit of similar new construction in a similar geographic area.

Typical Impact Fund Value Gap Subsidy Per Unit: \$50,000

Historical High Subsidy Threshold: \$53,116

Percent Below Historical High Subsidy Threshold: 6%

Community Neighborhood Housing Services dba NeighborWorks Home Partners (NWHP)	
Project	Community Keys +
Location	Counties of Anoka, Dakota, Hennepin, Ramsey and Washington
Activity	Affordability Gap/Downpayment Assistance
Typical # of Bedrooms	N/A

Project Funding Details			
Requested		Recommended	
# of units:	150	# of units:	35
Funding Requested:	\$1,575,000	Funding Recommended:	\$367,500
		EDHC - Grant	\$17,500
		EDHC - Deferred Loans	\$350,000

Organization Information
<p>The mission of Community Neighborhood Housing Services dba NeighborWorks Home Partners (NWHP) is empowering individuals and communities by helping people buy, fix, and keep their homes.</p> <p>NWHP has closed 825 loans closed in the past five years and is a full service NMLS licensed lender offering downpayment, home improvement and first mortgage products. They have offered lending products for 40 years, serving Saint Paul and the metro area. Currently NWHP has six downpayment products and more than 15 home improvement products. NWHP is a certified FHA Secondary Lender which gives us them the ability to pair down payment funds with FHA loans.</p>

Project Description
<p>The funds will be used for affordability gap/downpayment assistance for households to purchase homes in Ramsey, Hennepin, Washington, Anoka and Dakota Counties. Grant funds in the amount of \$17,500 is recommended for administration of the program. The applicant will serve households at or below 80 percent area median income (AMI).</p> <p>NeighborWorks Home Partners (NWHP) will expand their Community Keys downpayment product to help low-to moderate income families to purchase eligible owner-occupied homes in Ramsey, Hennepin, Washington, Anoka, and Dakota Counties. Many households are also looking for choice of location in housing to be close to a job or school district, meet the needs of their families such as 4-5 bedroom homes, duplexes, and up to four unit properties that could be used for extended families to live in or generate rental income to make homeownership affordable. Community Keys + aligns with Family Housing Fund’s initiative to encourage low to moderate income (LMI) and Black, Indigenous and people of color with ownership of 2-4-unit owner-occupied homes.</p> <p>NWHP’s Community Keys + project aligns with Minnesota Housing’s strategic objective to improve the housing system. The program will focus on census tracts showing economic distress as defined by Community Development Financial Institution (CDFI) and the Department of Treasury throughout the five county area. It will further focus funds towards households up to 80 percent of area median</p>

income. Community Keys + will also target tracts in the top five job centers that includes Minneapolis, Saint Paul, and Bloomington and tracts in several communities with net job growth of 500 jobs or more – Fridley, Brooklyn Center, Richfield, Roseville, Anoka, New Hope, New Brighton, Mounds View, and Brooklyn Park which specifically addresses communities with job growth and limited housing supply.

The proposed project will also align with the Agency's strategic objective to make homeownership more accessible. NWHP offers a one stop shop for households to learn about the homebuying process, create a custom plan to improve and establish credit and savings, provide downpayment assistance, first mortgage financing options, single family development projects, and foreclosure intervention services. NWHP's U.S. Housing and Urban Development (HUD) certified counseling team connects with realtors, lenders, community groups, and education programs to serve more households of color, immigrants, and low-income households to reach their goal of homeownership. Of the 51 loans closed through the Community Keys program since October 1, 2018 to present, more than 56 percent of the loans served Black and African American households and an overall 68 percent were Black, Indigenous, and people of color households.

Costs and Subsidy

Typical Impact Fund Affordability Gap Subsidy Per Unit: \$10,000

Community Neighborhood Housing Services dba NeighborWorks Home Partners (NWHP)	
Project	Preserving Affordable Homeownership for St. Paul
Location	City of Saint Paul
Activity	Acquisition, Rehabilitation, and Resale
Typical # of Bedrooms	2+ Bedrooms

Project Funding Details				
Requested			Recommended	
# of units:	2		# of units:	2
Funding Requested:	\$199,000		Funding Recommended:	\$199,000
			Housing Infrastructure Bond Proceeds Loan	\$199,000

Organization Information
<p>The mission of Community Neighborhood Housing Services dba NeighborWorks Home Partners (NWHP) is empowering individuals and communities by helping people buy, fix, and keep their homes.</p> <p>Over the past five years, NWHP has rehabilitated 13 vacant housing units and built six new construction homes. All properties have been sold to income eligible owner occupants. Of the 13 rehabilitated homes, 12 of those homes involved substantial rehabilitation and 11 were classified as either Category 2 or 3 vacant buildings with the City of St. Paul's Department of Safety and Inspection that requires a code compliance report and final inspection. NWHP staff is experienced in moderate to very substantial renovation. The degree will be dependent upon the need of the property and the funds available.</p>

Project Description
<p>The funds will be used for value gap to acquire, rehabilitate and resell homes in the City of Saint Paul. The applicant will serve households at or below 80 percent area median income (AMI).</p> <p>The project will provide an opportunity for NWHP to acquire two vacant and distressed properties, renovate them to a high standard and sell the properties to an income eligible buyer. This will provide families with a chance at wealth building, moving out of poverty and poor living conditions and increasing their quality of life through affordable homeownership. This will also help stabilize St. Paul neighborhoods by preserving owner-occupant housing.</p> <p>This proposal meets Minnesota Housing's strategic objective to preserve and create housing opportunities. NWHP's proposed project will capture existing, affordable housing stock that is at risk of vanishing. Segments of affordable homeownership are prime for being lost through foreclosure and tax forfeiture to investor owners and demolition. Existing housing is typically the most affordable and preserving it is more cost effective than building new. By recapturing these properties, renovating, and selling to an 80 percent AMI owner-occupant NWHP will provide safe, healthy,</p>

affordable, owner-occupied housing options for households. NWHP will also outreach and engage participation from local people of color and woman owned general-contractors and sub-contractors.

The proposed project also meets the Agency's priority to make homeownership more accessible. NWHP offers a one-stop shop for households to learn about the home buying process, create a custom plan to improve and establish credit and savings, provide downpayment assistance, first mortgage financing options, single family development projects, and foreclosure intervention services. NWHP U.S. Housing and Urban Development (HUD) certified counseling team connects with realtors, lenders, community groups, and education programs to serve more households of color, immigrants, and low-income households to reach their goal of homeownership. Minnesota and the City of St. Paul continue to have significant homeownership disparities between Black, Indigenous, and people of color and white households. In the last five years, NWHP developed 19 owner-occupied units of which 12 (63 percent) were purchased by households of color. Several of the buyers accessed NWHP's downpayment assistance.

Costs and Subsidy

Typical Development Cost Per Unit: \$359,112

Historical High Cost Threshold: \$342,739

Percent Above Historical High Cost Threshold: 5%

Typical Impact Fund Value Gap Subsidy Per Unit: \$99,500

Historical High Subsidy Threshold: \$48,804

Percent Above Historical High Subsidy Threshold: 104%

First Homes Properties	
Project	9 th Avenue Row Houses
Location	Slatterly Park Neighborhood in Southeast Rochester
Activity	New Construction and Affordability Gap/Downpayment Assistance
Typical # of Bedrooms	2 and 3 Bedrooms

Project Funding Details			
Requested		Recommended	
# of units:	6	# of units:	6
Funding Requested:	\$932,742	Funding Recommended:	\$932,742
		EDHC - Grant	\$336,000
		Housing Infrastructure Bond Proceeds Loan	\$596,742

Organization Information
<p>First Homes Properties (First Homes) is a subsidiary of the Rochester Area Foundation. First Homes has been a community leader in the creation of workforce housing since 1999. First Homes recognizes that homeownership increases economic vitality and community sustainability and seeks to advance its mission of providing leadership to create a permanent supply of workforce housing through collaborative partnerships in the greater Rochester area.</p> <p>First Homes is experienced with single family development including stability in its staff over the past few years. Its staff has experience with administration of Impact Fund awards. Since 2018, First Homes has been busy growing the area's supply of affordable housing. In 2018-2019, three new construction single family homes were built in Rochester. In 2020, First Homes built twelve townhomes and two single-family homes in Rochester through an Impact Fund award. The twelve townhomes are similar to the six rowhomes proposed for this project in both square footage and level of finish. At the end of 2020, First Homes completed three acquisition and rehabilitation projects in Rochester.</p> <p>First Homes has a long standing partnership with the Cannon Falls Housing Initiative and the Cannon Falls School District to build new construction affordable single family homes. In 2021 one new home was built and sold to an income qualified buyer through this partnership.</p>

Project Description
<p>The funds will be used for value gap and affordability gap/downpayment assistance for the new construction of six row houses in the Slatterly Park Neighborhood in Southeast Rochester. The applicant will serve households at or below 80 percent area median income (AMI).</p> <p>First Homes' 9th Avenue Row Houses program aims to support the outcome of addressing housing disparities. By building in a neighborhood that has higher concentration of households of color and a lower median household income, First Homes is able to have a higher impact on the disparity of homeownership. Homeownership enables households to build wealth and secure housing stability.</p>

The proposed project will further Minnesota Housing's strategic objectives to improve the housing system and preserve and create housing opportunities. The proposed project will create six new units of rowhouses on a vacant lot. First Homes' work is centered around creating long term affordable housing units for lower income borrowers. The 9th Avenue Row Houses project addresses the need for additional new construction units by providing six homes where there is currently one home available. These rowhomes will be listed with a selling price below \$290,000. These rowhomes will leverage higher density in a neighborhood close to downtown that is also on a transit corridor. Rising home values result in competition for homes that are at affordable purchase prices, resulting in more need for lower income homebuyers.

Costs and Subsidy

2 Bedrooms

Typical Development Cost Per Unit: \$368,157

Historical High Cost Threshold: \$348,281

Percent Above Historical High Cost Threshold: 6%

The anticipated per-unit construction cost of \$256,787 is above the industry average of \$193,893 for a unit of similar new construction in a similar geographic area.

Typical Impact Fund Value Gap Subsidy Per Unit: \$86,957

Historical High Subsidy Threshold: \$103,492

Percent Below Historical High Subsidy Threshold: 16%

Typical Impact Fund Affordability Gap Subsidy Per Unit: \$52,000

Historical High Subsidy Threshold: \$103,492

Percent Below Historical High Subsidy Threshold: 50%

3 Bedrooms

Typical Development Cost Per Unit: \$418,157

Historical High Cost Threshold: \$348,281

Percent Above Historical High Cost Threshold: 20%

The anticipated per-unit construction cost of \$306,787 is above the industry average of \$221,162 for a unit of similar new construction in a similar geographic area.

Typical Impact Fund Value Gap Subsidy Per Unit: \$111,957

Historical High Subsidy Threshold: \$103,492

Percent Above Historical High Subsidy Threshold: 8%

Typical Impact Fund Affordability Gap Subsidy Per Unit: \$60,000

Historical High Subsidy Threshold: \$103,492

Percent Below Historical High Subsidy Threshold: 42%

Habitat for Humanity of Minnesota, Inc	
Project	Habitat for Humanity of Minnesota
Location	52 counties throughout the State of Minnesota – Aitkin, Beltrami, Benton, Blue Earth, Brown, Carlton, Cass, Chippewa, Chisago, Clay, Clearwater, Crow Wing, Dodge, Douglas, Faribault, Fillmore, Freeborn, Goodhue, Grant, Hubbard, Isanti, Itasca, Kanabec, Kandiyohi, LeSueur, Lyon, Martin, McLeod, Meeker, Mille Lacs, Morrison, Mower, Nicollet, Olmstead, Otter Tail, Pine, Pope, Renville, Rice, Sherburne, Sibley, St. Louis, Stearns, Steele, Stevens, Swift, Waseca, Watonwan, Wilkin, Winona and Wright
Activity	Affordability Gap/Downpayment Assistance
Typical # of Bedrooms	N/A

Project Funding Details			
Requested		Recommended	
# of units:	12	# of units:	12
Funding Requested:	\$571,000	Funding Recommended:	\$571,000
		EDHC - Grant	\$6,000
		EDHC - Deferred Loan	\$565,000

Organization Information
<p>Habitat for Humanity of Minnesota, Inc (Habitat MN) is a nonprofit organization that advances the work of Minnesota’s Habitat for Humanity affiliates to create and preserve affordable homeownership. Each Habitat affiliate has an independent Board of Directors that is locally formed and governs under the umbrella of Habitat for Humanity International. Habitat MN is in regular communication with the affiliates to be certain they are provided with the most meaningful and useful services and resources to support their work. Habitat’s unique model of selecting the partner family before the home is built and financing the mortgage has helped Habitat continue building to meet the affordable housing needs of the increasing number of cost-burdened families at the lower area median income (AMI).</p> <p>Since July 2016, Habitat MN has closed 147 downpayment assistance loans. Of the closed loans, 61 were through the Federal Home Loan Bank Affordable Housing Program (AHP), 46 were through previous Impact Fund awards, and 40 were through Habitat Minnesota’s own downpayment assistance program.</p>

Project Description
<p>The funds will be used for affordability gap/downpayment assistance for homebuyers to purchase Habitat for Humanity of Minnesota (Habitat MN) new construction homes in 52 counties throughout the State of Minnesota. Grant funds in the amount of \$6,000 is recommended for administration of the program. The applicant will serve households at or below 80 percent area median income (AMI).</p> <p>Habitat MN will partner with 25 Greater Minnesota Habitat affiliates to construct new construction homes. Habitat affiliates in Greater Minnesota (Greater MN) build homes in partnership with households earning up to 80 percent of area median income and sell the homes to a Habitat homeowner. Greater MN affiliates raise over \$8 million annually from their local communities to develop the sites and construct the homes, provide zero percent or below market interest, 30-year</p>

mortgages, select each family and provide homeowner training to the family before, during the building process, and formally up to one year after they become homeowners. The Impact Fund proceeds, administered by Habitat MN, are allocated to the affiliates in order to help keep the first mortgage affordable for the homeowner.

Habitat MN will be the administrator of the Impact Funds and as affiliates apply to Habitat MN for their downpayment assistance program for a qualified project, Habitat MN would also approve the homebuyers for affordability gap funding through the Impact Fund, if additional gap exists, after all other liens are placed. Habitat MN staff will ensure program compliance, coordinate and request disbursements on behalf of all affiliates.

The proposed project meets the Agency's strategic objective to improve the housing system by focusing on households most impacted. Habitat MN select homebuyers for their program in accordance to their Homeowner Selection Manual that focuses on the need for adequate housing, willingness to partner with Habitat MN, ability to pay, overcrowding related to family size and degree of current cost burdened households. Habitat MN has a history of working with communities of color (including immigrant/refugee communities), people with disabilities and homes for larger families. In the past five years, 42 percent of Habitat MN households served were Black, Indigenous, and people of color households and about 22 percent were households with a person with a disability.

The project also meets the Agency's strategic objective to make homeownership more accessible through Habitat MN's flexible first mortgage financing. Habitat MN is able to structure the mortgage for Habitat MN homebuyers in a way that keeps payments affordable and is able to implement creative credit and underwriting solutions, and opening homeownership to communities historically left out. With innovative underwriting guidelines and flexible credit analysis, this opens homeownership opportunities to households with poor, limited, or no credit, limited savings, criminal histories or history of eviction/bankruptcy, and other significant life transitions.

Costs and Subsidy

Typical Impact Fund Affordability Gap Subsidy Per Unit: \$47,083

Hennepin CityHomes LLC	
Project	Morimoto CityHomes
Location	City of Eden Prairie
Activity	New Construction
Typical # of Bedrooms	3 Bedrooms

Project Funding Details			
Requested		Recommended	
# of units:	4	# of units:	4
Funding Requested:	\$200,000	Funding Recommended:	\$200,000
		EDHC - Grant	\$200,000

Organization Information
<p>Hennepin CityHomes LLC is a subsidiary of Smart Fit Development LLC. The legal entity was created for the purpose of developing Morimoto CityHomes. Despite being a new entity, the project lead and partners have substantive experience in housing development. The project lead has been a developer with Smart Fit Development and Bloomington Redevelopment Co. since 2015. The general contractor, Craft Homes, has been building and remodeling homes since 2014 and its owner has built over 600 homes. Constructive Building Advisors will provide site supervision and has been building and remodeling homes in the Twin Cities since 2013.</p>

Project Description
<p>The funds will be used for value gap to develop four new construction units within a larger townhome project in Eden Prairie. The project consists of four townhome structures with four units within each structure for a total of 16 units. The four units funded by the Agency will be sold to households at or below 115 percent area median income (AMI). The other 12 units will be sold at market rate. The units will have 3 bedrooms, 3 baths and 2 car attached garages. Each unit will include single-level living with a main floor bedroom and some units will be ADA accessible.</p> <p>Hennepin CityHomes will be the developer of the project. While this is a new legal entity, the project lead, Steve Furlong has been a developer with Smart Fit Development and Bloomington Redevelopment Company since 2015. Mr. Furlong has also successfully collaborated with others on the Minnesota Housing’s Start Up and Step Up programs. The general contractor will be Craft Homes LLC and Constructive Building Advisors will provide site development supervision.</p> <p>The project furthers the Agency’s strategic objective to create housing opportunities through increasing the development of new housing that is affordable. The development will create medium density housing on a single family lot. The project also furthers One Minnesota’s priority on children and families through developing new housing with 3 bedrooms in a community with strong schools.</p>

Costs and Subsidy

Typical Development Cost Per Unit: \$500,400

Historical High Cost Threshold: \$393,413

Percent Above Historical High Cost Threshold: 27%

The anticipated per-unit construction cost of \$303,000 is above the industry average of \$261,271 for a unit of similar new construction in a similar geographic area.

Typical Impact Fund Value Gap Subsidy Per Unit: \$50,000

Historical High Subsidy Threshold: \$53,116

Percent Below Historical High Subsidy Threshold: 6%

Hennepin County Housing and Redevelopment Authority (HCHRA)	
Project	Home Accessibility Ramps Program
Location	Hennepin and Ramsey Counties
Activity	Owner-Occupied Rehabilitation
Typical # of Bedrooms	N/A

Project Funding Details			
Requested		Recommended	
# of units:	40	# of units:	17
Funding Requested:	\$325,000	Funding Recommended:	\$138,125
		EDHC - Grant	\$138,125

Organization Information
<p>Hennepin County Housing and Redevelopment Authority (HCHRA) is a government entity whose mission is to serve the housing and economic development and redevelopment needs of the citizens of Hennepin County and its municipalities. The Home Accessibility Ramps Program helps HCHRA to meet its mission of providing decent, affordable housing by assisting homeowners to stay in their existing homes.</p> <p>The Home Accessibility Ramps Program has successfully implemented 14 previous Minnesota Housing awards since 1999 and has completed 406 ramp and step projects for disabled homeowners. Historically, this program has been a partnership between HCHRA and Tree Trust, a local nonprofit. Through an RFP process, they now have two Partners, Tree Trust and Twin Cities Rebuilding Together. HCHRA is also a Minnesota Housing lender for the Community Fix Up Program and staff has administered projects funded by CDBG.</p>

Project Description
<p>The funds will be used for owner-occupied rehabilitation to construct accessibility ramps and long-tread, low rise steps for 40 units in Hennepin and Ramsey Counties. Grant funds in the amount of \$1,700 are recommended for administration of the program. The applicant will serve households at or below 115 percent area median income (AMI).</p> <p>HCHRA's proposed project will construct accessibility ramps or long-tread, low rise steps for low- and moderate-income households with individuals who have physical limiting disabilities. Costs of nursing homes or assisted living are very high compared to homeowners remaining at home. The Homes Accessibility Ramps Program allows individuals to stay in their existing, affordable homes by adding a home accessibility ramp or long-tread, low-rise steps. As a condition of the grant, the homeowner awarded funding will use the ramp or steps for five years. If the home is sold, transferred, or conveyed to an ineligible homeowner within the 5 years, the homeowner must contact the program to notify of discontinued use so materials can be reused for another ramp.</p> <p>HCHRA will be partnering with Tree Trust and Twin Cities Rebuilding Together to assist in the implementation of the proposed project. HCHRA's role will include monitoring all documentation of the grant, reviewing all applications, verifying income, and other grant document requirements.</p>

HCHRA and their contracted partners will market the program across their network to find interested and eligible homeowners. The contracted partners' role will include conducting an individualized assessment of each home, proposing a design appropriate for the disability and for the house of each homeowner, and will work with participants to collect grant documentation.

The project furthers Minnesota Housing's strategic objective to preserve the existing housing stock and keeping it affordable by installing ramps that are portable, reusable, and removable if the homeowner moves out of the home. The Homes Accessibility Ramps Program will provide individuals a way to safely enter and exit their home and allow them to continue to be a part of their community and live independently. The project also furthers Minnesota Housing's strategic objective of supporting people needing services by supporting older Minnesotans to age in place. It supports people living with disabilities by providing accessible ramps or long-tread, low rise steps so these individuals can continue to live independently.

Costs and Subsidy

Typical Development Cost Per Unit: Not applicable

Typical Impact Fund Subsidy Per Unit: \$8,025

Housing and Redevelopment Authority of the City of Saint Paul	
Project	Inspiring Communities
Location	East Side, West Side and North End neighborhoods of St. Paul
Activity	New Construction and Affordability Gap/Downpayment Assistance
Typical # of Bedrooms	3.5 and 5 Bedrooms

Project Funding Details			
Requested		Recommended	
# of units:	14	# of units:	9
Funding Requested:	\$1,622,200	Funding Recommended:	\$1,067,400
		EDHC - Grant	\$4,500
		EDHC - Deferred Loan	\$338,400
		Housing Infrastructure Bond Proceeds Loan	\$724,500

Organization Information
<p>The Housing and Redevelopment Authority of the City of Saint Paul (St. Paul HRA) is a legally distinct public entity which undertakes housing, commercial and business development activities. Staff of the City of Saint Paul's Department of Planning and Economic Development provide staff support to the St. Paul HRA, with the goal of building community wealth through business, housing, jobs, planning, financial and cultural assets. Since January 1, 2016, the St. Paul HRA has completed 31 single family new construction projects.</p>

Project Description
<p>The funds will be used for value gap and affordability gap/downpayment assistance to build new construction homes in the East Side, West Side, and North End neighborhoods in the City of St. Paul. Grant funds in the amount of \$4,500 is recommended for administration of the program. The applicant will serve households at or below 115 percent area median income (AMI) with a focus on households at 80 percent AMI.</p> <p>St. Paul HRA's Inspiring Communities proposed project will return vacant land that has passed into St. Paul HRA's ownership to productive use as sites for new construction homes for low- and moderate-income households. This project is unique in that it addresses affordable missing-middle housing to increase the diversity of housing types including accessory dwelling units and duplexes that will broaden housing choices and intergenerational living. In St. Paul, single family unit structures outnumber all other types of structures by nearly four to one. The proposed project will conserve state, federal and local resources that would otherwise be needed to maintain vacant land and put the land to more productive use, including for redevelopment of affordable housing and mend the fabric of city blocks that have long experienced disinvestment and exploitation.</p> <p>The proposed project meets Minnesota Housing's strategic objective to improve the housing system by marketing missing middle homeownership opportunities to families of limited means, including households of color with large family sizes or intergenerational families. The proposed project also seeks to repair communities that have long experienced exploitation and disinvestment.</p>

The proposed project also meets the Agency's strategic objective to preserve and create housing opportunities by developing owner-occupied single family homes in neighborhoods with large populations of the newest citizens and people of color. Housing options will be enhanced by the development of accessory dwelling units (ADU) and duplex units. These will provide housing for large families, rental income for low-income owner, or both while remaining affordable.

In the past five years, on average 58.6 percent of households served were Black, Indigenous, and people of color. St. Paul HRA is designing programs to reach people of limited means and households of color. They are doing this through partnering with community groups and leaders that are active in and representative of the city's diversity. They have selected a developer, Green Affordable Homes of Minnesota, to construct one of the homes in the proposed project. Green Affordable Homes of MN is a small business established by a woman of color and currently receiving technical assistance and funding through the Twin Cities Local Initiative Support Corporation's (LISC) Developers of Color initiative. St. Paul HRA also plans to hire the Incremental Development Alliance to provide further education, training and technical assistance to new and emerging developers.

Costs and Subsidy

Single Family Detached

Typical Development Cost Per Unit: \$407,540

Historical High Cost Threshold: \$393,413

Percent Above Historical High Cost Threshold: 4%

The anticipated per-unit construction cost of \$301,140 is above the industry average of \$268,603 for a unit of similar new construction in a similar geographic area.

Typical Impact Fund Value Gap Subsidy Per Unit: \$72,000

Historical High Subsidy Threshold: \$53,116

Percent Above Historical High Subsidy Threshold: 36%

Typical Impact Fund Affordability Gap Subsidy Per Unit: \$22,500

1080 Ross

Typical Development Cost Per Unit: \$443,000

Historical High Cost Threshold: \$393,413

Percent Above Historical High Cost Threshold: 13%

The anticipated per-unit construction cost of \$309,400 is above the industry average of \$279,992 for a unit of similar new construction in a similar geographic area.

Typical Impact Fund Value Gap Subsidy Per Unit: \$72,000

Historical High Subsidy Threshold: \$53,116

Percent Above Historical High Subsidy Threshold: 36%

Typical Impact Fund Affordability Gap Subsidy Per Unit: \$22,500

Single Family Homes with Accessory Dwelling Unit (ADU)/Duplexes

Typical Development Cost Per Unit: \$571,800

Historical High Cost Threshold: \$393,413

Percent Above Historical High Cost Threshold: 45%

The anticipated per-unit construction cost of \$432,000 is above the industry average of \$234,568 for a unit of similar new construction in a similar geographic area.

Typical Impact Fund Value Gap Subsidy Per Unit: \$97,500

Historical High Subsidy Threshold: \$53,116

Percent Above Historical High Subsidy Threshold: 84%

Typical Impact Fund Affordability Gap Subsidy Per Unit: \$67,800

Lyndale Boulevard Development Company LLC	
Project	14 th Avenue Townhomes
Location	Midtown Phillips neighborhood in Minneapolis
Activity	New Construction
Typical # of Bedrooms	1, 2, and 3 Bedrooms

Project Funding Details			
Requested		Recommended	
# of units:	10	# of units:	10
Funding Requested:	\$450,000	Funding Recommended:	\$450,000
		EDHC - Grant	\$450,000

Organization Information

Lyndale Boulevard Development Company LLC (LBDC) is a for-profit committed to creating affordable housing opportunities through innovative project designs. The applicant organization was created in 2004 and provided a Certificate of Good Standing with the State of Minnesota dated July 9, 2021.

The applicant is a partnership between three individuals who came together to complete a previous development project, The Boulevard, a mixed used housing project in 2004. This project consisted of 24 units – nine market rate, ten tax credit, and five with other subsidy. Ten of the families have lived there for 12 or more years. Flannery Construction, the general contractor on the proposed project has completed over 1,100 townhome units across the Twin Cities. Paul Gates, one of the LBDC partners is an architect who has successfully complete residential and commercial projects in the Twin Cities, Chicago, and Japan. Lisa Kugler, another LBDC partner has led the development of 750 housing units. Ellen Herman, the final LBDC partner is a real estate appraiser and broker with expertise in affordable housing.

Project Description

The funds will be used for value gap to construct 10 townhomes in the Midtown Phillips neighborhoods in the City of Minneapolis. The applicant will serve households at or below 50 percent area median income (AMI).

The project is a partnership between the applicant and the City of Lakes Community Land Trust (CLCLT). The applicant will be the developer and manage the financing and construction of the homes. CLCLT will be responsible for structuring land leases, marketing, and homebuyer education. CLCLT will also manage the homeowners association, which will be at a cost to the homebuyers of \$20/month.

The project will consist of two structures on three contiguous lots. One structure will have three units. These units will each have three bedrooms to accommodate families. The other structure will have seven units with a mix of one and two bedroom units. All of the homes will become land trust units and will be place in the CLCLT.

The applicant will use panelized construction and incorporate Passive House Construction to develop these slab-on grade homes. They will also partner with construction and development training

programs such as the programs offered through Emerge Community Development in partnership with the Met Council and Summit Academy.

The project furthers the Agency's strategic objective to preserve and create housing opportunities through developing 10 new construction units. Through developing townhomes on three existing lots, the applicant will create higher density affordable homeownership housing in the City of Minneapolis.

The project also furthers the Agency's strategic objective to make homeownership more accessible through targeting lower income households at below 50 percent AMI. CLCLT will provide homebuyer education and post-purchase counseling for all buyers of these townhomes.

Costs and Subsidy

1 Bedroom

Typical Development Cost Per Unit: \$345,204

Historical High Cost Threshold: \$393,413

Percent Below Historical High Cost Threshold: 12%

The anticipated per-unit construction cost of \$246,048 is above the industry average of \$164,647 for a unit of similar new construction in a similar geographic area.

Typical Impact Fund Value Gap Subsidy Per Unit: \$46,464

Historical High Subsidy Threshold: \$53,116

Percent Below Historical High Subsidy Threshold: 13%

2 Bedroom

Typical Development Cost Per Unit: \$372,976

Historical High Cost Threshold: \$393,413

Percent Below Historical High Cost Threshold: 5%

The anticipated per-unit construction cost of \$273,320 is above the industry average of \$171,283 for a unit of similar new construction in a similar geographic area.

Typical Impact Fund Value Gap Subsidy Per Unit: \$43,069

Historical High Subsidy Threshold: \$53,116

Percent Below Historical High Subsidy Threshold: 19%

3 Bedroom

Typical Development Cost Per Unit: \$421,144

Historical High Cost Threshold: \$393,413

Percent Above Historical High Cost Threshold: 7%

The anticipated per-unit construction cost of \$320,988 is above the industry average of \$179,610 for a unit of similar new construction in a similar geographic area.

Typical Impact Fund Value Gap Subsidy Per Unit: \$46,110

Historical High Subsidy Threshold: \$53,116 Percent Below Historical High Subsidy Threshold: 13%

Mankato Economic Development Authority	
Project	Blue Earth County Affordability Gap Program
Location	Blue Earth County
Activity	Affordability Gap/Downpayment Assistance
Typical # of Bedrooms	N/A

Project Funding Details			
Requested		Recommended	
# of units:	20	# of units:	10
Funding Requested:	\$410,000	Funding Recommended:	\$205,000
		EDHC - Grant	\$5,000
		EDHC - Deferred Loan	\$200,000

Organization Information
<p>Mankato Economic Development Authority’s (Mankato EDA) mission is to provide safe, decent, and sanitary housing conditions for low-income families and individuals. It aims to manage resources efficiently and promote economic and social upward mobility to families as they transition from subsidized to non-subsidized housing using provisions of rental assistance, self-sufficiency, homeownership and rehabilitation programs.</p> <p>Mankato EDA will partner with Southwest Minnesota Housing Partnership (SWMHP) to administer the affordability gap loans. SWMHP has experience administering Impact Fund awards, provides the Minnesota Housing’s Fix-Up program and receives Homeownership Education, Counseling and Training (HECAT) and Homeownership Capacity funding. SWMHP employs a program manager and has a lending underwriter on staff with over 10 years of lending experience. Additionally its Director of Homeownership Services has worked with Minnesota Housing programs for 20 years.</p>

Project Description
<p>The funds will be used for affordability gap/downpayment assistance for homebuyers to purchase homes in Blue Earth County. Grant funds in the amount of \$5,000 is recommended for administration of the program. While the applicant proposes to serve households at or below 115 percent area median income (AMI), staff recommends limiting the project to households with income at or below 80 percent AMI instead of 115 percent AMI. This is because households above 80 percent AMI should be able to access existing downpayment assistance programs.</p> <p>The goal of Mankato EDA’s Blue Earth Affordability Gap Program is to provide more affordable homeownership opportunities within Blue Earth County. Prices of existing housing continue to rise making purchasing a home difficult for low income households. This proposed project will assist households to achieve homeownership.</p> <p>The proposed project will further Minnesota Housing’s strategic objective to improve the housing system. To address housing disparities, Mankato EDA will market to households of color, very low income households and families. The homeownership gap in Minnesota is among the largest in the nation. The southern region of the state, including Blue Earth County, has a similar homeownership gap between non-Hispanic white households and households of color. Mankato EDA will engage</p>

organizations working with households of color to promote homeownership along with culturally specific homebuyer education courses. The additional gap assistance with affordable first mortgages can assist households to become stable and build wealth.

The proposed project will also further the Agency's strategic objective to make homeownership more accessible. The Greater Mankato area has 51 percent of renters with an income lower than \$35,000 and nearly 52 percent of renters paying more than 30 percent of their income on rent. As such, they are unable to save for necessary downpayments and closing costs. The affordability gap financing will be used to assist credit qualified renters into a position of homeownership.

Costs and Subsidy

Typical Impact Fund Affordability Gap Subsidy Per Unit: \$20,000

Northside Home LLC	
Project	Northside Home
Location	North Minneapolis neighborhoods of Jordan, Hawthorne, Folwell, and McKinley, Harrison, near North, Willard-Hay, Cleveland and Webber-Camden
Activity	New Construction and Affordability Gap/Downpayment Assistance
Typical # of Bedrooms	3+ Bedrooms

Project Funding Details			
Requested		Recommended	
# of units:	4	# of units:	2
Funding Requested:	\$305,928	Funding Recommended:	\$152,964
		EDHC - Deferred Loan	\$27,964
		Housing Infrastructure Bond Proceeds Loan	\$125,000

Organization Information
<p>Northside Home LLC (NSH) is a homeownership initiative undertaken in partnership between Urban Homeworks (UHW) and Project for Pride in Living (PPL). UHW and PPL have had a primary focus in reducing the disparity in homeownership rates for Black, Indigenous, and people of color households since inception. PPL and UHW have been working together on the Northside Home initiative since 2013. Both have significant experience successfully completing rehabilitation and new construction projects in Minneapolis and St. Paul. Collectively, PPL and UHW bring 75 years of experience in non-profit housing development and have developed over 500 single-family, scattered-site, homes for sale to income eligible buyers, utilizing a variety of public funding sources.</p> <p>NSH is an outgrowth of the parent organizations' commitment to their missions, representing a unique opportunity with their partnerships to stem the effects of the foreclosure crisis in North Minneapolis and ensure that Northside residents are the primary beneficiaries of stabilization efforts. Since 2015, NSH through its partners, UHW and PPL, have completed and sold a combined 17 new construction single family homes. NSH previously focused on acquisition and rehabilitation but has shifted focus to new construction due to market changes. In 2019, NSH finished its first new construction single family home, a panelized Zero-Energy-Ready house in partnership with the University of Minnesota and has two new construction single family homes in pre-development with a 2019 Impact Fund award.</p>

Project Description
<p>The funds will be used for value gap and affordability gap/downpayment assistance for new construction homes in North Minneapolis. The applicant will serve households at or below 115 percent area median income (AMI).</p> <p>UHW and PPL will perform developer functions, acquiring properties together and assigning development to whichever organization has capacity. PPL will manage the finance operations and UHW will perform property management functions. This partnership produces more affordable single family homes than either nonprofit can do alone and leverages more diverse funding sources.</p>

The proposed project meets Minnesota Housing's strategic objectives to preserve and create housing opportunities. The proposed project creates new units of single family homes on vacant urban lots formerly occupied by housing units that were demolished. NSH's work is centered around reclaiming vacant and distressed properties in areas hardest hit by economic disinvestment, creating a strong network of neighbors through engagement and resident councils, and empowering residents in the strengthening of their own community.

The project also furthers the Agency's strategic objective to make homeownership more accessible. UHW and PPL have a primary goal to reduce the disparity in homeownership rates for non-white households. Rising home values result in competition for homes at affordable purchase prices. The homes and the affordability gap assistance will create opportunities for lower income homebuyers to purchase homes.

Costs and Subsidy

Typical Development Cost Per Unit: \$412,500

Historical High Cost Threshold: \$393,413

Percent Above Historical High Cost Threshold: 5%

The anticipated per-unit construction cost of \$312,500 is above the industry average of \$270,952 for a unit of similar new construction in a similar geographic area.

Typical Impact Fund Value Gap Subsidy Per Unit: \$62,500

Historical High Subsidy Threshold: \$54,160

Percent Above Historical High Subsidy Threshold: 15%

Typical Impact Fund Affordability Gap Subsidy Per Unit: \$13,982

PRG Inc	
Project	PRG – North Minneapolis Infill
Location	North Minneapolis
Activity	New Construction and Affordability Gap/Downpayment Assistance
Typical # of Bedrooms	3 Bedrooms

Project Funding Details			
Requested		Recommended	
# of units:	8	# of units:	8
Funding Requested:	\$880,000	Funding Recommended:	\$880,000
		EDHC - Deferred Loan	\$120,000
		Housing Infrastructure Bond Proceeds Loan	\$320,000
		Interim Loan	\$440,000

Organization Information
<p>PRG Inc is a nonprofit organization that develops quality, affordable housing and provides related services since 1976. PRG’s purpose is to enhance neighborhood stability and family self-sufficiency. They serve the seven-county metropolitan area, at the request of neighborhood groups and other stakeholders and combine housing education and one-on-one counseling with brick and mortar development to build family self-sufficiency and neighborhood stability.</p> <p>Since 2016, PRG has completed 22 new construction project single family homes all of which have very similar designs. They also recently completed two homes with zero step entrances and have four more currently under construction. PRG looks forward to replicating where site conditions allow.</p>

Project Description
<p>The funds will be used for value gap and affordability gap/downpayment assistance for the new construction of homes in North Minneapolis. The applicant will serve households at or below 80 percent area median income (AMI).</p> <p>PRG’s urban infill housing program meets the Agency’s strategic objective to increase the development of new housing that is affordable. It is designed to address vacant land and increase the supply of quality affordable homeownership opportunities for lower income households, particularly larger families of color. PRG will serve as developer and affordability gap loan administrator.</p> <p>PRG’s project furthers the Agency’s strategic objective to improve the housing system by creating pathways for families to move along the affordable housing continuum and create intergenerational wealth. Twenty percent of all PRG built homes were purchased by households that were Section 8 certificate holders. This helps free up this extremely scarce resource for additional families to move from the waiting list into a newly available affordable rental property.</p> <p>The project also furthers the Agency’s strategic objective to reduce the homeownership disparity gap. PRG has a solid track record of narrowing the racial homeownership gap with 77 percent of homes in</p>

the last decade purchased by households of color and 100 percent since 2020. Bridging the homeownership gap will require a multi-faceted approach and funding of this proposal would mean PRG increasing their production in the most recent years by 30 percent. This new construction project model has also led to a nine point reduction (2016 to 2019) in the disparity between white households and households of color who go on to purchase after participating in PRG's prepurchase education and one-on-one advising services.

Costs and Subsidy

Typical Development Cost Per Unit: \$395,000

Historical High Cost Threshold: \$393,413

Percent Above Historical High Cost Threshold: 0%

The anticipated per-unit construction cost of \$313,000 is above the industry average of \$270,952 for a unit of similar new construction in a similar geographic area.

Typical Impact Fund Value Gap Subsidy Per Unit: \$40,000

Historical High Subsidy Threshold: \$53,116

Percent Below Historical High Subsidy Threshold: 25%

Typical Impact Fund Affordability Gap Subsidy Per Unit: \$15,000

Historical High Subsidy Threshold: \$12,156

Percent Above Historical High Subsidy Threshold: 23%

Rebuilding Together Twin Cities	
Project	Critical Repair Projects for Low-Income Homeowners in North and South Minneapolis, St. Paul, Maplewood, North St. Paul, Brooklyn Center, Brooklyn Park, Robbinsdale, and Crystal
Location	North and South Minneapolis, St. Paul, Maplewood, North St. Paul, Brooklyn Center, Brooklyn Park, Robbinsdale, and Crystal
Activity	Owner-Occupied Rehabilitation
Typical # of Bedrooms	N/A

Project Funding Details			
Requested		Recommended	
# of units:	25	# of units:	25
Funding Requested:	\$250,000	Funding Recommended:	\$250,000
		EDHC - Grant	\$250,000

Organization Information
<p>Rebuilding Together Twin Cities (Rebuilding Together) is a non-profit with the mission of repairing homes, revitalizing communities, and rebuilding lives. When qualified homeowners are unable to make needed repairs, Rebuilding Together Twin Cities will coordinate the volunteers, skilled labor, tools and supplies necessary to repair the homes. Efforts are focused on older adults, individuals living with disabilities, active and retired members of the armed services, and families with children; tailoring services to meet the needs of each individual homeowner.</p> <p>From 2016 through 2020, Rebuilding Together completed critical repair and accessibility modification projects for 395 owner-occupied homes.</p>

Project Description
<p>The funds will be used for critical repair projects for low-income homeowners in north and south Minneapolis, St. Paul, Maplewood, North St. Paul, Brooklyn Center, Brooklyn Park, Robbinsdale, and Crystal. Grant funds in the amount of \$12,500 is recommended for administration of the program. The applicant will serve households at or below 50 percent area median income (AMI).</p> <p>Rebuilding Together’s proposed project will provide critical repairs and accessibility enhancements to owner-occupied residences. This project is part of their existing Safe at Home program that provides home safety and fall prevention modifications and ramps for older adults or those living with a disability so that they can continue to live safely and independently in their own homes. This project is also part of the Home Repair program that provides volunteer-delivered repairs including weatherizing, cleaning, installing flooring, patching and painting, siding, and landscaping, and timely contractor-delivered repair or replacement of essential systems, such as HVAC, electrical, plumbing and roofs that are critical to healthy, livable homes.</p> <p>Rebuilding Together will use a processing entity called Land Title, that will send the property report, certificate of title, mortgage deed and other documents as needed. Rebuilding Together will gather remaining documents for the project and e-file the paperwork with the county. Once homeowner</p>

eligibility is determined, Rebuilding Together will originate and underwrite zero-interest, deferred, forgivable loans for the homeowners served through this program.

The proposed project meets Minnesota Housing's strategic objective to improve the housing system. Rebuilding Together will provide the support needed for existing low-income homeowners to remain in their homes. They have a proven track record of reaching and serving at-risk households and homeowners of color. Rebuilding Together focuses on some of the most vulnerable members of the community, including cost-burdened homeowners, families with children, older adults, individuals living with disabilities, and veterans. Most of their clients are living in substandard housing conditions that present significant health and safety hazards. They are committed to continuing this important work to help reduce Minnesota's racial and ethnicity homeownership disparities. Rebuilding Together's services help to create an inclusive and equitable housing system by preserving affordable homeownership for low-income families who face unique challenges as they work to remain in their homes and communities.

The proposed project also furthers the Agency's strategic priority to support people needing services. Rebuilding Together focuses their work on some of the most vulnerable members of our community including older adults and individuals living with disabilities. The accessibility modifications provided enable clients to continue to live independently and safely in their homes and be able to age in place. Repair work focuses on the critical repairs needed for the home to be viable for years to come and these are repairs that clients typically cannot afford. Without assistance clients would eventually be forced to leave their homes and may become homeless.

Rebuilding Together is committed to evaluating programs and outcomes to ensure that they align with the needs of the people they help and that they are reaching those most in need.

Costs and Subsidy

Typical Development Cost Per Unit: Not applicable

Typical Impact Fund Subsidy Per Unit: \$9,500

Rebuilding Together Twin Cities	
Project	Critical Repair Projects for Low-Income Homeowners in Cottonwood, Jackson, Nobles and Pipestone Counties
Location	Counties of Cottonwood, Jackson, Nobles and Pipestone
Activity	Owner-Occupied Rehabilitation
Typical # of Bedrooms	N/A

Project Funding Details			
Requested		Recommended	
# of units:	8	# of units:	8
Funding Requested:	\$80,000	Funding Recommended:	\$80,000
		EDHC - Grant	\$80,000

Organization Information
<p>Rebuilding Together Twin Cities (Rebuilding Together) is a non-profit with the mission of repairing homes, revitalizing communities, and rebuilding lives. When qualified homeowners are unable to make needed repairs, Rebuilding Together Twin Cities will coordinate the volunteers, skilled labor, tools and supplies necessary to repair the homes. Efforts are focused on older adults, individuals living with disabilities, active and retired members of the armed services, and families with children; tailoring services to meet the needs of each individual homeowner.</p> <p>From 2016 through 2020, Rebuilding Together completed critical repair and accessibility modification projects for 395 owner-occupied homes.</p>

Project Description
<p>Funds will be used for owner-occupied rehabilitation for homeowners in Cottonwood, Jackson, Nobles, and Pipestone Counties. Grant funds in the amount of \$4,000 is recommended for administration of the program. The applicant will serve households at or below 50 percent area median income (AMI).</p> <p>Rebuilding Together’s proposed project is part of their Safe at Home program that provides home safety and fall prevention modifications and ramps for older adults or those living with a disability so that they can continue to live in safety and independence in their own homes. This project is also part of the Home Repair program that provides volunteer-delivered repairs including weatherizing, cleaning, installing flooring, patching and painting, siding, and landscaping, and timely contractor-delivered repair or replacement of essential systems, such as HVAC, electrical, plumbing and roofs that are critical to healthy, livable homes.</p> <p>Rebuilding Together will use a processing entity called Land Title, that will send the property report, certificate of title, mortgage deed and other documents as needed. Rebuilding Together will e-file all paperwork with the County. Once homeowner eligibility is determined, Rebuilding Together will originate and underwrite zero-interest, deferred, forgivable loans for the homeowners served through this program.</p>

The proposed project meets Minnesota Housing's strategic objective to improve the housing system. Rebuilding Together will provide the support needed for existing low-income homeowners to remain in their homes and has a proven track record of reaching and serving at-risk households and homeowners of color. Rebuilding Together focuses on some of the most vulnerable members of the community, including cost-burdened homeowners, families with children, older adults, individuals living with disabilities, and veterans. Most of their clients are living in substandard housing conditions that present significant health and safety hazards. They are committed to continuing this important work to help reduce Minnesota's racial and ethnicity homeownership disparities. Rebuilding Together's services help to create an inclusive and equitable housing system by preserving affordable homeownership for low-income families who face unique challenges as they work to remain in their homes and communities.

The proposed project also furthers the Agency's strategic objective to support people needing services. Rebuilding Together states that they focus their work on some of the most vulnerable community members, including older adults and individuals living with disabilities. The accessibility modifications provided enable clients to continue to live independently in their homes and age-in-place successfully. Repair work focuses on the critical repairs needed for the home to be viable for years to come and are repairs that clients typically cannot afford. Without assistance clients would eventually be forced to leave their homes and could become homeless.

Rebuilding Together is committed to evaluating programs and outcomes to ensure that they align with the needs of the people they help and that they are reaching those most in need.

Costs and Subsidy

Typical Development Cost Per Unit: Not applicable

Typical Impact Fund Subsidy Per Unit: \$9,500

Rebuilding Together Twin Cities	
Project	Roof Repair or Replacement Projects for Low-Income Homeowners throughout Minnesota
Location	Statewide
Activity	Owner-Occupied Rehabilitation
Typical # of Bedrooms	N/A

Project Funding Details			
Requested		Recommended	
# of units:	35	# of units:	10
Funding Requested:	\$409,500	Funding Recommended:	\$117,000
		EDHC - Grant	\$117,000

Organization Information
<p>Rebuilding Together Twin Cities (Rebuilding Together) is a non-profit with the mission of repairing homes, revitalizing communities, and rebuilding lives. When qualified homeowners are unable to make needed repairs, Rebuilding Together Twin Cities will coordinate the volunteers, skilled labor, tools and supplies necessary to repair the homes. Efforts are focused on older adults, individuals living with disabilities, active and retired members of the armed services, and families with children; tailoring services to meet the needs of each individual homeowner.</p> <p>From 2016 through 2020, Rebuilding Together completed critical repair and accessibility modification projects for 395 owner-occupied homes.</p>

Project Description
<p>The funds will be used for the repair or replacement of roofs across Minnesota for low-income homeowners. Grant funds in the amount of \$5,000 is recommended for administration of the program. The applicant will serve households at or below 50 percent area median income (AMI).</p> <p>The project is part of Rebuilding Together's existing Home Repair Program. The Home Repair Program provides repairs including weatherizing, cleaning, flooring, patching and painting, siding, and landscaping. The program includes contractor-delivered repair of essential systems, such as HVAC, electrical, plumbing, outer envelope and roofs; repairs that are critical to healthy, livable homes. Rebuilding Together's Project lead will be responsible for soliciting and selecting the roofers and contractors.</p> <p>The proposed project is specific to roof repair and replacement only. The project will target areas that are outside the applicant's other service areas of North and South Minneapolis, St. Paul, Maplewood, North St. Paul, Brooklyn Center, Robbinsdale, and Crystal; and the following counties of Cottonwood, Nobles, Jackson and Pipestone. They plan to focus their efforts on seniors (age 55+), individuals living with disabilities, active and retired members of the armed services and families with a child or children under the age of 18.</p> <p>Rebuilding Together's proposed project furthers Minnesota Housing's strategic objectives by strengthening communities and preserving and creating housing opportunities. The proposed project</p>

provides the support needed for existing low-income homeowners to remain in their homes. Rebuilding Together has a history of reaching and serving at-risk households and homeowners of color . Rebuilding Together focuses their work on helping some of the most vulnerable members of the community, including families with children, seniors, individuals living with disabilities, and veterans.

The roof repairs and replacements improve and preserve the condition and affordability of existing housing stock. They provide repairs and replacements for very low and extremely low-income homeowners at no charge to Minnesotans in need. When families are unable to complete essential maintenance and repairs to their existing homes, they may need to move which causes an additional cost burden to the family. Rebuilding Together believes that in order to help bridge the homeownership disparity gap in Minnesota, we need to not only continue to provide a pipeline and accessibility to get into homeownership but also ensure that current homeowners are able to maintain their homes in a safe, stable and affordable way.

Costs and Subsidy

Typical Development Cost Per Unit: Not applicable

Typical Impact Fund Subsidy Per Unit: \$11,200

Scott County Community Development Agency	
Project	Scott County Community Land Trust Acquisition/Rehab/Resale
Location	Scott County
Activity	Affordability Gap/Downpayment Assistance
Typical # of Bedrooms	N/A

Project Funding Details			
Requested		Recommended	
# of units:	4	# of units:	2
Funding Requested:	\$453,160	Funding Recommended:	\$226,580
		Housing Infrastructure Bond Proceeds Loan	\$226,580

Organization Information
<p>Scott County Community Development Agency (CDA) invests in possibilities to live and work in Scott County. With this mission in mind, the CDA wishes to put homeownership within reach for households of lower to moderate income who otherwise would be denied such opportunities because of a lack of financial resources. The community land trust model will fill a niche for those homeowners that not only want a home that they can afford, but also have the shared vision of making their home affordable for future generations of homebuyers.</p> <p>Scott County CDA as a housing authority has extensive experience with acquisition and rehabilitation. They currently have 234 single family, townhomes and apartment units in its rental assistance and workforce housing portfolio. They have completed over 80 rehabilitation projects over the last 5 years, from replacing windows on a single-family home to updating bathrooms and kitchens in a multi-unit building.</p>

Project Description
<p>The funds will be used for affordability gap/downpayment assistance for homebuyers to purchase homes that the applicant will acquire, rehabilitate and resell in Scott County. The applicant will serve households at or below 80 percent area median income (AMI).</p> <p>Scott County Community Land Trust (CLT) is a program of the Scott County CDA. The CLT was created to address the high land costs in Scott County and home value appreciation rates that exceed income growth rates. The proposed project will acquire, rehabilitate and resell homes in Scott County that will be placed into the Scott County CLT.</p> <p>Scott County CDA will serve as the administrator and developer of the proposed project. Scott County CDA will also partner with Old National Bank that has provided mortgages in the secondary market for CLT homebuyers. Scott County CDA has worked with Scott County, Cities of Shakopee, Savage, Prior Lake, Jordan, Belle Plaine, Elko New Market and New Prague on other affordable housing projects. If there is a property that is acquired in these cities, Scott County CDA will look to partner with the city.</p> <p>Scott County CDA will further the Agency’s strategic objective to preserve and create housing opportunities by placing the homes into the Scott County CLT. The project will acquire and preserve</p>

existing homes making them long-term affordable for low to moderate income households using the CLT model. By requiring resale restrictions, the property will only be sold to income qualified buyers sale after sale, preserving the affordability and maximizing the one-time upfront public investment. One of the primary benefits of CLT homeownership is that it allows the buyer to purchase a home at a time they otherwise would not have been able to because of the rising cost of homeownership, allowing them to build wealth through homeownership.

The proposed project will address housing disparities and support inclusive communities in Scott County. According to MHP County Profile, 89 percent of Scott County’s homeowners are white while only 11 percent are households of color. Scott County CDA will prioritize marketing to Black, Indigenous, and people of color households.

Costs and Subsidy

Typical Impact Fund Affordability Gap Subsidy Per Unit: \$113,290

Scott County Community Development Agency	
Project	Scott County Community Land Trust Expansion in Partnership with Twin Cities Habitat for Humanity (TCHFH)
Location	City of Prior Lake
Activity	Affordability Gap/Downpayment Assistance
Typical # of Bedrooms	N/A

Project Funding Details				
Requested			Recommended	
# of units:	12		# of units:	4
Funding Requested:	\$1,380,000		Funding Recommended:	\$380,000
			EDHC - Grant	\$60,000
			Housing Infrastructure Bond Proceeds Loan	\$320,000

Organization Information
<p>The Scott County Community Development Agency (CDA) invests in possibilities to live and work in Scott County. With this mission in mind, the CDA wishes to put homeownership within reach for households of lower to moderate income who otherwise would be denied such opportunities because of a lack of financial resources. The community land trust model will fill a niche for those homeowners that not only want a home that they can afford, but also have the shared vision of making their home affordable for future generations of homebuyers.</p> <p>The Scott County CDA has not completed new construction single family homes, however they have completed construction and rehabilitation of affordable rental units in Jordan, Savage, and Shakopee. They currently have an open Impact Fund award that was funded through the Workforce and Affordable Homeownership Development Program for four new construction homes that is currently out to bid. Scott County CDA will partner with Twin Cities Habitat for Humanity (TCHFH), which has completed 141 affordable homeownership units over the last 5 years including single family detached, twinhomes and townhomes.</p>

Project Description
<p>The funds will be used for affordability gap/downpayment assistance for homebuyers to purchase new construction townhomes developed by TCHFH in the City of Prior Lake. The applicant will serve households at or below 80 percent area median income (AMI).</p> <p>Scott County Community Land Trust (CLT) is a program of the Scott County CDA. The CLT was created to address the high land costs in Scott County and home value appreciation rates that exceed income growth rates. The townhomes developed through this project will be placed in the Scott County CLT.</p> <p>The Scott County CDA will act as Administrator in partnership with TCHFH acting as the developer and general contractor for the new construction townhomes in Prior Lake. Buyers will most likely be using TCHFH Lending Mortgage product that has a downpayment assistance opportunity. Although Scott County CDA is a HUD approved counseling agency, it is anticipated that TCHFH will provide the Homestretch education and individualized counseling to potential Scott County CLT buyers.</p>

Scott County CDA will further the Agency's strategic objective to preserve and create housing opportunities by developing new townhomes and making them long-term affordable for low to moderate income households using the CLT model. By requiring resale restrictions, the property will only be sold to income qualified buyers sale after sale, preserving the affordability and maximizing the one-time upfront public investment. One of the primary benefits of CLT homeownership is that it allows the buyer to purchase a home at a time they otherwise would not have been able to because of the rising cost of homeownership, allowing them to build wealth through homeownership.

The proposed project will address housing disparities and support inclusive communities in Prior Lake. According to MHP County Profile, 89 percent of Scott County's homeowners are white while only 11 percent are households of color. Scott County CDA will prioritize marketing to Black, Indigenous, and people of color households.

Costs and Subsidy

Typical Impact Fund Affordability Gap Subsidy Per Unit: \$95,000

Semcac	
Project	Albert Lea Home Renovation Loan Program ("ALHRLP")
Location	City of Albert Lea
Activity	Owner-Occupied Rehabilitation
Typical # of Bedrooms	N/A

Project Funding Details			
Requested		Recommended	
# of units:	16	# of units:	7
Funding Requested:	\$408,000	Funding Recommended:	\$178,500
		EDHC - Grant	\$3,500
		EDHC - Deferred Loan	\$175,000

Organization Information
<p>Semcac's mission is to empower and advocate for people to enhance their self-sufficiency by maximizing community resources. Semcac's role in this initiative is to be the grantee and administrator of the Albert Lea Home Renovation Loan Program (ALHRLP) for the City of Albert Lea.</p> <p>Semcac has completed more than 160 home renovation and improvement projects over the past five years. The home improvement projects have been funded through the Agency's Rehabilitation Loan Program (RLP), Minnesota Department of Employment and Economic Development (DEED) Small Cities, and Rushford Home Renovation Loan Program. All programs have very similar requirements such as the type of work that is eligible to be completed with Minnesota Housing and DEED funding.</p>

Project Description
<p>The funds will be used for owner-occupied rehabilitation for homeowners within the City of Albert Lea. Grant funds in the amount of \$3,500 is recommended for administration of the program. The applicant will serve households at or below 100 percent of area median income (AMI).</p> <p>Semcac applied and received funding for a pilot owner-occupied rehabilitation loan program last year with the City of Rushford. Since receiving the award, the pilot program has received very strong interest, even through the challenges of COVID-19 and extremely high building material cost increases. It is helping the low and moderate income homeowners the program intended to reach. The City of Albert Lea has agreed to commit \$100,000 in matching grant funds toward this new program.</p> <p>Semcac is partnering with the City of Albert Lea and the Albert Lea Housing and Redevelopment Authority (HRA) to jointly create the Albert Lea Home Renovation Loan Program (ALHRLP). Albert Lea HRA and Semcac will provide marketing and promotion of the program and accessible facilities for meeting with the public. Semcac will administer the program and all loans that are processed. This includes marketing, taking applications, verifying all information, inspections, preparation of bid packets, bid reviews and loan closings. Semcac will also be responsible for completing all required reports for Minnesota Housing and for the program close out.</p>

The proposed project meets Minnesota Housing's strategic objective of supporting people and families that need services. Semcac, through the ALHRLP, will provide a critical resource to help those who do not meet program or income requirements for other home rehabilitation programs. This program also assists the elderly and households with a disability with modifications to their home to make it accessible and allow the elderly to age in place. The proposed project is designed to strengthen the community by making sure that the housing that is available is up to code, safe, livable and retains its value. This program would also help provide work to those whose jobs were affected by the COVID-19 shutdown and slowdown. Contractors are looking for workers and this program can provide job opportunities for those looking for employment in construction.

Costs and Subsidy

Typical Development Cost Per Unit: Not applicable

Typical Impact Fund Subsidy Per Unit: \$25,000

Three Rivers Community Action, Inc.	
Project	Three Rivers Gap Financing Program
Location	Counties of Blue Earth, Brown, Dodge, Faribault, Fillmore, Freeborn, Goodhue, Houston, Le Sueur, Martin, Mower, Nicollet, Olmsted, Rice, Sibley, Steele, Wabasha, Waseca, Watonwan and Winona
Activity	Affordability Gap/Downpayment Assistance
Typical # of Bedrooms	N/A

Project Funding Details				
Requested			Recommended	
# of units:	15		# of units:	15
Funding Requested:	\$180,000		Funding Recommended:	\$180,000
			EDHC - Deferred Loan	\$180,000

Organization Information
<p>Three Rivers Community Action Inc (Three Rivers) was incorporated in 1966 and is a non-profit human service organization with a mission “to work with community partners to address basic human needs of people in our service area, thereby improving the quality of life of the individual, family and community.” Programs administered by Three Rivers include Head Start, Home Delivered Meals, Family Self Sufficiency programs, Crisis Programs, Public Transportation, Senior Services, Weatherization, Energy Assistance, Homeless Prevention, Rapid Re-housing and Transitional Housing, Permanent Supportive Housing, Homeownership Programs, Financial Literacy, Financial Coaching, Pre-Purchase Counseling, Homebuyer Education, Family Assets for Independence in Minnesota (FAIM), Downpayment Assistance and Housing Development.</p> <p>Three Rivers is a certified Community Housing Development Organization (CHDO) that creates affordable housing throughout the twenty counties of Southeast and South Central Minnesota. As a non-profit housing developer, Three Rivers is committed to increasing the supply of safe, decent housing that is permanently affordable to low- and moderate-income families in the region, including townhomes, apartments, and single-family starter homes.</p> <p>Since 2008, Three Rivers has assisted over 190 diverse households with downpayment assistance loans through the Three Rivers Gap Financing program. Three Rivers is now in its thirteenth year of providing an array of services marketing to the region's underserved households including Hispanic/Latinx/Latino and immigrants and refugees. To date, at least 507 households have purchased homes through the Achieve Homeownership program. The Gap Financing program plays an important role in the Achieve Homeownership program, providing need-based financial assistance to buyers who need downpayment funds and assistance to enhance the affordability of their homeownership.</p>

Project Description
The funds will be for affordability gap/downpayment assistance for qualified borrowers to purchase homes within the 20 counties in southern and southeastern Minnesota. The applicant will serve households at or below 80 percent area median income (AMI).

The Three Rivers Gap Financing program is part of a comprehensive strategy at Three Rivers to increase homeownership rates among households of color in southern Minnesota. As part of this strategy Three Rivers delivers the Achieve Homeownership Program by identifying and addressing the homeownership barriers faced by the region's growing diverse population. The Achieve Homeownership program uses culturally-tailored programming to address specific needs of the region's new immigrants who are working toward homeownership. The Gap Financing Program is a needs-based downpayment and closing cost assistance program that helps households of color with the financial boost they need to enter homeownership for the first time. This work is supported by state-level collaborations such as the Homeownership Opportunity Alliance, as well as partners like the Homeownership Center, Greater Minnesota Housing Fund (GMHF) and more.

The proposed project furthers Minnesota Housing's strategic objective of improving the housing system by helping to create a more inclusive and equitable housing system by supporting households of color and diverse households to become homeowners. The program also focuses on communities of color, including families with children, that are most impacted by housing instability. The Gap Financing Program directly addresses the affordability challenges by providing needed downpayment and closing cost assistance to low income households.

Costs and Subsidy

Typical Impact Fund Affordability Gap Subsidy Per Unit: \$12,000

Twin Cities Habitat for Humanity, Inc.	
Project	Twin Cities Habitat for Humanity 2021 Scattered Site Acquisition-Rehab
Location	Seven-County Twin Cities metropolitan area (Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties)
Activity	Acquisition, Rehabilitation, and Resale and Affordability Gap/Downpayment Assistance
Typical # of Bedrooms	4 Bedrooms

Project Funding Details			
Requested		Recommended	
# of units:	20	# of units:	9
Funding Requested:	\$800,000	Funding Recommended:	\$360,000
		EDHC - Grant	\$180,000
		EDHC - Deferred Loan	\$180,000

Organization Information
<p>Twin Cities Habitat for Humanity, Inc's (TC Habitat) mission is to eliminate poverty housing from the Twin Cities area and to make decent, affordable shelter for all people a matter of conscience. TC Habitat serves as the builder, bank and the bridge to affordable homeownership for households earning 30 to 80 percent area median income (AMI).</p> <p>In addition to acquiring, rehabilitating and selling homes, TC Habitat administers the following programs: the Open Market Program a homeownership program which gives low-income families the opportunity to purchase the home of their choice on the open market; the Mortgage Foreclosure Prevention Program which provides foreclosure counseling to homeowners in Minneapolis; A Brush With Kindness program which provides home repair and painting for low-income owner occupants, and the Age Well at Home Program, which enables seniors to stay in their homes through completing home rehabilitations and accessibility modifications. TC Habitat also runs an advocacy program, which publicly lobbies for affordable housing and housing programs at the Minnesota State Legislature.</p> <p>In the past five years, TC Habitat has acquired, rehabilitated and sold 96 similar homes to qualified homebuyers. Projects were in all seven counties of the metro area, with the majority of them located in Hennepin county.</p>

Project Description
<p>The funds will be used for value gap and affordability gap/downpayment assistance for the acquisition, rehabilitation and resale of homes and for homeowners to purchase homes rehabilitated by TC Habitat in the seven-county Twin Cities metropolitan area. The applicant will serve households at or below 80 percent area median income (AMI).</p> <p>This proposal leverages significant public and philanthropic investment as well as the value and energy of large numbers of volunteers, in-kind skilled labor and donated materials. TC Habitat's well integrated programs allow the organization to control all aspects of the work from home design, and rehabilitation work, to homebuyer counseling and lending from its mortgage subsidiary, TCHFH Lending, Inc. TC Habitat meets perspective buyers where they're at, working with them throughout the home buying process; first equipping them with the knowledge and know-how needed to be a</p>

successful homeowner, then providing them with the financial counseling and support necessary to purchase a home in location of their choice. TC Habitat has a partnership with the Department of Corrections and AmeriCorps to provide training programs and job skills. These partnerships enable TC Habitat to provide affordable housing in a cost-effective manner in areas where low-income buyers could not afford due to the rising cost of homes.

This project furthers the Agency's strategic objectives to make homeownership more accessible, and to preserve and create housing opportunities. TC Habitat meets these objectives by assisting low-income communities, immigrant communities, large families, multi-generational families, and households with disabled persons, access affordable homeownership. Annually, over 85 percent of the families served by TC Habitat identify as Black, Indigenous, people of color, many of them immigrants. Working to continually improve its programming, TC Habitat is currently assessing its own application and financial coaching programs, with the hopes of identifying barriers and solutions that will allow it to better serve foundational Black households through its programming. With the help of community partners, TC Habitat developed culturally competent financial coaching and counseling, and requires all homebuyers to complete the courses prior to purchase. Offered through its lending arm, TC Habitat's mortgage product is designed to reach emerging market households and low-income renters and aims to build equity and wealth in low income populations. By rehabilitating and selling homes to qualified buyers, TC Habitat is both preserving existing housing stock while creating housing opportunities that would otherwise be out of reach for low income buyers.

Costs and Subsidy

Typical Development Cost Per Unit: \$329,300

Historical High Cost Threshold: \$330,521

Percent Above Historical High Cost Threshold: 0%

Typical Impact Fund Value Gap Subsidy Per Unit: \$20,000

Historical High Subsidy Threshold: \$16,788

Percent Above Historical High Subsidy Threshold: 19%

Typical Impact Fund Affordability Gap Subsidy Per Unit: \$20,000

Historical High Subsidy Threshold: \$10,919

Percent Above Historical High Subsidy Threshold: 83%

Twin Cities Habitat for Humanity, Inc.	
Project	Twin Cities Habitat for Humanity 2021 Stand-Alone Affordability Gap (SAAG) Open Market Program
Location	Seven-County Twin Cities metropolitan area (Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties)
Activity	Affordability Gap/Downpayment Assistance
Typical # of Bedrooms	N/A

Project Funding Details			
Requested		Recommended	
# of units:	50	# of units:	18
Funding Requested:	\$1,025,000	Funding Recommended:	\$369,000
		EDHC - Grant	\$9,000
		EDHC - Deferred Loan	\$360,000

Organization Information
<p>Twin Cities Habitat for Humanity, Inc's (TC Habitat) mission is to eliminate poverty housing from the Twin Cities area and to make decent, affordable shelter for all people a matter of conscience. TC Habitat serves as the builder, bank and the bridge to affordable homeownership for households earning 30 to 80 percent area median income (AMI).</p> <p>In addition to the Open Market Program, TC Habitat administers the following programs: a homeownership program which gives low-income families the opportunity to purchase TC Habitat-developed and rehabilitated homes; the Mortgage Foreclosure Prevention Program which provides foreclosure counseling to homeowners in Minneapolis; A Brush With Kindness program which provides home repair and painting for low-income owner occupants, and the Age Well at Home Program, which enables seniors to stay in their homes through completing home rehabilitations and accessibility modifications. TC Habitat also runs an advocacy program, which publicly lobbies for affordable housing and housing programs at the Minnesota State Legislature.</p> <p>From August 2017 to June 2021, TC Habitat provided homeowners with 156 stand-alone affordability gap loans through its Open Market Program.</p>

Project Description
<p>The funds will be for affordability gap/downpayment assistance for homeowners to purchase homes in the seven-county Twin Cities metropolitan area. Grant funds in the amount of \$9,000 is recommended for the administration of the program. The applicant will serve households at or below 80 percent area median income (AMI), with a specific focus on serving those households earning 60-80 percent AMI.</p> <p>TC Habitat's Open Market Program creates opportunities for low-income households to own their own homes, while providing them with the ability to move into the neighborhood, school district and home of their choice, which previously may not have been within their financial means. The Open Market Program will prepare homebuyers to purchase existing homes on the open market, provide financial coaching and homebuyer education, and use TC Habitat's low interest mortgage product</p>

that is provided by its mortgage subsidiary, TCHFH Lending, Inc. The mortgages are accompanied by affordability gap assistance, allowing the families to increase their purchasing power and exercise choice in selecting the housing best suited for their needs.

This project furthers the Agency's strategic objective to improve the housing system. TC Habitat meets this priority by assisting low-income communities, immigrant communities, families and multi-generational families access affordable homeownership and build wealth through the equity of owning a home. Annually, over 85 percent of the families served by TC Habitat identify as Black, Indigenous, people of color, many of them immigrants. By chipping away at the homeownership gap, the Open Market Program builds more diverse and inclusive communities and helps to create more mixed income homeownership throughout the metropolitan area.

Costs and Subsidy

Typical Impact Fund Affordability Gap Subsidy Per Unit: \$20,000

Twin Cities Habitat for Humanity, Inc.	
Project	Twin Cities Habitat for Humanity 2021 New Construction Affordability Gap
Location	Seven-County Twin Cities metropolitan area (Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties)
Activity	Affordability Gap/Downpayment Assistance
Typical # of Bedrooms	N/A

Project Funding Details			
Requested		Recommended	
# of units:	15	# of units:	10
Funding Requested:	\$607,500	Funding Recommended:	\$405,000
		EDHC - Grant	\$5,000
		EDHC - Deferred Loan	\$400,000

Organization Information
<p>Twin Cities Habitat for Humanity, Inc's (TC Habitat) mission is to eliminate poverty housing from the Twin Cities area and to make decent, affordable shelter for all people a matter of conscience. TC Habitat serves as the builder, bank and the bridge to affordable homeownership for households earning 30 to 80 percent area median income (AMI).</p> <p>The following programs are administered by TC Habitat: a homeownership program which gives low-income families the opportunity to purchase TC Habitat's developed and rehabilitated homes; the Mortgage Foreclosure Prevention Program which provides foreclosure counseling to homeowners in Minneapolis; A Brush With Kindness program which provides home repair and painting for low-income owner occupants, and the Age Well at Home Program, which enables seniors to stay in their homes through completing home rehabilitations and accessibility modifications. TC Habitat also runs an advocacy program, which publicly lobbies for affordable housing and housing programs at the Minnesota State Legislature.</p> <p>From July 2016 to June 2021, TC Habitat has developed 141 new construction homes and provided homeowners with stand-alone affordability gap loans.</p>

Project Description
<p>The funds will be for affordability gap/downpayment assistance for homebuyers to purchase homes that TC Habitat develops in the seven-county Twin Cities metropolitan area. Grant funds in the amount of \$5,000 is recommended for the administration of the program. The applicant will serve households at or below 80 percent area median income (AMI).</p> <p>This proposal leverages significant public and philanthropic investment as well as the value and energy of a large number of volunteers. TC Habitat will serve as general contractor and supply the materials and financing necessary for the development of its projects. TC Habitat's mortgage subsidiary, TCHFH Lending, Inc., will provide the first-mortgage financing, and Affordability Gap funding from the Impact Fund will help to make the homes affordable for qualified buyers. The proposed projects will be scattered throughout the seven-county metro area and represent roughly half of TC Habitat's planned new construction closings in fiscal year 2023.</p>

This project furthers the Agency's strategic objectives to improve the housing system, make homeownership more accessible, and preserve and create housing opportunities. TC Habitat meets these objectives by assisting low-income communities, immigrant communities, large families, multi-generational families, and households with disabled persons, access affordable homeownership. Annually, over 85 percent of the families served by TC Habitat identify as Black, Indigenous, people of color, many of them immigrants. With the help of community partners, TC Habitat developed culturally competent financial coaching and counseling, and requires all homebuyers to complete the courses prior to purchase. Offered through its lending arm, TC Habitat's mortgage product is designed to reach emerging market households and low-income renters and aims to build equity and wealth in low income populations. By rehabilitating and selling homes to qualified buyers, TC Habitat is both preserving existing housing stock while creating housing opportunities that would otherwise be out of reach for low income buyers

Costs and Subsidy

Typical Impact Fund Affordability Gap Subsidy Per Unit: \$40,000

Two Rivers Community Land Trust	
Project	Own Sweet Home 2022
Location	Washington County
Activity	Acquisition, Rehabilitation, and Resale and Affordability Gap/Downpayment Assistance
Typical # of Bedrooms	3 Bedrooms

Project Funding Details			
Requested		Recommended	
# of units:	3	# of units:	2
Funding Requested:	\$196,500	Funding Recommended:	\$131,000
		EDHC - Grant	\$131,000

Organization Information
<p>Two Rivers Community Land Trust’s (Two Rivers CLT) mission is to provide permanently affordable housing for low- and moderate-income households earning up to 80 percent of area median income in Washington County.</p> <p>Over the past five years, Two Rivers CLT has acquired and rehabilitated nine homes with three in 2020 and two in 2021. It also assisted with the resale of 13 CLT homes during this period. Two Rivers CLT is responsible for all aspects of the project and its implementation and has demonstrated the capacity to complete projects such as the one proposed in this application.</p>

Project Description
<p>The funds will be for value gap and affordability gap/downpayment assistance to acquire, rehabilitate, and resell community land trust (CLT) homes in Washington County with priority in the communities of Forest Lake, Hugo, Oakdale, St. Paul Park, Mahtomedi, Woodbury, and Cottage Grove. The applicant will serve households at or below 80 percent area median income (AMI).</p> <p>The proposed project is a continuation of Two Rivers CLT’s Own Sweet Home program, which began in 2020. Two Rivers will purchase homes, complete necessary rehabilitation, place the homes into the CLT and sell the homes to borrowers at or below 80 percent of AMI, but will target households at 50-70 percent of AMI. The target areas of Forest Lake, Hugo, Oakdale, St. Paul Park, Mahtomedi, Woodbury and Cottage Grove have strong access to transit and are close to jobs within the county. To the extent possible, the homes will be located within high performing school areas.</p> <p>The project aligns with the Minnesota Housing’s strategic objective to preserve the condition and affordability of existing housing. The Community Land Trust (CLT) model and the 99-year renewable ground lease addresses long term affordability as the homes must be sold to another income qualified household. The Own Sweet Home program preserves the condition of existing housing by rehabilitating the home to development standards aligned with HOME Investment Partnerships Program, Community Development Block Grant Program and Green Communities Criteria. Two Rivers CLT also has policies that encourage continued maintenance and capital improvements to the properties with incentives connected to shared equity. Recently, Two Rivers CLT created a program</p>

called Safe Keeping, which is a dedicated maintenance fund to assist homeowners with emergency repairs. The program is funded with local investments.

The Own Sweet Home program also furthers Minnesota Housing's strategic objective to increase access to homeownership. Two Rivers has implemented a policy that no more than 30 percent of an applicant's gross monthly income can go toward housing. This addresses the issue of cost burdened homeowners in Washington County, which is currently 59.5 percent of all homeowners in the county. The program supports applicants during the purchasing process by requiring homeowner education and referring applicants with poor credit to counseling and keeping them on a wait list for later consideration. Two Rivers also provides post-purchase support to homeowners by providing resources and information such as foreclosure prevention and access to lists of reliable contractors and services through newsletters, a website, and a Facebook page.

The Own Sweet Home program also furthers Minnesota Housing's strategic objective to improve the housing system through addressing equity and inclusion in the housing system by pricing the homes to reach households with incomes at 50-70 percent AMI. Two Rivers has reviewed pre-applications in this income range and it has the highest percentage of Black, Indigenous, and Household of Color populations. Two Rivers also has a marketing plan that includes reaching out to realtors who have been able to make connections with Black, Indigenous, and Households of Color applicants. This approach has been effective as land trust owners from these communities increased from 33.3 percent in 2019 to 39.8 percent in 2020 and has exceeded 31.5 percent since 2016. This is significant as the homeownership rate for Black, Indigenous, and Household of Color in Washington County is 12 percent while the overall homeownership rate is 77.8 percent Two Rivers also serves households with a person with a disability with 6.8 percent of the land trust owners in 2020 are in this demographic.

Costs and Subsidy

Typical Development Cost Per Unit: \$350,150
 Historical High Cost Threshold: \$368,322
 Percent Below Historical High Cost Threshold: 5%

Typical Impact Fund Value Gap Subsidy Per Unit: \$30,000
 Historical High Subsidy Threshold: \$58,217
 Percent Below Historical High Subsidy Threshold: 48%

Typical Impact Fund Affordability Gap Subsidy Per Unit: \$35,500
 Historical High Subsidy Threshold: \$58,217
 Percent Below Historical High Subsidy Threshold: 39%

United Community Action Partnership, Inc	
Project	Southwest Minnesota Down Payment Assistance Program
Location	Southwestern Minnesota counties of Meeker, McLeod, Renville, Kandiyohi, Lyon, Lincoln, Cottonwood, Jackson, and Redwood
Activity	Affordability Gap/Downpayment Assistance
Typical # of Bedrooms	N/A

Project Funding Details			
Requested		Recommended	
# of units:	10	# of units:	10
Funding Requested:	\$205,000	Funding Recommended:	\$205,000
		EDHC - Grant	\$5,000
		EDHC - Deferred Loan	\$200,000

Organization Information
<p>United Community Action Partnership, Inc’s (UCAP) mission is to be a catalyst to remove obstacles and provide opportunities, tools, and hope as a pathway out of poverty. The lack of affordable housing is adversely impacting families by requiring that 40 percent or more of their household income go towards increasing housing cost. Providing affordable housing assistance to low- and moderate-income families can decrease the amount of funds dedicated to housing allowing households to build assets and provide for other basic needs.</p> <p>UCAP has completed two previous affordability gap programs with the Agency in the last five years. In addition, they participate in the Agency’s Rehabilitation Loan Program and Emergency and Accessibility Loan Program (RLP/ELP) and process approximately 15-20 loans a year.</p>

Project Description
<p>The funds will be for affordability gap/downpayment assistance for homebuyers to purchase homes in Southwestern Minnesota. Grant funds in the amount of \$5,000 is recommended for administration of the program. While the applicant proposes to serve households at or below 115 percent area median income (AMI), staff recommends limiting the project to households with income at or below 80 percent AMI instead of 115 percent AMI. This is because households above 80 percent AMI should be able to access existing downpayment assistance programs.</p> <p>The proposed project is needed in the region due to the significant increase in average sales prices while wage growth has been lagging. UCAP has also seen a major increase in the appraised value in their new construction project that has been delayed by the pandemic. This affordability gap financing is needed to enable lower income borrowers to afford a home. UCAP has demonstrated service to Black, Indigenous, and people of color communities with 20-23 percent of households served identify as Black, Indigenous, and people of color over the last five years.</p> <p>This project meets Minnesota Housing’s strategic objective of making homeownership more accessible by reducing the cost barrier for lower income households to afford a home in their community. In addition, UCAP requires qualified homebuyer education course to prepare the buyer for successful homeownership.</p>

Costs and Subsidy

Typical Impact Fund Affordability Gap Subsidy Per Unit: \$20,000

Urban Homeworks, Inc.	
Project	Homeownership Within Reach
Location	North Minneapolis neighborhoods of Jordan, Hawthorne, Folwell, McKinley, Harrison, Near North, Willard Hay, Cleveland, and Webber-Camden
Activity	New Construction and Affordability Gap/Downpayment Assistance
Typical # of Bedrooms	3+ Bedrooms

Project Funding Details				
Requested			Recommended	
# of units:	4		# of units:	1
Funding Requested:	\$305,928		Funding Recommended:	\$76,482
			EDHC - Deferred Loan	\$13,982
			Housing Infrastructure Bond Proceeds Loan	\$62,500

Organization Information
<p>Urban Homeworks, Inc's (UHW) goal is to provide high quality, affordable homeownership opportunities through the acquisition and rehabilitation of at-risk properties to a highly improved, energy efficient standard, while employing small and local contractors and contractors of color.</p> <p>UHW has significant experience successfully completing HOME-funded rehabilitation and new construction projects, both in Minneapolis and in St. Paul. UHW has developed and sold a total of 109 single-family, scattered-site homeownership units that includes 77 rehabilitation and 32 new construction homes for sale to income eligible buyers, utilizing a variety of public funding sources. While the bulk of UHW's history and experience has been in rehabilitation, they also have a strong track record of experience with new construction, primarily through City of Minneapolis's Green Homes North program and City of St. Paul's Inspiring Communities program.</p> <p>Over the past 5 years UHW has completed and sold 9 new construction single-family projects and currently has 3 units in progress. In the last few years, UHW has partnered with the University of Minnesota to build 5 panelized houses using their perfect wall engineering system for Zero-Energy Ready Homes (ZERH) and has extensive experience with traditional site built new construction as well. Future projects may be a mix of these two types of construction, depending on costs and contractor experience, as well as modular options and passive certified when needed subsidy is awarded.</p>

Project Description
<p>The funds will be used for value gap and affordability gap/downpayment assistance for the new construction of one home in North Minneapolis. The applicant will serve households at or below 115 percent area median income (AMI).</p> <p>UHW's Homeownership Within Reach program aims to sell directly to income-qualified buyers from the local target area, utilizing small, people of color and women-owned business for construction. UHW will serve as the owner and developer and may sometimes serve as general contractor which will result in costs savings in contractor fees and provide volunteer labor on various scopes of work.</p>

UHW has partnered with Powderhorn Residents Group (PRG) and Project for Pride in Living (PPL) in the past to perform third party income verification services for UHW and may do so going forward.

The proposed project meets Minnesota Housing's strategic objectives to preserve and create housing opportunities and make homeownership more accessible. The proposed project creates a new single family home on a vacant urban lot formerly occupied by a housing unit that was demolished. UHW's work is centered around reclaiming vacant and distressed properties in areas hardest hit by economic disinvestment, creating a strong network of neighbors through engagement and resident councils, and empowering residents in the strengthening of their own community. UHW has a primary focus in reducing the disparity in homeownership rates for non-white households. Rising home values result in competition for homes at affordable purchase prices, resulting in the need for more financial assistance for lower income homebuyers. The affordability gap portion of the project will better enable a lower income household to purchase the home that UHW develops.

Costs and Subsidy

Typical Development Cost Per Unit: \$412,500

Historical High Cost Threshold: \$393,413

Percent Above Historical High Cost Threshold: 5%

Typical Impact Fund Value Gap Subsidy Per Unit: \$62,500

Historical High Subsidy Threshold: \$54,160

Percent Above Historical High Subsidy Threshold: 15%

Typical Impact Fund Affordability Gap Subsidy Per Unit: \$13,982

West Central Minnesota Communities Action Inc.	
Project	West Central Community Land Trust
Location	Counties of Douglas, Pope and Ottertail
Activity	Affordability Gap/Downpayment Assistance
Typical # of Bedrooms	N/A

Project Funding Details			
Requested		Recommended	
# of units:	8	# of units:	6
Funding Requested:	\$450,000	Funding Recommended:	\$330,000
		EDHC - Grant	\$255,000
		Housing Infrastructure Bond Proceeds Loan	\$75,000

Organization Information
<p>West Central Minnesota Communities Action, Inc (WCMCA) is a resource agency, dedicated to reducing the effects of poverty, helping people achieve self-sufficiency, and improving the quality of rural life. WCMCA has been serving low-income families in West Central Minnesota covering the counties of Douglas, Grant, Pope, Stevens and Traverse since its establishment in 1965. Their mission is partnering to build community and empower people to overcome poverty and achieve their full potential.</p>

Project Description
<p>The funds will be used for affordability gap/downpayment assistance for homebuyers to purchase homes in the counties of Douglas, Pope and Ottertail that will be placed into the West Central Community Land Trust (WCCLT). The applicant will serve households at or below 80 percent area median income (AMI).</p> <p>WCCLT project is part of WCMCA Community Land Trust program. WCMCA will leverage partnerships with Habitat for Humanity of Douglas County, the Department of Corrections, and Hilltop Lumber to purchase land and construct affordable workforce housing which will be placed in WCCLT in Douglas, Pope and Ottertail Counties. Since 1998, WCMCA has partnered with the Department of Corrections to construct 122 homes serving low to moderate income families.</p> <p>WCMCA’s role in the proposed project will be the developer, General Contractor, administrator of Impact Funds, and will provide homebuyer education and counseling. WCMCA will partner with the Department of Corrections Inter Corrections Work (ICW) Crew and various subcontractors to perform the labor needed to build the homes. They will partner with Habitat for Humanity of Douglas County to construct three of the homes.</p> <p>WCMCA’s proposed project furthers Minnesota Housing’s strategic objectives to create and preserve affordable housing as well as increase access to homeownership. This project will create a market of homes that are otherwise not available to individuals currently “left out” of the housing market. The project reduces financial barriers to accessing housing by creating new housing and preserving existing housing that is most affordable. Their selection process ensures equitable access to housing</p>

by prioritizing those that are underserved and underrepresented in homeownership. The majority of households served by the CLT will be severely cost-burdened, have a disability, and seniors.

Costs and Subsidy

New Construction

Typical Impact Fund Affordability Gap Subsidy Per Unit: \$60,000

Rehabilitation

Typical Impact Fund Affordability Gap Subsidy Per Unit: \$45,000

West Hennepin Affordable Housing Land Trust	
Project	Homes Within Reach
Location	Bloomington, Crystal, Eden Prairie, Edina, Golden Valley, Maple Grove, Minnetonka, Plymouth, Richfield, and St. Louis Park
Activity	Acquisition, Rehabilitation, and Resale
Typical # of Bedrooms	5 Bedrooms

Project Funding Details				
Requested			Recommended	
# of units:	12		# of units:	9
Funding Requested:	\$966,000		Funding Recommended:	\$720,000
			Housing Infrastructure Bond Proceeds Loan	\$720,000

Organization Information

West Hennepin Affordable Housing Land Trust (WHAHLT) is a nonprofit, community housing development organization that creates and sustains long-term affordable homeownership to low- to moderate-income workforce households in the suburbs of Hennepin County. The organization was created in 2002 and began its work in Minnetonka. Since inception, WHAHLT has assisted over 200 workforce families (includes resales), who would not have been able to purchase a home without the assistance.

Over the past five years, WHAHLT has acquired and rehabilitated 66 homes. It also assisted with the resale of 26 homes within the CLT during this period.

Project Description

The funds will be used to acquire, rehabilitate, and resell homes in suburban Hennepin County. The applicant will serve households at or below 80 percent area median income (AMI).

WHAHLT will place the homes developed through this project in its community land trust (CLT), Homes Within Reach. The funds will be used for land acquisition. Homes Within Reach has been operating in suburban Hennepin County communities since its inception in 2002. The CLT model ensures that the home is not only affordable to the initial buyer but remains affordable for subsequent low-income homebuyers. From 2002 through 2020, WHAHLT sold homes to households between 32 percent AMI and 79 percent AMI, with an average household income of 57 percent AMI. The average income of households who have purchased homes through the resale of a Homes Within Reach property is 61 percent AMI.

The project aligns with Minnesota Housing’s strategic objective to preserve the condition and affordability of existing housing. While homes in suburban Hennepin County tend to be more expensive due to high land values, the CLT model will make homes perpetually affordable by removing the value of the land from the purchase price. According to the Minneapolis Area Association of Realtors, in 2020 the overall median sales price in WHAHLT’s 10 community suburban Hennepin County service area was \$350,000 and increased 9.85 percent in the last year while the average land value in these communities was \$164,200.

The Homes Within Reach program preserves the condition of existing housing as the homes acquired are renovated to provide a safe, hazard free and energy efficient home. Typical repairs include new electrical panels, installations of ground-fault circuit interrupters, energy star appliances, energy efficient windows, HVAC systems, and hot water heaters, including complying with Green Communities Criteria.

The Homes Within Reach program advances the Agency's strategic objective to address housing disparities by promoting the opportunity to become a homeowner where the communities' infrastructure is a major selling point to the underserved low-to-moderate income buyer. The proposed housing activity serves households that face multiple barriers to homeownership in the suburbs of Hennepin County, such as first-time homebuyers, Black, Indigenous and Households of Color and single headed households. From 2002 through 2020, 42 percent of the households served by the program were Black, Indigenous and Households of Color and 56 percent were female single headed households. In 2020, seven of the 10 households served were Black, Indigenous and Households of Color. WHAHLT collects demographic data upon the purchase of a home and the ground lease ties the property to WHAHLT which ensures ongoing engagement with the homeowners to track their success and the success of the program.

Costs and Subsidy

Typical Development Cost Per Unit: \$424,533

Historical High Cost Threshold: \$368,322

Percent Above Historical High Cost Threshold: 15%

Typical Impact Fund Subsidy Per Unit: \$80,000

Historical High Subsidy Threshold: \$58,217

Percent Above Historical High Subsidy Threshold: 37%

2021 Minnesota Housing Single Family Funding Selections

Applicant - Project Name	Impact Fund Unit Count				Strategic Priority	Minnesota Housing Funding				Total Funding
	Existing	New	Total Units	80% AMI		Workforce Housing Units	EDHC (excludes Indian Set-Aside)	HIB	EDHC Indian Set-Aside	
METRO AREA										
Minneapolis										
Build Wealth MN Inc - Family Stabilization & PAH Community Development Plan	13		13	13	13	\$ 136,500	\$ -	\$ -	\$ -	\$ 136,500
Build Wealth MN Inc - Affordability Assistance for Building Equity in Small Multifamily Ownership	5		5	5	5	\$ 102,500	\$ -	\$ -	\$ -	\$ 102,500
City of Lakes Community Land Trust (CLCLT) – CLCLT New Construction		1	1	1	1	\$ 70,000	\$ 25,000	\$ -	\$ -	\$ 95,000
City of Lakes Community Land Trust (CLCLT) – CLCLT Harrison Townhomes		7	7	7	7	\$ 237,930	\$ -	\$ -	\$ -	\$ 237,930
City of Lakes Community Land Trust (CLCLT) – CLCLT Homebuyer Initiated Program (CLCLT HIP) - Stand-Alone Affordability Gap	7		7	7	7	\$ 280,000	\$ 140,000	\$ -	\$ -	\$ 420,000
City of Lakes Community Land Trust (CLCLT) – CLCLT Homebuyer Initiated Program (CLCLT HIP) - Owner-Occupied Rehabilitation	0		0	0	0	\$ -	\$ 245,000	\$ -	\$ -	\$ 245,000
City of Lakes Community Land Trust (CLCLT) – 628 Franklin Condos	7		7	7	7	\$ 560,000	\$ -	\$ -	\$ -	\$ 560,000
City of Lakes Community Land Trust (CLCLT) – CLCLT Strategic Opportunity Fund	1		1	1	1	\$ -	\$ 75,000	\$ -	\$ -	\$ 75,000
City of Minneapolis Community Planning and Economic Development – Minneapolis Home: Financing - Acquisition, Rehabilitation, Resale		10	10	10	10	\$ -	\$ 500,000	\$ -	\$ -	\$ 500,000
City of Minneapolis Community Planning and Economic Development – Minneapolis Home: Financing - New Construction		20	20	20	20	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Lyndale Boulevard Development Company LLC – 14th Avenue Townhomes		10	10	10	10	\$ 450,000	\$ -	\$ -	\$ -	\$ 450,000
Northside Home LLC – Northside Home		2	2	2	2	\$ 27,964	\$ 125,000	\$ -	\$ -	\$ 152,964
PRG Inc. – PRG - North Minneapolis Infill		8	8	8	8	\$ 120,000	\$ 320,000	\$ -	\$ 440,000	\$ 880,000
Urban Homeworks, Inc – Homeownership Within Reach		1	1	1	1	\$ 13,982	\$ 62,500	\$ -	\$ -	\$ 76,482
Total Minneapolis	33	59	92	92	92	\$ 1,998,876	\$ 2,492,500	\$ -	\$ 440,000	\$ 4,931,376
Saint Paul										
Community Neighborhood Housing Services dba NeighborWorks Home Partners – Preserving Affordable Homeownership for St. Paul Housing and Redevelopment Authority of the City of Saint Paul – Inspiring Communities	2		2	2	2	\$ -	\$ 199,000	\$ -	\$ -	\$ 199,000
Total Saint Paul	2	9	11	10	11	\$ 342,900	\$ 923,500	\$ -	\$ -	\$ 1,067,400
Minneapolis/Saint Paul										

2021 Minnesota Housing Single Family Funding Selections

Applicant - Project Name	Impact Fund Unit Count			Strategic Priority	Minnesota Housing Funding				Total Funding	
	Existing	New	Total Units		80% AMI	Workforce Housing Units	EDHC (excludes Indian Set-Aside)	HIB		EDHC Indian Set-Aside
Rebuilding Together Twin Cities – Critical Repair Projects for Low-Income Homeowners in North and South Minneapolis, St. Paul, Maplewood, North St. Paul, Brooklyn Center, Brooklyn Park, Robbinsdale, and Crystal	25		25	25	25	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000
Total Minneapolis/Saint Paul	25	0	25	25		\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000
Seven-County Metro Area (Some units may be located in Minneapolis and St. Paul)										
Community Neighborhood Housing Services dba NeighborWorks Home Partners – Community Keys +	35		35	35	35	\$ 367,500	\$ -	\$ -	\$ -	\$ 367,500
Hennepin CityHomes LLC – Morimoto CityHomes		4	4	0	4	\$ 200,000	\$ -	\$ -	\$ -	\$ 200,000
Hennepin County Housing and Redevelopment Authority – Home Accessibility Ramps Program	17		17	0	17	\$ 138,125	\$ -	\$ -	\$ -	\$ 138,125
Scott County Community Development Agency on behalf of the Scott County Community Land Trust – Scott County Community Land Trust Acquisition/Rehab/Resale	2		2	2	2	\$ -	\$ 226,580	\$ -	\$ -	\$ 226,580
Scott County Community Development Agency on behalf of the Scott County Community Land Trust - Scott County Community Land Trust Expansion in Partnership with Twin Cities Habitat for Humanity (TCHFH)		4	4	4	4	\$ 60,000	\$ 320,000	\$ -	\$ -	\$ 380,000
Twin Cities Habitat for Humanity, Inc. – Twin Cities Habitat for Humanity, 2021 Scattered Site Acquisition-Rehab	9		9	9	9	\$ 360,000	\$ -	\$ -	\$ -	\$ 360,000
Twin Cities Habitat for Humanity, Inc. – Twin Cities Habitat for Humanity, 2021 New Construction Affordability Gap		10	10	10	10	\$ 405,000	\$ -	\$ -	\$ -	\$ 405,000
Twin Cities Habitat for Humanity, Inc. – Twin Cities Habitat for Humanity, 2021 SAAG Open Market Program	18		18	18	18	\$ 369,000	\$ -	\$ -	\$ -	\$ 369,000
Two Rivers Community Land Trust – Own Sweet Home 2022	2		2	2	2	\$ 131,000	\$ -	\$ -	\$ -	\$ 131,000
West Hennepin Affordable Housing Land Trust – Homes Within Reach	9		9	9	9	\$ -	\$ 720,000	\$ -	\$ -	\$ 720,000
Total Seven-County Metro Area	92	18	110	89	110	\$ 2,030,625	\$ 1,266,580	\$ -	\$ -	\$ 3,297,205
Total METRO AREA	152	86	238	216	238	\$ 4,622,401	\$ 4,682,580	\$ -	\$ 440,000	\$ 9,744,981

2021 Minnesota Housing Single Family Funding Selections

Applicant - Project Name	Impact Fund Unit Count			Strategic Priority	Minnesota Housing Funding				Total Funding	
	Existing	New	Total Units		80% AMI	Workforce Housing Units	EDHC (excludes Indian Set-Aside)	HIB		EDHC Indian Set-Aside
GREATER MINNESOTA										
Southeast										
First Homes Properties – 9th Ave Row Houses		6	6	6	6	\$ 336,000	\$ 596,742	\$ -	\$ -	\$ 932,742
Mankato Economic Development Authority – Blue Earth County Affordability Gap Program	10		10	10	10	\$ 205,000	\$ -	\$ -	\$ -	\$ 205,000
Semcac – Albert Lea Home Renovation Loan Program	7		7	0	7	\$ 178,500	\$ -	\$ -	\$ -	\$ 178,500
Three Rivers Community Action, Inc. – Emerging Markets Gap Financing	15		15	15	15	\$ 180,000	\$ -	\$ -	\$ -	\$ 180,000
Total Southeast	32	6	38	31	38	\$ 899,500	\$ 596,742	\$ -	\$ -	\$ 1,496,242
Southwest										
Rebuilding together Twin Cities – Critical Repair Projects for Low-Income Homeowners in Cottonwood, Jackson, Nobles, and Pipestone Counties	8		8	8	8	\$ 80,000	\$ -	\$ -	\$ -	\$ 80,000
United Community Action Partnership, Inc. – Southwest Minnesota Down Payment Assistance Program	10		10	10	10	\$ 205,000	\$ -	\$ -	\$ -	\$ 205,000
Total Southwest	18	0	18	18	18	\$ 285,000	\$ -	\$ -	\$ -	\$ 285,000
West Central										
West Central MN Communities Action Inc. – West Central Community Land Trust		6	6	6	6	\$ 255,000	\$ 75,000	\$ -	\$ -	\$ 330,000
Total West Central	0	6	6	6	6	\$ 255,000	\$ 75,000	\$ -	\$ -	\$ 330,000
Multiple Regions/Statewide										
Habitat for Humanity of Minnesota, Inc. – Habitat for Humanity of Minnesota	12		12	12	0	\$ 571,000	\$ -	\$ -	\$ -	\$ 571,000
Rebuilding together Twin Cities – Roof Repair or Replacement Projects for Low-Income Homeowners throughout Minnesota	10		10	10	10	\$ 117,000	\$ -	\$ -	\$ -	\$ 117,000
Total Multiple Regions/Statewide	22	0	22	22	10	\$ 688,000	\$ -	\$ -	\$ -	\$ 688,000
Total GREATER MINNESOTA	72	12	84	77	72	2,127,500	671,742	0	0	2,799,242
Total STATEWIDE	224	98	322	293	310	\$ 6,749,901	\$ 5,354,322	\$ -	\$ 440,000	\$ 12,544,223

* Note: Funding Partner awards are subject to approval from their governing bodies.

KEY:	Existing: Includes Acquisition/Rehabilitation/Resale, Stand-Alone Affordability Gap, Owner-Occupied Rehabilitation and Tribal Indian Housing Program.	New: Includes New Construction
Workforce Housing:	Proposed units will be in communities that have had job growth, are top job centers, have seen employers significantly increase jobs, or have long commutes	
80% AMI:	Proposed units will serve households up to 80 percent of area median income (AMI)	EDHC: Economic Development & Housing Challenge Program
		HIB: Housing Infrastructure Bond Proceeds

2021 Minnesota Housing Single Family Non-Recommended Applications

Applicant - Project Name	Funding Requested
METRO	
City of Lakes Community Land Trust - Project: Sustained Legacy	\$800,000
Greater Metropolitan Housing Corporation - Minnetonka Boulevard Redevelopment	\$5,077,675
Isuroon - Isuroon Village (Acquisition, Rehab, Resale)	\$3,780,000
Isuroon - Isuroon Village (New Construction)	\$1,899,000
Isuroon - Isuroon Village (Owner-Occupied Rehabilitation)	\$132,000
Total METRO - 5 projects	\$11,688,675
Total STATEWIDE - 5 projects	\$11,688,675

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

RESOLUTION NO. MHFA 22-xxx

RESOLUTION APPROVING SELECTION OF PROJECTS FOR GRANT FUNDS, DEFERRED LOAN FUNDS, AND CONSTRUCTION FINANCING RELATED TO THE FOLLOWING PROGRAMS AND FUNDING SOURCES: ECONOMIC DEVELOPMENT AND HOUSING CHALLENGE (EDHC), HOUSING INVESTMENT FUND (POOL 2), AND HOUSING INFRASTRUCTURE BOND (HIB) PROCEEDS

WHEREAS, the Minnesota Housing Finance Agency (Agency) has received applications to provide grant funds, deferred loan funds, and construction financing for single family homeownership housing units, affordability gap, owner-occupied rehabilitation, and Tribal Indian Housing Program serving persons and families of low- and moderate-income; and

WHEREAS, Agency staff has reviewed the applications and determined that the applications are in compliance under the Agency's rules, regulations and policies; that such grants and loans are not otherwise available, wholly or in part, from private lenders or other agencies upon equivalent terms and conditions; and that the applications will assist in fulfilling the purpose of Minn. Stat. Ch. 462A.

NOW THEREFORE, BE IT RESOLVED:

The Board hereby authorizes Agency staff to enter into grant and loan contracts, for the applications and in the amounts set forth below, subject to the terms and conditions contained herein and in the respective grant and loan agreements:

2021 Applicant Name	Project/Program Name Title	Funding Source	\$ Awarded
Build Wealth MN Inc.	Family Stabilization and PAH Community Development Plan	EDHC – Grant	\$ 6,500
		EDHC – Loan	\$ 130,000
Build Wealth MN Inc.	Affordability Assistance for Building Equity in Small Multifamily Ownership	EDHC – Grant	\$ 2,500
		EDHC – Loan	\$ 100,000
City of Lakes Community Land Trust	City of Lakes Community Land Trust Homebuyer Initiated Program (CLCLT HIP) – Stand- Alone Affordability Gap	EDHC – Grant	\$ 280,000
		HIB – Loan	\$ 140,000
City of Lakes Community Land Trust	City of Lakes Community Land Trust Homebuyer Initiated Program (CLCLT HIP) – Owner- Occupied Rehabilitation	HIB – Loan	\$ 245,000
City of Lakes Community Land Trust	628 Franklin Condos	EDHC – Grant	\$ 560,000
City of Lakes Community Land Trust	City of Lakes Community Land Trust (CLCLT) Strategic Opportunity Fund	HIB – Loan	\$ 75,000
City of Lakes Community Land Trust	City of Lakes Community Land Trust (CLCLT) New Construction	EDHC – Grant	\$ 70,000
		HIB – Loan	\$ 25,000

Agenda Item: 7.E
Resolution

City of Lakes Community Land Trust	Harrison Townhomes (formerly LEEF Townhomes)	EDHC – Grant	\$ 237,930
City of Minneapolis, CPED	Minneapolis homes: Financing – New Construction	HIB – Loan	\$ 1,000,000
City of Minneapolis, CPED	Minneapolis Homes: Financing – Acquisition, Rehabilitation, Resale	HIB – Loan	\$ 500,000
Community Neighborhood Housing Services dba NeighborWorks Home Partners	Community Keys +	EDHC – Grant EDHC – Loan	\$ 17,500 \$ 350,000
Community Neighborhood Housing Services dba NeighborWorks Home Partners	Preserving Affordable Homeownership for St. Paul	HIB – Loan	\$ 199,000
First Homes Properties	9 th Ave Row Houses	EDHC – Grant HIB – Loan	\$ 336,000 \$ 596,742
Habitat for Humanity of Minnesota, Inc.	Habitat for Humanity of Minnesota	EDHC – Grant EDHC – Loan	\$ 6,000 \$ 565,000
Hennepin CityHomes LLC	Morimoto CityHomes	EDHC – Grant	\$ 200,000
Hennepin County Housing and Redevelopment Authority (HCHRA)	Home Accessibility Ramps Program	EDHC – Grant	\$ 138,125
Housing and Redevelopment Authority of the City of Saint Paul	Inspiring Communities	EDHC – Grant EDHC – Loan HIB – Loan	\$ 4,500 \$ 338,400 \$ 724,500
Lyndale Boulevard Development Company LLC	14 th Avenue Townhomes	EDHC – Grant	\$ 450,000
Mankato Economic Development Authority	Blue Earth County Affordability Gap Program	EDHC – Grant EDHC – Loan	\$ 5,000 \$ 200,000
Northside Home LLC	Northside Home	EDHC – Loan HIB – Loan	\$ 27,964 \$ 125,000
PRG, Inc.	PRG - North Minneapolis Infill	EDHC – Loan HIB – Loan Pool 2 – Loan	\$ 120,000 \$ 320,000 \$ 440,000
Rebuilding Together Twin Cities	Critical Repair Projects for Low-Income Homeowners in Cottonwood, Jackson, Nobles, and Pipestone Counties	EDHC – Grant	\$ 80,000
Rebuilding Together Twin Cities	Roof Repair or Replacement Projects for Low-Income Homeowners throughout Minnesota	EDHC – Grant	\$ 117,000
Rebuilding Together Twin Cities	Critical Repair Projects for Low-Income Homeowners in North and South Minneapolis, St. Paul, Maplewood, North St. Paul, Brooklyn Center, Brooklyn Park, Robbinsdale, and Crystal	EDHC – Grant	\$ 250,000

Scott County Community Development Agency on behalf of the Scott County Community Land Trust	Scott County Community Land Trust Acquisition/Rehab/Resale	HIB – Loan	\$ 226,580
Scott County Community Development Agency on behalf of the Scott County Community Land Trust	Scott County Community Land Trust Expansion in Partnership with Twin Cities Habitat for Humanity (TCHFH)	EDHC – Grant HIB – Loan	\$ 60,000 \$ 320,000
SEMCAC	Albert Lea Home Renovation Loan Program ("ALHRLP")	EDHC – Grant EDHC – Loan	\$ 3,500 \$ 175,000
Three Rivers Community Action, Inc.	Three Rivers Gap Financing Program	EDHC – Loan	\$ 180,000
Twin Cities Habitat for Humanity	Twin Cities Habitat for Humanity, 2021 SAAG Open Market Program	EDHC – Grant EDHC – Loan	\$ 9,000 \$ 360,000
Twin Cities Habitat for Humanity	Twin Cities Habitat for Humanity, 2021 New Construction Affordability Gap	EDHC – Grant EDHC – Loan	\$ 5,000 \$ 400,000
Twin Cities Habitat for Humanity	Twin Cities Habitat for Humanity, 2021 Scattered Site Acquisition-Rehab	EDHC – Grant EDHC – Loan	\$ 180,000 \$ 180,000
Two Rivers Community Land Trust	Own Sweet Home 2022	EDHC – Grant	\$ 131,000
United Community Action Partnership	Southwest Minnesota Down Payment Assistance Program	EDHC – Grant EDHC – Loan	\$ 5,000 \$ 200,000
Urban Homeworks	Homeownership within Reach	EDHC – Loan HIB – Loan	\$ 13,982 \$ 62,500
West Central MN Communities Action, Inc	West Central Community Land Trust	EDHC – Grant HIB – Loan	\$ 255,000 \$ 75,000
West Hennepin Affordable Housing Land Trust	Homes Within Reach (HWR)	HIB – Loan	\$ 720,000
Total Awarded:			\$ 12,544,223

1. The execution of the grant contract agreement or loan agreement for all funds awarded by the Agency in form and substance acceptable to the Agency shall occur no later than nine months from the adoption date of this Resolution; all Housing Investment Funds (Pool 2) must be repaid within 26 months from the effective date of the loan agreement contract; and all other funds must be expended and all reporting of the use of funds shall be completed within 20 months from the effective date of the grant contract agreement or loan agreement; and
2. With respect to loans funded with bond proceeds, the Agency is able to issue and sell tax-exempt bonds on terms acceptable to the Agency; and
3. The Commissioner is authorized to approve non-material changes in the selected Project/Program and may approve changes in the geographic area served; and
4. The applicant and any other parties that Agency staff, in its sole discretion deem necessary, shall execute all such documents relating to the grant contract agreement or loan agreement, to the

construction of the homeownership housing units, and the origination and closing of repayable or deferred loans, subject to such terms and conditions as the Agency, in its sole discretion, deems necessary.

Adopted this 27th day of January 2022

This page intentionally left blank.



Board Agenda Item: 7.F

Date: 1/27/2022

Item: 2021 Multifamily Selections, Amortizing and Deferred Loans, and 2022 Housing Tax Credit Round 1

Staff Contact(s):

Katie Moore, 651.296.6354, katie.moore@state.mn.us

Summer Jefferson, 651.296.9790, summer.jefferson@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 checked="" type="checkbox"/> Resolution | <input type="checkbox"/> Information |

Summary of Request:

Staff requests the following approvals related to the 2021 Consolidated Request for Proposals (RFP):

- Adoption of a resolution approving the selection of projects for further processing, and the commitment of deferred financing, and, subject to final underwriting and due diligence, authorizing the closing of loans related to the following programs and/or funding sources:
 - Economic Development and Housing Challenge (EDHC)
 - Preservation Affordable Rental Investment Fund (PARIF)
 - National Housing Trust Fund (NHTF)
 - HOME Investment Partnership (HOME)
 - Housing Infrastructure Bond (HIB) Proceeds
 - Section 811 Project-Based Rental Assistance
- Adoption of a resolution approving the allocation of competitive federal 9% Low Income Housing Tax Credits (HTCs)
- Adoption of a resolution approving the selection of projects for further processing under the Low and Moderate Income Rental (LMIR) program, LMIR Bridge Loan product, and Bridge Loan product
- Approval of a waiver of the Predictive Cost Model 25% threshold for Alexander Baker and Wadaag Commons
- Approval of a waiver to Chapter 2.H of the 2022-2023 Qualified Allocation Plan to exceed the \$1,350,000 per development 9% HTC cap to allow for an aggregate amount

of \$1,919,267 for Union Park Flats; \$1,453,520 for 5240 Apartments; and \$1,415,000 for Hillside Heights Apartments

- Approval of a waiver to Chapter 2.O of the 2022-2023 Qualified Allocation Plan to allow for a second supplement allocation of 9% HTC's to Manor Hills

Fiscal Impact:

The Consolidated RFP funding recommendations include numerous funding sources, and the fiscal impacts of these selections vary. Generally, deferred financing from state appropriations, federal appropriations, or Pool 3 do not earn interest for the Agency. Bond-financed bridge loans earn spread income and certain fee income for the Agency. LMIR loans from Pool 2 earn interest revenue, without interest expense, as well as certain fee income for the Agency.

Competitive 9% HTC's are a federal resource and do not directly impact the Agency's financial condition.

Meeting Agency Priorities:

- Improve the Housing System
- Preserve and Create Housing Opportunities
- Make Homeownership More Accessible
- Support People Needing Services
- Strengthen Communities

Attachment(s):

- 2017-2021 Multifamily RFP/HTC Selections map
- Resolutions
- Development summaries
- Non-selected applications
- Summaries of funding recommendations
 - Consolidated
 - Detailed
 - Strategic Priority

BACKGROUND

Minnesota Housing's annual Consolidated RFP process allows housing sponsors to apply for resources from the Agency and two public entity funding partners using a common application and procedure. As of the July 15, 2021 application deadline, Minnesota Housing received applications for 64 proposals that requested approximately \$162¹ million in deferred loans, \$134 million in permanent first mortgage financing, and \$54 million in Agency-administered 2022 Round 1 9% HTCs.

On December 17, 2020, the Minnesota Housing Board approved the 2022 – 2023 Housing Tax Credit (HTC) Qualified Allocation Plan (QAP) and the Self-Scoring Worksheet for applications. Collectively, these documents set the policies and procedures used to score, evaluate and select applications for funding that are submitted to the 2021 Consolidated RFP. On April 14, 2021, the Consolidated RFP application materials were released to the public with applications due on July 15, 2021.

For 2022, the federal government allocated a total of approximately \$14.7 million of competitive 9% HTCs to the state of Minnesota. Through the authority specified in Minn. Stat. § 462A.222 and 462A.223, Duluth, Rochester, St. Cloud, Washington County, Minneapolis, St. Paul and Dakota County are authorized to administer HTC allocations as suballocators. The City of Minneapolis, City of St. Paul, Dakota County and Washington County administer their HTCs locally as suballocators. Duluth, St. Cloud and Rochester have entered into Joint Powers Agreements with Minnesota Housing through which the agency will perform the HTC allocation or awards, and compliance monitoring. The 2022 HTC allocation available and administered by Minnesota Housing is \$10,905,629, which includes \$805,409 from the three Joint Powers suballocator credits. Most of the HTCs administered by Minnesota Housing are issued in the 2021 Consolidated RFP/HTC Round 1 with the remaining allocated in Round 2.

A second, competitive HTC application round (2022 HTC Round 2) will close in the first quarter of 2022, incorporating any additional, remaining, returned HTCs from previously selected projects and/ or HTCs returned following the conclusion of 2022 HTC Round 1.

Proposals submitted to Minnesota Housing are extensively reviewed by a team of staff underwriters, architects, asset management and supportive housing staff for:

- Consistency with Minnesota Housing's mission and strategic priorities

¹ The requested deferred loan amount is based on the deferred request from the primary financing structure in the submitted applications. Many applicants submit more than one financing structure in their proposal to enhance flexibility and allow the use of 9% HTCs, 4% HTCs, or deferred loan-only funding structures. Since the amount of 9% HTCs is capped and 4% HTC's are limited by the availability of volume cap bonds, the estimated demand to fully fund all 64 applications with deferred financing is estimated to be at least \$587 million. This amount excludes amortizing first mortgages.

- Compliance with statutes and program rules, including geographic distribution of resources
- Consistency with program requirement, eligible uses, and priorities
- Financial feasibility, market need, architectural quality, and overall development team capacity

SELECTION OVERVIEW

Of the 64 applications, Minnesota Housing staff propose to select 22 developments for further processing to allocate various combinations of LMIR Bridge and permanent first mortgage financing, Minnesota Housing deferred loan capital, 9% HTCs, and Section 811 Project-Based Rental Assistance. Two of the 22 projects, Manor Hills Apartments and Marketplace Crossing, which received partial funding selections in the 2020 Consolidated RFP, are proposed to be selected for their remaining funding needs in this 2021 Consolidated RFP.

Six projects submitted in the 2021 Consolidated RFP are anticipated to be selected for funding by the Metropolitan Council or Ramsey County. Projects selected by these funding partners are subject to their review and selection processes and require no action from the Minnesota Housing Board.

Table 1: Funding Type Distribution

Funding Type	Proposals	Totals
LMIR Permanent First Mortgage Financing	11	\$ 38,806,000
LMIR Bridge Loans or Bridge Loans	8	\$ 46,700,000
Minnesota Housing Deferred Loan Capital	16	\$ 125,304,000
Housing Tax Credits (9%)	8	\$ 9,760,289

The total number of proposals in the table exceeds 22 because a project may receive more than one funding type from Minnesota Housing.

Geographic Distribution

Of the 22 proposals recommended for selection by Minnesota Housing, 12 are in the seven-county Twin Cities metropolitan area, including six in the cities of Minneapolis or St. Paul and six in suburban locations. There are 10 proposals recommended for selection in Greater Minnesota.

Table 2: Consolidated RFP Investment – Deferred Loans

Project Location	Recommended Applications	Percentage of Total Recommended Applications	Recommended Deferred Loan Amount	Percentage of Total Deferred Amount Recommended
Metro	12	55.0%	\$ 75,394,000	60.0%
Greater Minnesota	10	45.0%	\$ 49,910,000	40.0%
Total	22	100.0%	\$ 125,304,000	100.0%

Of the 64 applications submitted to Minnesota Housing, 39 were in the seven-county Twin Cities metropolitan area with 16 applications located in the cities of Minneapolis and St. Paul and 23 applications located in suburban locations. The remaining 25 applications were from Greater Minnesota. Minnesota Housing did not receive any multifamily applications from the Northwest or Southwest region of the state in the 2021 Consolidated RFP. Over the last five

years, all regions of the state have been represented in the annual Consolidated RFP, Workforce Housing Development Program, Publicly Owned Housing Program, and/or Rental Rehabilitation Deferred Loan Program.

The metropolitan area represented 61% of all applications received and 55% of the overall funding request. Greater Minnesota represented 39% of the applications received and 45% of the overall funding requested.

LMIR Permanent First Mortgage Financing, LMIR Bridge Loans, and Bridge Loans

Eleven first mortgages are recommended for processing under the Low and Moderate Income Rental (LMIR) program. Developments recommended for LMIR first mortgage selection are anticipated to be funded through Housing Investment Fund – Pool 2 resources or other mortgage capital and are anticipated to be insured under the HUD Risk-Share Mortgage Insurance Program, which may also be securitized through the Federal Financing Bank FFB/Section 542(c) Risk-Sharing Program. The LMIR mortgage terms will generally be a 30- to 40-year amortization with fixed rates and must be in first lien position. Loans processed under HUD's Risk-Share Mortgage Insurance Program will include a mortgage insurance premium of 0.125 percent in addition to the interest charged on the loan.

Eight developments are also being recommended for short-term LMIR Bridge Loans or Bridge Loans. Four of these Loans are anticipated to be funded through Housing Investment Fund – Pool 2 resources. Four of these Loans are anticipated to be funded with the proceeds of short-term tax-exempt volume limited bonds issued by the Agency. This bond structure is necessary to qualify the developments to be eligible for 4% HTC. The Bridge Loans generally will have 18- to 24-month terms, be in first lien position, and carry a fixed interest rate.

Selections for the LMIR loans, the LMIR Bridge Loans and the Bridge Loans through this RFP do not represent commitments for funding. Prior to closing, Board approval will be sought for all these loans in order to enter into loan commitments.

Minnesota Housing Deferred Loan Capital: Housing Infrastructure Bond Proceeds

Housing Infrastructure Bonds (HIBs) are limited obligation tax-exempt bonds issued by Minnesota Housing as authorized under Minnesota Statute 462A.37. Proceeds of HIBs can be used to fund deferred loans for the construction or rehabilitation of permanent supportive housing for individuals without a permanent residence; the new construction of housing for seniors age 55 and above; and the rehabilitation of federally assisted rental housing.

For developments where the HIBs are issued as tax-exempt volume limited bonds, a portion of the HIBs may be structured as short-term bridge loans in order to meet the 50% test to qualify for 4% HTCs. Short-term HIB bridge loans are generally repaid after project completion. The repaid loan proceeds may be used to help fund other projects with HIB eligible uses, though repaid HIB loans do not assist developments in qualifying for the 4% HTC.

Minnesota Housing Deferred Loan Capital: Other Deferred Loans

Projects recommended for other deferred loans will be funded through state and federal appropriations. Minnesota Housing allocates deferred loans through four² key programs:

- Preservation Affordable Rental Investment Fund (PARIF) funds appropriated by the Minnesota Legislature to preserve federally assisted housing units. Two projects are recommended for PARIF.
- Economic Development and Housing Challenge (EDHC) Program funds appropriated by the Legislature to finance new workforce construction. Three projects are recommended for EDHC.
- National Housing Trust Fund (NHTF) is a federal resource that supports new construction of supportive housing units serving very low-income households. Two projects are recommended for NHTF.
- HOME Investment Partnerships (HOME) Program is a federal resource used to finance new construction and will support projects with units that meet several strategic priorities, including permanent supportive housing units serving high priority homeless and people with disabilities, and Greater Minnesota workforce housing needs. Three projects are recommended for HOME.

The deferred loans recommended for selection will generally be 30-year (or more) deferred loans that are repayable upon maturity. The average per unit deferred loan award is \$115,701. For comparison, this amount was \$79,200 in the 2020 Consolidated RFP/2021 HTC Round 1.

Housing Tax Credits

Eight projects are recommended for competitive 9% HTCs: five in Greater Minnesota and three in the Twin Cities metropolitan area. The total amount of 9% HTCs allocated to Greater Minnesota and to the Twin Cities metropolitan area is based on the procedures outlined in Minn. Stat. 462A.222.

Six of the eight projects with 9% HTCs are progressing with no deferred loan needs. The eight projects recommended for 9% HTCs are estimated to generate approximately \$100 million in equity throughout the state, assuming the current level of \$0.80-0.93 investor credit pricing. As previously noted, two of the projects in Greater Minnesota, Marketplace Crossing and Manor Hills Apartments, received partial allocations from their application in the 2020 Consolidated RFP.

Three projects are recommended for deferred loans with a 4% HTC financial structure and are projected to generate 4% HTC equity proceeds of approximately \$52 million. Demand for the use of tax-exempt volume limited bonds continues to be strong, as developers and

² In addition to Housing Infrastructure Bond deferred loans.

communities face a shortage of volume cap for private activity tax-exempt bonding that is necessary to qualify for 4% HTCs.

Waiver Request: Housing Tax Credit Waiver of Development Allocation Credit Limits

Chapter 2.H of the 2022-2023 QAP states that during the allocation year no developer or development may receive HTCs in excess of the per developer or development limit without a waiver. The per developer or general partner HTC limit is the greater of: the amount representing 10% of the state's per capita volume limit in HTCs or the amount needed to support two developments in the case that two developments selected are being developed by the same developer or general partner. Projects are subject to a development limit of no more than \$1,350,000 in cumulative annual HTCs.

Minnesota Housing's goal is to optimize the use of all available sources of funding for multifamily developments, including private investor equity, amortizing loans, and deferred loans to produce the maximum number of affordable rental units that meet the strategic priorities adopted by Minnesota Housing and represent developments that are sustainable, cost effective and geographically diverse. The Board may waive these limits for projects that exhibit developer/sponsor capacity or financial need.

Of the projects recommended for selection of 2022 9% HTCs, the below three projects exceed the development limit. These developments are eligible for Minnesota Housing's per development waiver criteria because they have demonstrated the HTCs are necessary for the financial feasibility of the proposed development and that a significant funding gap will remain if the waiver is not granted. A waiver of the development limit will allow the applicants to maximize the amount of equity available to fund development costs.

1. Union Park Flats – Project for Pride in Living, Inc
Staff recommends a waiver to the \$1,350,000 per development cap to allow for an aggregate amount of \$1,919,267 in 2022 HTCs for the Union Park Flats project in Saint Louis Park submitted by Project for Pride in Living, Inc. The amount exceeds the cap by \$569,267.
2. 5240 Apartments – SCI Associates, LLC
Staff recommends a waiver to the \$1,350,000 per development cap to allow for an aggregate amount of \$1,453,520 in 2022 HTCs for the 5240 Apartments project in Crystal submitted by SCI Associates, LLC. The amount exceeds the cap by \$103,520.
3. Hillside Heights Apartments – Trellis Co.
Staff recommends a waiver to the \$1,350,000 per development cap to allow for an aggregate amount of \$1,415,000 in 2022 HTCs for the Hillside Heights Apartments project in Elk River submitted by Trellis Co. The amount exceeds the cap by \$65,000.

Waiver Request: Housing Tax Credit Waiver of Additional Allocation Limit

Chapter 2.O of the 2022-2023 QAP states that only one supplemental or additional HTC allocation be allowed for each development. The Minnesota Housing Board is authorized to waive any conditions of 2022-2023 Qualified Allocation Plan that are not mandated by Section 42 on a case-by-case basis for good cause shown.

Manor Hills – Andrew Chafoulias

Staff recommends a waiver of the additional HTC allocation limit to allow a second supplemental allocation for the Manor Hills project in Rochester. The project received a partial allocation of 9% HTCs in 2021 Round 1. The original HTC allocation was modified to \$201,224 credits due to the appeal re-ranking process. The project submitted a supplemental request in Round 2 and was allocated \$656,977 and \$50,397 at Carryover. Staff requests an additional allocation of HTCs in this Consolidated RFP to fully fund the project as there is good cause to allow a waiver under the circumstances.

Next Steps

With the Board's approvals, the 22 developments proposed to be selected for funding from Minnesota Housing will receive a notice that they have been selected for additional processing. The developers will work with Minnesota Housing staff, other funding partners, and the local community to finalize project details so that they may close on funding to start construction.

Because of the time period between the original application submittals and being able to start construction, it is common for project costs and funding sources to evolve. Projects that are selected for LMIR first mortgages and/or projects using tax-exempt volume limited bonds that are not HIBs, as well as any projects that experience material changes and/or require modifications that exceed delegated authority, will return to the Minnesota Housing Board for final approvals.

MEETING AGENCY PRIORITIES³

Improving the Housing System

Focus on the people and places most impacted.

Minnesota Housing continues to prioritize developing new units affordable to households at or below the 30% Area Median Income (AMI) level. The proposed selections include an estimated 337 net new deeply affordable units (33% of selected new housing units). This includes units with rents restricted to 30% AMI, units with rental assistance, and/or permanent supportive housing units.

In addition to developing new deeply affordable units, several projects will contribute new units to the workforce housing supply in Minnesota communities. All 1,035 units respond to the housing needs of workers in communities that have experienced job growth, are expecting future expansion, or where there is a shortage of housing that is limiting job expansion. A combination of federal and state appropriated programs support the creation of workforce housing projects including 9% HTCs, Economic Development and Housing Challenge Fund program, HOME program, and funding partner support.

Create an Inclusive and Equitable Housing System

Diversify the partners with which we work.

A focus area of improving the housing system found in our Strategic Plan is diversifying the partners with which we work and incentivizing developments that have Black, Indigenous and People of Color-owned/Women-owned Business Enterprise on the development team. This year 100% of selected applications received points for having a Black, Indigenous and People of Color-owned/Women-owned Business Enterprise as part of their development teams.

Preserve the condition and affordability of existing housing.

There are 105 units (10% of total units) in two projects recommended for Board approval this year that meet the Agency priority of preserving existing rental housing. Investing in these units will address critical capital needs and/or prevent imminent risk of loss due to market conversion. It will also position the properties to maintain their project based rental subsidy for the long term. State appropriated PARIF funds of approximately \$8.7 million support preservation of these units.

Increase the development of new housing that is affordable.

In the Twin Cities metropolitan area, this year's selections will increase housing units with 566 of net new housing units created through new construction. The number of units created in Greater Minnesota is 424. Combined, a total of 990 units or 90% of total units recommended create new rental homes that are affordable.

³ Unit counts and calculations exclude Manor Hills Apartments and Marketplace Crossing since those unit counts were included in the 2021 Consolidated RFP reporting.

Support People Needing Services

Prevent and end homelessness.

If the Board approves the recommended selections, a total of 1,030 units (94% of total units) will support preventing and ending homelessness. Twenty percent of these units will serve high priority homeless households who are households prioritized for supportive housing by the state's Coordinated Entry (CE) system. These permanent supportive housing opportunities are in twenty of the recommended projects.

Support people with disabilities.

Selections continue to advance the objectives of Minnesota's Olmstead Plan, with 66 units (6% of total units) specifically set aside to serve people with disabilities in 13 properties this year.

In 2020, the United States Department of Housing and Urban Development (HUD) announced Minnesota Housing as one of 12 housing finance agencies from the around the country selected to receive a Section 811 Project-based Rental Assistance (PRA) program grant. This is Minnesota Housing's third Section 811 PRA grant from HUD. This new award is anticipated to support 160 households where at least one family member is under age 62, has a disability and is extremely low income. The Section 811 funding will be made available through pipeline and competitive processes over several years. Starting with the 2021 Consolidated RFP, two properties are proposed to be selected for Section 811 PRA funding.

Support older Minnesotans.

Minnesota Housing is taking steps to provide older Minnesotans with a range of housing and support options as their needs change. Seven developments will provide 444 units (41% of total units) of housing for individuals 55 and older with incomes less than 50% of area median income.

TRENDS

Market Conditions

Minnesota continues to have a shortage of rental housing that is affordable. According to the U.S. Census Bureau, the percentage of Minnesota renter households that are cost burdened (paying 30 percent or more of their income on rent) has increased from 37 percent in 2000 to 44 percent in 2019. Among lower-income renters (with incomes less than \$50,000), 70 percent (or 235,000 households) are cost burdened.

Low vacancy rates for the last decade drove up rents and increased the need for rental housing that is affordable. The rental vacancy rate in many parts of Minnesota have been consistently well below the 5 percent threshold that is generally considered optimal for a balanced market. According to Marquette Advisor's *Apartment Trends*, the rental vacancy rate for the Twin Cities metro area was 3.9 percent in the third quarter of 2021. With the economic distress caused by COVID-19, many households are struggling to keep current with their housing payments

The low vacancy rates were primarily created by limited rental production in the 2000s. The number of new rental units did not keep pace with the growth in renter households. In recent years, the level of production finally reached and has now surpassed the level of annual household growth and unit replacement, which is needed to fill the hole created by the lack of production in the 2000s.

PREDICTIVE COST MODEL

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 awarded or allocated HTCs and is benchmarked against industry-wide construction data

Minnesota Housing staff analyzes all proposals on a total development cost (TDC) and per unit cost basis using a predictive cost model. Minnesota Housing's research division developed this model as a method to identify proposals having higher than expected costs. While the model is statistically robust, explaining 55% to 76% of the variation of TDC, it cannot capture all of the components of a project and leaves 24-45% of the variation unexplained. To account for this uncertainty, Minnesota Housing instituted a 25% buffer around the predicted costs. With the 25% threshold, staff will on average conduct further investigation for 1 out of 6 proposals. If a project exceeds the predictive cost model estimate by more than 25 percent, staff will undertake a thorough evaluation of the project's costs and other development costs in similar geographies for comparable properties, including potential mitigation methods, and report this information with the Board.

Of the 22 projects recommended for selection, two projects exceed the predictive cost model estimate by more than 25 percent.

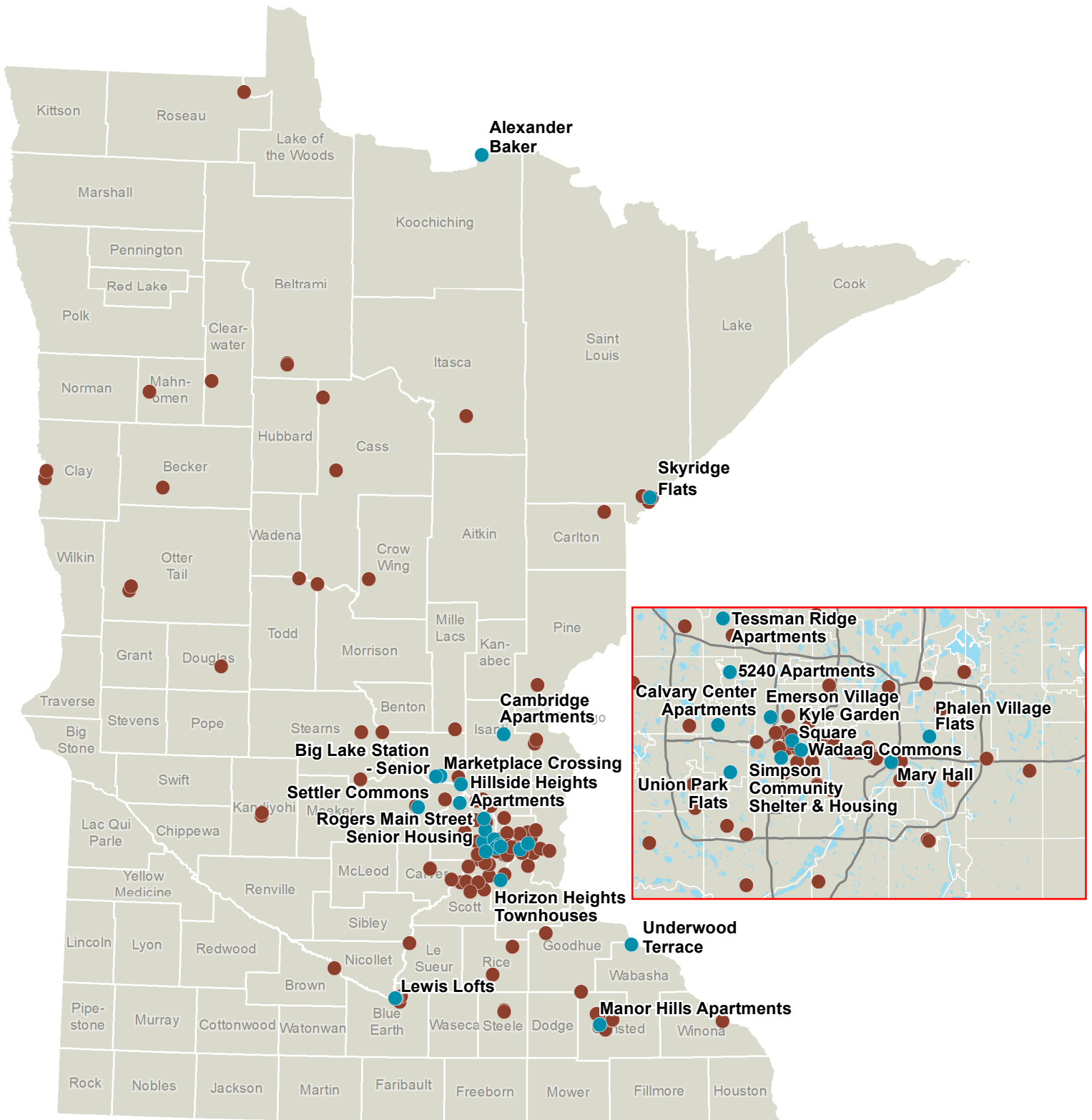
Waiver Requests: Predictive Cost Model

Project Name	Use	Total Development Cost per Unit	Predictive Model Cost per Unit	Amount Over
Alexander Baker	Adaptive Reuse/Historic Preservation	\$ 477,007	\$ 357,308	34%
Wadaag Commons	New Construction	\$ 461,892	\$ 369,030	25%

Alexander Baker is over the predictive model by 34%. Based on the project review and analysis, staff determined that the cost is reasonable due to the amount of environmental abatement needed to remove lead-based paint throughout the former school.

Wadaag Commons is over the predictive model by 25%. Based on the project review and analysis, staff determined that the cost is reasonable due to more than 50% of the units serving large families.

Staff asks the Board to approve a waiver to the predictive cost model for Alexander Baker and Wadaag Commons.



- 2021 Multifamily RFP/HTC Recommended Selections
- 2017 - 2020 Multifamily RFP/HTC Selections



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

RESOLUTION NO. MHFA 22-XX

RESOLUTION APPROVING SELECTION OF DEVELOPMENTS FOR FURTHER PROCESSING AND COMMITMENT OF PROJECTS FOR DEFERRED FINANCING AND AUTHORIZING THE CLOSING OF LOANS RELATED TO THE FOLLOWING PROGRAMS AND FUNDING SOURCES: ECONOMIC DEVELOPMENT AND HOUSING CHALLENGE (EDHC), PRESERVATION AFFORDABLE RENTAL INVESTMENT FUND (PARIF), NATIONAL HOUSING TRUST FUND (NHTF), HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME), AND HOUSING INFRASTRUCTURE BOND (HIB) PROCEEDS.

WHEREAS, the Minnesota Housing Finance Agency (Agency) has received applications to provide construction financing and permanent financing for multifamily rental housing developments serving persons and families of low- and moderate-income for certain developments; and

WHEREAS, Agency staff has reviewed the applications and determined that the applications are in compliance under the Agency’s rules, regulations and policies; that such loans are not otherwise available, wholly or in part, from private lenders or other agencies upon equivalent terms and conditions; and that the applications will assist in fulfilling the purpose of Minn. Stat. ch. 462A.

NOW THEREFORE, BE IT RESOLVED:

The Board hereby authorizes Agency staff to enter into loan agreements, and to close said loans, for the applications and in the amounts set forth below, subject to the terms and conditions contained herein:

Property #	Project #	Project Name	Funding Source	Selection Amount
D8389	M18783	5240 Apts	HOME	\$ 1,120,000
D8204	M18775	Big Lake Station- Senior	HIB HIB Short-term Loan	\$ 9,176,000 \$ 1,044,000
D3301	M18857	Calvary Center Apartments	HIB PARIF	\$ 1,459,000 \$ 5,741,000
D8253	M18769	Cambridge Apartments	EDHC HOME	\$ 636,000 \$ 5,884,000
D7529	M18759	Emerson Village	HIB NHTF	\$ 6,991,000 \$ 6,000,000
D8304	M18718	Hillside Heights Apartments	EDHC	\$ 790,000
D3244	M18918	Horizon Heights	PARIF	\$ 2,986,000

Property #	Project #	Project Name	Funding Source	Selection Amount
D8407	M18844	Kyle Garden Square	HIB HOME NHTF	\$ 9,558,000 \$ 1,447,000 \$ 2,300,000
D8322	M18868	Lewis Lofts	HIB HIB Short-term Loan	\$ 5,504,000 \$ 2,095,000
D8341	M18973	Mary Hall	HIB HIB Short-term Loan	\$ 7,222,000 \$ 2,483,000
D8356	M18924	Phalen Village	HIB	\$ 6,600,000
D8248	M18864	Rogers Main Street Senior Housing	HIB HIB Short-term Loan	\$ 4,988,000 \$ 1,434,000
D8424	M18895	Settler Commons	HIB	\$ 10,852,000
D8316	M18782	Simpson Community Shelter and Apartments	HIB	\$ 11,101,000
D8302	M18739	Skyridge Flats	HIB	\$ 13,929,000
D8217	M18749	Wadaag Commons	EDHC	\$ 3,964,000
Total Selection Amount:				\$ 125,304,000

1. Agency staff shall review and approve the Mortgagor or Grantee; and
2. The issuance of a mortgage loan commitment for all EDHC, PARIF, NHTF, HOME, HIB and loans from Agency resources in form and substance acceptable to Agency staff and the closing of the loans shall occur no later than 20 months from the adoption date of this Resolution; but if a development elects the End Loan Commitment, the End Loan Commitment shall occur no later than 20 months from the adoption date of this Resolution, and construction of the development shall be completed within 18 months from the date of End Loan Commitment; and
3. All selections are subject to available resources and requirements applicable to the funding source, and the Commissioner is authorized to approve non-material changes to the selections; and
4. With respect to loans funded with bond proceeds, the Agency is able to issue and sell tax-exempt bonds on terms acceptable to the Agency; and
5. The sponsor, the builder, the architect, the mortgagor and any other parties that Agency staff, in its sole discretion deem necessary, shall execute all such documents relating to the loan, to the security for the loan, to the construction of the development and to the operation of the development, subject to such terms and conditions as the Agency, in its sole discretion, deems necessary; and
6. The PARIF mortgagor will enter into an agreement with the Agency that complies with Minn. Stat. § 462A.21 and the rider to the appropriation providing funds to the program (Minnesota Laws 2021, First Special Session, Chapter 8, article 1, section 3, subdivision

11) or the requirements that apply to the appropriation year of the applicable PARIF funds.

7. A waiver of the predictive cost model 25% threshold for Wadaag Commons.

Adopted this 27th day of January 2022

CHAIRMAN

This page intentionally blank.

**MINNESOTA HOUSING FINANCE AGENCY
400 Wabasha Street North, Suite 400
St. Paul, MN 55102
RESOLUTION NO. MHFA 22-XX**

**RESOLUTION APPROVING SELECTION AND COMMITMENT SECTION 811 PROJECT-BASED
RENTAL ASSISTANCE GRANTS**

WHEREAS, the Minnesota Housing Finance Agency (Agency) has received applications to provide Section 811 Project-based Rental Assistance Contracts for properties serving individuals who are extremely low-income and disabled.

WHEREAS, Agency staff has reviewed the applications and determined that they are in compliance with the Agency's rules, regulations and policies; that such grants are not otherwise available, wholly or in part, from private lenders or other agencies upon equivalent terms and conditions; and that the applications will assist in fulfilling the purpose of Minn. Stat. ch. 462A.

NOW THEREFORE, BE IT RESOLVED: THAT, the Board hereby authorizes Agency staff to enter into Rental Assistance Contracts using federal resources as set forth below, subject to changes allowable under the HUD Section 811 Project based Program, upon the following conditions:

1. Agency staff shall review and approve the recommended Rental Assistance Contracts (RACs) for up to the total recommended amount for five years;

Project Name	D #	M #	Funding Source	Number of Units	Selection Amount
Tessman Ridge	D8392	M18792	Section 811	5	\$ 420,420
5240 Apts	D8389	M18783	Section 811	5	\$ 271,800
Total Selection Amount:					\$ 692,220

2. The issuance of the agreement to enter into a Rental Assistance Contract (ARAC) in form and substance acceptable to Agency staff shall occur no later than twenty months from the adoption date of this Resolution; and
3. Any extension of an Agency provided capital funding commitment for a project listed above shall also extend the deadline for that project's ARAC for the same term; and
4. All selections are subject to available resources and the requirements of the HUD Section 811 Project based Program, and the Commissioner is authorized to approve non-material changes to the selections; and
5. The sponsors and such other parties shall execute all such documents relating to said contract, to the security therefore, as the Agency, in its sole discretion, deems necessary.

Adopted this 27th day of January 2022

CHAIRMAN

This page intentionally blank.

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

RESOLUTION NO. MHFA 22-XX

RESOLUTION APPROVING SELECTIONS OF LOW AND MODERATE INCOME RENTAL (LMIR) PROGRAM, THE LOW AND MODERATE INCOME RENTAL BRIDGE LOAN (LMIR BL) PRODUCT, AND BRIDGE LOAN (BL) PRODUCT

WHEREAS, the Minnesota Housing Finance Agency (Agency) has received applications to provide construction financing and permanent financing for multifamily rental housing developments serving persons and families of low- and moderate-income for certain developments; and

WHEREAS, Agency staff has reviewed the applications and determined that the applications are in compliance under the Agency’s rules, regulations and policies; that such loans are not otherwise available, wholly or in part, from private lenders or other agencies upon equivalent terms and conditions, and that the applications will assist in fulfilling the purpose of Minn. Stat. ch. 462A.

NOW THEREFORE, BE IT RESOLVED:

The Board hereby selects the below referenced developments for further processing under for LMIR, LMIR Bridge Loan and Bridge Loan products:

Property #	Project #	Project Name	Funding Source	Selection Amount
D8389	M18783	5240 Apts	LMIR	\$ 4,878,000.00
D8204	M18775	Big Lake Station- Senior	LMIR LMIR BL	\$ 4,701,000.00 \$ 3,586,000.00
D3301	M18857	Calvary Center Apartments	LMIR LMIR BL	\$ 1,635,000.00 \$ 7,940,000.00
D8253	M18769	Cambridge Apartments	LMIR LMIR BL	\$ 5,983,000.00 \$ 9,665,000.00
D8304	M18718	Hillside Heights Apartments	LMIR	\$ 3,309,000.00
D3244	M18918	Horizon Heights	LMIR LMIR BL	\$ 2,479,000.00 \$ 4,415,000.00
D8322	M18868	Lewis Lofts	LMIR LMIR BL	\$ 2,605,000.00 \$ 4,388,000.00
D8341	M18973	Mary Hall	BL	\$ 3,729,000.00
D8356	M18924	Phalen Village	LMIR LMIR BL	\$ 4,749,000.00 \$ 10,580,000.00

Property #	Project #	Project Name	Funding Source	Selection Amount
D8248	M18864	Rogers Main Street Senior Housing	LMIR	\$ 1,978,000
			LMIR BL	\$ 2,397,000
D8424	M18895	Settler Commons	LMIR	\$ 2,057,000
D8309	M18779	Union Park Flats	LMIR	\$ 4,432,000
Total Selection Amount:				\$ 85,506,000

1. Minnesota Housing staff are authorized to continue underwriting and reviewing the developments for applicable funding as set out above.
2. Selected entities must provide such information and documentation as is deemed necessary by Minnesota Housing staff.
3. Minnesota Housing staff must bring each LMIR, LMIR Bridge Loan, or Bridge Loan back to the Board for final approval prior to obtaining authorization to close the loan.

Adopted this 27th day of January 2022

CHAIRMAN

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

RESOLUTION NO. MHFA 22-XX

**RESOLUTION APPROVING ALLOCATION OF
FEDERAL LOW INCOME HOUSING TAX CREDITS
FOR CALENDAR YEAR 2022
TO CERTAIN QUALIFIED LOW-INCOME HOUSING BUILDINGS**

WHEREAS, in accordance with the Tax Reform Act of 1986 and the provisions of Minn. Stat. § 462A.221-462A.223, the Minnesota Housing Finance Agency (Agency) has received applications as a duly designated housing credit agency for allocations to certain developments of the Low Income Housing Tax Credit program provided by Section 42 of the Internal Revenue Code of 1986 (IRC); and

WHEREAS, the Agency has applied to said applications the criteria set forth for selection in Minnesota Housing's Qualified Allocation Plan (QAP), duly adopted by the Agency for 2022; and

WHEREAS, the Agency has determined to reserve, for future allocation, portions of the state allocation of the Low Income Housing Tax Credits (LIHTC) to the developments identified below, pending final Agency staff review and delivery by the applicants of additional certifications and information required for the Agency's issuance of such allocations.

NOW, THEREFORE, BE IT RESOLVED:

The Board hereby authorizes Agency staff to allocate portions of the state allocation of Low Income Housing Tax Credits as set out below upon meeting the requirements for allocation contained in Section 42 of the IRC and QAP subject to the terms and conditions contained herein:

Metro Selections

Property #	Project #	Project Name	HTC 9% Request
D8389	M18783	5240 Apartments	\$ 1,453,520
D8392	M18792	Tessman Ridge Apartments	\$ 1,246,593
D8309	M18779	Union Park Flats	\$ 1,919,267
Selection Amount:			\$ 4,619,380

Greater Minnesota Selections

Property #	Project #	Project Name	HTC 9% Request
D8314	M18773	Marketplace Crossing	\$ 853,636
D8304	M18718	Hillside Heights Apartments	\$ 1,415,000
D8310	M18744	Alexander Baker	\$ 1,069,487
D8320	M18746	Manor Hills Apartments	\$ 644,154
D8391	M18790	Underwood Terrace	\$ 1,158,632
		Selection Amount:	\$ 5,140,909

Summary of Housing Tax Credit Selections

Total Number of Housing Tax Credit Selections	8
Total Amount of Housing Tax Credit Selections	\$ 9,760,289

1. Pursuant to the above-referenced statutes and the allocation ranking factors contained in the QAP when applied to the applications submitted, Agency staff is hereby authorized to make the Low Income Housing Tax Credits reservations and allocations for the above developments in the amounts shown for calendar year 2022 of the Low Income Housing Tax Credits, upon compliance with all of the requirements contained in Section 42 of the IRC and the QAP; and
2. That staff is authorized to allocate the portions of the state of Minnesota's ceiling of Low Income Housing Tax Credits to the developments identified above in the amounts shown, subject to adjustments in accordance with the QAP; and
3. All selections are subject to available resources and the requirements of the Low Income Housing Tax Credit program, and the Commissioner is authorized to approve non-material changes to the selections; and
4. Notification letters concerning the above be forwarded to the approved applicants; and
5. Execution of all documents related to the allocation, subject to such terms and conditions as the Agency, in its sole discretion, deems necessary; and
6. A waiver to Chapter 2.H of the 2022-2023 QAP to exceed the \$1,350,000 per development cap for Union Park Flats, 5240 Apartments, Hillside Heights Apartments; and
7. A waiver to Chapter 2.O of the 2022-2023 QAP to allow a second supplemental allocation for Manor Hills; and
8. A waiver of the predictive cost model 25% threshold for Alexander Baker.

Adopted this 27th day of January 2022

CHAIRMAN

2021 Minnesota Housing Multifamily Development Summaries

Table of Contents

Project	Page Number
Emerson Village	2
Kyle Garden Square	3
Simpson Community Shelter and Apartments	4
Wadaag Commons	5
Mary Hall	6
Phalen Village	7
Tessman Ridge Apartments	8
Horizon Heights	9
5240 Apts	10
Calvary Center Apartments	11
Rogers Main Street Senior Housing	12
Union Park Flats	13
Big Lake Station- Senior	14
Cambridge Apartments	15
Hillside Heights Apartments	16
Marketplace Crossing	17
Settler Commons	18
Alexander Baker	19
Skyridge Flats	20
Lewis Lofts	21
Manor Hills Apartments	22
Underwood Terrace	23

Emerson Village

Developer	Beacon Interfaith Housing Collaborative
Location	Minneapolis
Property Number (D#)	D7529
Project Number	M18759

Project Description

- Emerson Village is a 40-unit, new construction, family permanent supportive housing project in North Minneapolis with units designed for large families including 2, 3 and 4 bedroom units.
- Demolition of an existing commercial building will take place to clear the site for construction. There is one existing tenant of the commercial space and on-site parking is also currently leased, however language in the existing leases state tenants are exempt from relocation benefits therefore the development budget does not include relocation expenses.

Populations Served

- This development proposes 40 units of permanent supportive housing for families experiencing homelessness.
- The project will be deeply affordable to tenants as all 40 units are assisted with project based rental assistance from Minneapolis Public Housing Authority.
- 20 units will serve High Priority Homeless households for families with children.
- 20 units will be subject to the statutory HIB Other Homeless requirements.
- Up to 12 units will be for families involved in Child Welfare Services. These families will meet the other homeless eligibility criteria.
- 6 units will serve People with Disabilities who meet the other homeless criteria.
- The project is envisioned to receive referrals for 12 units from Hennepin County Child Protection Services and referrals from the Northside Achievement Zone for 8 units.
- The project will serve households with incomes ranging from 30% to 50% MTSP, with 26 units restricted to a 30% income limit for 10 years.

Capital Sources of Funding

<u>Name of Source</u>	<u>Award Amount</u>
Minneapolis AHTF	\$1,710,000
Energy Rebates	\$15,000
Sales Tax Rebate	\$313,000
HIB SH Homeless	\$6,991,000
NHTF-National HTF-Capital	\$6,000,000
Hennepin County Supportive Housing	\$1,200,000
Federal Home Loan Bank of Des Moines AHP	\$750,000
General Partner Cash	\$90,000
Total Permanent Financing	\$17,069,000
FUNDING GAP REMAINING	\$0

Kyle Garden Square

Developer	Alliance Housing Incorporated
Location	Minneapolis
Property Number (D#)	D8407
Project Number	M18844

Project Description

Kyle Garden Square is a 55-unit, adaptive re-use, permanent supportive housing project in the Elliot Park neighborhood of Minneapolis. The studio and one bedroom units are designed to serve single adults and small families. This elevator serviced building was previously used for health care-related commercial use, has 4 stories and a lower level with portions of the building originally constructed in the 1920s, 1940s, 1950s and 1980s. The current building owner, Excelen Center for Bone and Joint Research will vacate the office space and sell a condo consisting of a portion of the building's lower level and first through 4th floors for the purpose of the proposed housing development. Excelen will retain ownership of about 9,500 sf of the lower level of the building for their continued commercial office and lab use. The commercial and housing portions of the building will have separate secured access. A condominium association will govern management of shared spaces, including building mechanicals. The proposed housing budget does not include expenses related to the commercial portion of the building.

Populations Served

- 55 units of permanent supportive housing for adults experiencing homelessness. All 55 units are assisted with rental assistance: 28 units will have Housing Support and 27 units will have project based vouchers from Minneapolis Public Housing Authority.
- 39 units will serve High Priority Homeless households for single adults.
- 9 units will serve People with Disabilities who will also meet the other homeless criteria.
- 7 additional units will be subject to the statutory HIB other homeless requirements (for a total of 16).
- All units will serve households with incomes at or below 30% MTSP for 10 years.
- The project is envisioned to receive referrals for at least 48 units through Hennepin County Coordinated Entry System, and these 48 households are anticipated to also meet the definition of Chronic Homeless.

Capital Sources of Funding

<u>Name of Source</u>	<u>Award Amount</u>
Hennepin County Supportive Housing Funds	\$1,325,000
Energy Rebates	\$11,818
Sales Tax Rebate	\$288,877
HOME MF	\$1,447,000
NHTF-National HTF-Capital	\$2,300,000
HIB SH Homeless	\$9,558,000
Environmental Response Fund (ERF) Hennepin	\$335,650
Tax Base Revitalization Account (TBRA) - Metro	\$220,000
Federal Home Loan Bank Affordable Housing Pr	\$1,000,000
City of Minneapolis CPED	\$1,650,000
Total Permanent Financing	\$18,136,345
FUNDING GAP REMAINING	\$0

Simpson Community Shelter and Apartments

Developer	Project for Pride in Living, Inc.
Location	Minneapolis
Property Number (D#)	D8316
Project Number	M18782

Project Description

Simpson Community Shelter and Apartments is a new construction, five story, mixed-use building that includes 42 units of permanent supportive housing and 70 emergency shelter beds. The application to the Agency is strictly for funding the permanent supportive housing component of the project and not the emergency shelter. Eligible costs will be tracked separately.

The permanent housing portion of the project request consists of 42 studio apartments designed to serve single adults. The permanent supportive housing and emergency shelter will be subdivided by a Common Interest Community, with the shelter located on the first three floors and permanent supportive housing on the fourth and fifth floors. Current and past shelter residents as well as other permanent supportive housing participants that Simpson works with were consulted in the design of this project. It was intentionally designed with the interests and needs of future tenants in mind.

The project involves the demolition of the functionally obsolete Simpson United Methodist Church, which currently serves as a 70-bed emergency shelter operated by Simpson Housing Services. The new construction will necessitate the temporary relocation of the emergency shelter.

Populations Served

- This development will provide 42 units of permanent supportive housing for adults experiencing homelessness.
- 30 units will serve High Priority Homeless households.
- 12 units will serve People with Disabilities who will also meet the statutory HIB Other Homeless criteria.
- All 42 units will benefit from Long Term Homeless Housing Support.
- 75% of the units will prioritize serving chronically homeless single adults, referred through Hennepin County Coordinated Entry.
- The project will serve households with incomes at or below 30% MTSP to 50% MTSP.
- 32 units will serve households at or below 30% MTSP for a minimum of 10 years.

Capital Sources of Funding

<u>Name of Source</u>	<u>Award Amount</u>
Hennepin County Chronic Homeless	\$840,000
Energy Rebates	\$15,571
Sales Tax Rebate	\$211,366
HIB SH Homeless	\$11,101,000
Hennepin County TOD	\$148,000
Minneapolis AHTF	\$1,260,000
Total Permanent Financing	\$13,575,937
FUNDING GAP REMAINING	\$0

Wadaag Commons

Developer	Noor Development & Seward Redesign, Inc.
Location	Minneapolis
Property Number (D#)	D8217
Project Number	M18749

Project Description

Wadaag Commons is a land acquisition and new construction of a 32-unit mixed-use apartment building with units ranging in size from 1 bedroom to 4 bedroom units. The project will be sited on the last parcel of undeveloped land at the Seward Commons site which is located approximately one block from the Franklin Ave Station of the Hiawatha LRT line. The development will be the first affordable housing for large families built in the neighborhood in over 20 years.

Populations Served

- The development will provide 23 workforce housing units and 9 units of permanent supportive housing.
- 4 of the supportive housing units will serve High Priority Homeless single adults who qualify for Housing Support.
- 5 of the supportive housing units will serve People with Disabilities. All five households will qualify for Housing Support.
- 32 tax credit units will serve households with incomes at or below 60% MTSP. • 25 units will be deeply affordable to households at 30% MTSP, with rental assistance from Housing Support (9 units) and Project Based Vouchers (16 units).

Capital Sources of Funding

<u>Name of Source</u>	<u>Award Amount</u>
Syndication Proceeds	\$5,809,470
Hennepin County AHIF	\$600,000
City of Minneapolis TOD	\$544,858
City of Minneapolis AHTF	\$720,000
MHFA CRV Assumption	\$297,609
First Mortgage	\$2,742,000
EDHC MF	\$3,964,000
Energy Rebates	\$14,000
Sales Tax Rebate	\$187,487
Total Permanent Financing	\$14,879,424
FUNDING GAP REMAINING	\$0

Mary Hall

Developer	Aeon
Location	Saint Paul
Property Number (D#)	D8341
Project Number	M18973

Project Description

Mary Hall is an acquisition and historic rehabilitation project that will result in 88 units of permanent supportive housing serving single adults and small households who have very low incomes and have experienced homelessness. The project is located in downtown St. Paul with a high concentration of amenities and services in close proximity including a light rail station within walking distance.

Populations Served

- The development will provide 88 units of permanent supportive housing
- 44 units will serve High Priority Homeless (single adults) and benefit from Housing Support
- 44 will be subject to the statutory HIB Other Homeless requirements and are anticipated to benefit from project-based Section 8 vouchers from the St. Paul Public Housing Authority (PHA)
- All 88 units will be deeply affordable to households at 30% MTSP

Capital Sources of Funding

<u>Name of Source</u>	<u>Award Amount</u>
HIB SH Homeless	\$7,222,000
Energy Rebates	\$50,000
Sales Tax Rebate	\$170,000
Federal Historic Proceeds	\$2,993,063
State Historic Proceeds	\$2,993,063
Syndication Proceeds	\$5,278,694
Met Council	\$1,159,000
General Partner Cash	\$100
Total Permanent Financing	\$19,865,920
FUNDING GAP REMAINING	\$129,696

Phalen Village

Developer	MWF Properties, LLC
Location	Saint Paul
Property Number (D#)	D8356
Project Number	M18924

Project Description

Phalen Village will be new construction 76-unit affordable senior housing (55+) project located in St. Paul, MN. The building and site are being designed with this population in mind. The project will have a mix of one- and two bedrooms accommodating both singles and couples. The building will feature four stories of residential over one level of underground parking.

The location of the project is well-suited for the populations that will be served. The site is located within 1/4 mile of a local bus stop and is located on Phalen Boulevard, providing easy access to highway 35E and I-94, which will allow transit access to downtown Saint Paul and access to nearby amenities for the development's future tenants.

Populations Served

- The development will provide 76 units for seniors.
- 4 units will serve High Priority Homeless and will benefit from Housing Support.
- 4 additional units will benefit from Housing Support.
- 17 additional units are anticipated to have will rental assistance through project-based vouchers, which have been applied for to St. Paul Public Housing Authority (PHA).
- Twenty-five (25) units in the three prior bullet points will be further restricted to the 30% MTSP level.
- The households will have incomes at or below 30% and 50% of MTSP.

Capital Sources of Funding

<u>Name of Source</u>	<u>Award Amount</u>
HIB Senior	\$6,600,000
Energy Rebates	\$22,730
Syndication Proceeds	\$9,280,665
Deferred Developer Fee	\$390,403
St. Paul PED (HOME)	\$1,500,000
Minnesota Housing First Mortgage	\$4,749,000
Total Permanent Financing	\$22,542,798
FUNDING GAP REMAINING	\$0

Tessman Ridge Apartments

Developer	Duffy Development Co
Location	Brooklyn Park
Property Number (D#)	D8392
Project Number	M18792

Project Description

Tessman Ridge Apartments is new construction of a 75-unit apartment building with units ranging in size from efficiencies to 4-bedroom units. The project will be sited on 2.5 acres of vacant land 2 blocks from the proposed LRT Blue line extension on West Broadway in Brooklyn Park. This project is the first phase of a multi-phased development that will ultimately include a childcare facility and a second apartment building that is anticipated to be a mirror image of Tessman Ridge Apartments. The childcare facility and second apartment building are not part of this funding request.

Populations Served

- The development will provide 62 workforce housing units and 13 units of permanent supportive housing.
- 8 of the supportive housing units will serve High Priority Homeless (5-single adults and 3-families with children) and benefit from Housing Support (Hennepin County).
- 5 of the supportive housing units will serve People with Disabilities and benefit from Section 811.
- 55 tax credit units will serve households with incomes at or below 60% MTSP.
- 13 units will be deeply affordable to households at 30% MTSP.
- 20 non-tax credit units will serve 8 households at 80% MTSP and 12 households at market rate.
- 12 units are market rate with no restrictions.

Capital Sources of Funding

<u>Name of Source</u>	<u>Award Amount</u>
Energy Rebates	\$22,600
Syndication Proceeds	\$10,968,921
Hennepin County AHIF	\$925,000
First Mortgage	\$6,216,000
Total Permanent Financing	\$18,132,521
FUNDING GAP REMAINING	\$270,930

Horizon Heights

Developer	Minnesota Brokerage Group
Location	Burnsville
Property Number (D#)	D3244
Project Number	M18918

Project Description

The Horizon Heights Townhome is the acquisition, renovation, and preservation of an existing six building townhome development located in Burnsville. The property will undergo a substantial renovation. The development consists of 19 three-bedroom and six four-bedroom units. The proposed project will preserve the Section 8 Housing Assistance Payment (HAP) contract at risk of loss due to critical physical needs.

Populations Served

- The development will provide 25 units of large family housing.
- All 25 units benefit from the Section 8 HAP contact.
- Rents and incomes restricted to at or below the 50% MTSP level.

Capital Sources of Funding

<u>Name of Source</u>	<u>Award Amount</u>
Syndication Proceeds	\$2,784,209
Deferred Developer Fee	\$385,575
Existing Reserves	\$477,548
Dakota County Hope	\$500,000
PARIF	\$2,986,000
Minnesota Housing First Mortgage	\$2,479,000
Total Permanent Financing	\$9,612,332
FUNDING GAP REMAINING	\$0

5240 Apts

Developer	Access Development, LLC
Location	Crystal
Property Number (D#)	D8389
Project Number	M18783

Project Description

5240 Apartments is a 58-unit new construction workforce housing development located in Crystal one half mile from the proposed Bass Lake Road LRT station on the Blue line extension and a quarter mile from Becker Park. The project will offer one-to four-bedroom units appealing to a broad spectrum of ages and household sizes and will help meet the area’s need for additional housing as the area continues to grow due to its proximity to transportation and workforce areas.

Populations Served

- The development will provide 46 general occupancy and workforce housing units and 12 units of supportive housing
- 7 of the supportive housing units will serve High Priority Homeless (single adults) and benefit from Housing Support.
- 5 of the supportive housing units will serve People with Disabilities and benefit from Section 811.
- All households will have incomes at or below 60% MTSP, rents will be restricted to 30%, 50%, and 60% of MTSP.
- 15 units will be deeply affordable to households at 30% MTSP.

<u>Name of Source</u>	<u>Award Amount</u>
Energy Rebates	\$25,000
Syndication Proceeds	\$13,225,709
HOME MF	\$1,120,000
Minnesota Housing First Mortgage	\$4,878,000
General Partner Cash	\$558
Total Permanent Financing	\$19,249,267
FUNDING GAP REMAINING	\$0

Calvary Center Apartments

Developer	Calvary Center
Location	Golden Valley
Property Number (D#)	D3301
Project Number	M18857

Project Description

Calvary Center Apartments is acquisition and rehab of an existing 80-unit, 100% section 8 development serving seniors 62+ and disabled individuals. The project is located at Rhode Island Avenue and Golden Valley Road in Golden Valley, on a parcel immediately adjacent to Calvary Cooperative and Calvary Lutheran Church, and one block east of Winnetka Avenue, a major commercial corridor in the area. Its location provides good visibility and access to shopping, community services, public transportation and recreation. It is within walking distance of city hall, fire and police services, a park, library, bus stop and farmers market, and within a mile of a convenience store, medical clinic and strip mall.

Populations Served

- The development will provide 80 units restricted to seniors 62+ or individuals with a qualifying disability. Disabled individuals are not age restricted to 62+.
- 4 units will serve High Priority Homeless households for single adults.
- All 80 units benefit from project-based Section 8.
- The development will serve households with incomes at or below 30% and 50% MTSP.

Capital Sources of Funding

<u>Name of Source</u>	<u>Award Amount</u>
PARIF	\$5,741,000
Energy Rebates	\$2,500
Sales Tax Rebate	\$139,547
Syndication Proceeds	\$5,706,464
Existing Replacement Reserve	\$124,574
Existing Operating Reserve	\$317,291
Seller Note for excess value	\$1,941,775
Assumption of Existing Seller Note	\$1,952,473
HIB Preservation	\$1,459,000
Minnesota Housing First Mortgage	\$1,635,000
Total Permanent Financing	\$19,019,624
FUNDING GAP REMAINING	\$0

Rogers Main Street Senior Housing

Developer	Duffy Development Co
Location	Rogers
Property Number (D#)	D8248
Project Number	M18864

Project Description

The proposed Rogers Main Street Senior Housing will create 40 new affordable housing units for independent seniors age 55+ and will incorporate a senior center, fitness center, office space for supportive services and a library/craft room. The development will be a new construction four-story elevator building with underground parking and will offer deeply affordable studio, 1 bedroom, and 2 bedroom units.

The site is on Main Street in Rogers where city offices, an antique shop and the Rogers Senior Center currently occupy the site.

Populations Served

- The development will provide 40 units for seniors.
- 4 units will serve High Priority Homeless households and will benefit from Housing Support.
- Rents will be restricted to 30% and 50% of MTSP, and incomes will be restricted to 30%, 50%, and 60% of MTSP.
- 6 units without rental assistance will be affordable to households at 30% MTSP.

Capital Sources of Funding

<u>Name of Source</u>	<u>Award Amount</u>
Met Council LCDA	\$135,000
Energy Rebates	\$18,000
Syndication Proceeds	\$4,029,627
HIB - Senior	\$4,988,000
Met Council	\$1,500,000
Hennepin County AHIF	\$300,000
MN DEED	\$350,000
Minnesota Housing First Mortgage	\$1,978,000
Total Permanent Financing	\$13,298,627
FUNDING GAP REMAINING	\$0

Union Park Flats

Developer	Project for Pride in Living
Location	Saint Louis Park
Property Number (D#)	D8309
Project Number	M18779

Project Description

Union Park Flats is a 60-unit, new construction general occupancy predominantly family housing project that includes 13 permanent supportive housing units in St. Louis Park. The project includes studio, 1, 2, 3 and 4 bedroom units and will serve both single households and families. The project site currently has an educational wing of a church that will be demolished and environmental remediation that will be completed to prepare the site for new construction.

Populations Served

- The development will provide 47 units of general occupancy family housing and 13 units of supportive housing.
- 7 of the supportive housing units are for High Priority Homeless households for single adults.
- 6 of the supportive housing units are for People with Disabilities.
- The 13 permanent supportive units will benefit from Housing Support, be referred through Coordinated Entry and will also meet the Long Term Homeless definition.
- The project will serve households with incomes ranging from 30% to 60% MTSP.
- Thirteen units will be deeply affordable and restricted to 30% rent and income limits for 10 years.

Capital Sources of Funding

<u>Name of Source</u>	<u>Award Amount</u>
Energy Rebates	\$58,062
Sales Tax Rebate	\$439,467
Syndication Proceeds	\$17,463,583
Deferred Developer Fee	\$300,000
Cleanup Funds (ERF/DEED/TBRA)	\$205,000
Minnesota Brownfields	\$14,529
Hennepin County HOME	\$1,000,000
Met Council LCDA-TOD	\$1,900,000
Minnesota Housing First Mortgage	\$4,432,000
Total Permanent Financing	\$25,812,641
FUNDING GAP REMAINING	\$0

Big Lake Station- Senior

Developer	Aeon
Location	Big Lake
Property Number (D#)	D8204
Project Number	M18775

Project Description

Big Lake Station Senior is a 74-unit new construction senior development in Big Lake proposed by Aeon. The project will have a mix of one- and two-bedroom units accommodating both singles and couples. The building will include two elevators, main level multi-purpose community room with outdoor space, raised gardens, and walking paths around the property. The project is well located for the intended population.

Populations Served

- The development will provide 74 units to serve seniors.
- 10 units will serve High Priority Homeless senior single adults which will benefit from Housing Support and also qualify for as Long Term Homeless
- All 70 households will have incomes at or below 30% and 60% of MTSP.
- 10 units will be further restricted to the 30% MTSP level.

Capital Sources of Funding

<u>Name of Source</u>	<u>Award Amount</u>
HIB Senior	\$9,176,000
Energy Rebates	\$22,500
Sales Tax Rebate	\$256,941
Syndication Proceeds	\$6,692,691
Deferred Developer Fee	\$317,966
Minnesota Housing First Mortgage	\$4,701,000
General Partner Cash	\$100
Total Permanent Financing	\$21,167,199
FUNDING GAP REMAINING	\$0

Cambridge Apartments

Developer	Reuter Walton
Location	Cambridge
Property Number (D#)	D8253
Project Number	M18769

Project Description

Cambridge Apartments is a new construction workforce development in Cambridge. The development will be part of a larger multi-family/multi-generation development. Reuter Walton will acquire approximately 2.75 acres from Walker Methodist for this project for \$1. On the adjoining property, Walker Methodist is developing an affordable senior housing apartment complex. Reuter has partnered with Walker Methodist to develop this site into an intergenerational community campus providing affordable housing for seniors, families, people with disabilities and high-priority homeless.

The 65-unit, 3-story building will include a mix of one-, two-, three-, and four-bedroom units with amenities such as a community room, fitness area, conference room, laundry facilities, walking paths and outdoor play area. Parking for residents and guests will be provided on-site in a 147-stall surface parking lot.

Populations Served

- The development will provide 51 units of general occupancy workforce housing and 14 units of permanent supportive housing.
- 8 of the supportive housing units will serve High Priority Homeless households.
- 6 of the supportive housing units will serve People with Disabilities.
- The 14 supportive housing units will benefit from Housing Support rental assistance through New Pathways.
- The 14 supportive housing units will be further restricted to 30% MTSP.
- The general occupancy units will serve households at 50% and 60% MTSP.

Capital Sources of Funding

<u>Name of Source</u>	<u>Award Amount</u>
HOME MF	\$5,884,000
Energy Rebates	\$18,000
Syndication Proceeds	\$6,427,396
Deferred Developer Fee	\$350,000
EDHC	\$636,000
Minnesota Housing First Mortgage	\$5,983,000
Total Permanent Financing	\$19,298,396
FUNDING GAP REMAINING	\$0

Hillside Heights Apartments

Developer	Trellis Co. (formerly CHDC)
Location	Elk River
Property Number (D#)	D8304
Project Number	M18718

Project Description

- Hillside Heights is a 52-unit new construction three-stories elevator building that will provide 1, 2, 3, and 4 bedroom units in Elk River.
- Hillside Heights will offer large and small family housing and will offer 15 permanent supportive housing units with services to ensure residents maintain housing and find stability.
- The proposed site plan includes connections to neighborhood and regional amenities.
- The project applied and qualifies for the Innovative Construction Tech preference. The developer is partnering with Frana Companies and Urban Works to propose automated manufacturing process. The process will add elements to Frana's factory process to manufacture fully closed wall panels with enhanced consolidation. Enhanced consolidation means to pre-assemble materials at a factory and arriving at the site for installation only. A particular item, such as a wall, is normally touched by several trades at the site. Using enhanced consolidation reduces time and results in cost savings. In addition, work performed at a factory is not subject to prevailing wage, such as items pre-fabricated and/or assembled at a factory.
- The contractor will also expand its lumber bulk purchasing program to save dollars by buying large quantities (4 - 6 jobs). The total cost reductions are estimated to be just more than 10%. The total time savings are estimated to be at least 20%.

Populations Served

- The development will provide 37 units for workforce general occupancy and 15 units of permanent supportive housing.
- 7 units of the supportive housing are set aside for High Priority Homeless households and will benefit from Housing Support.
- 8 units of the supportive housing are set aside for People with Disabilities and will benefit from Housing Support.
- The project will have a wide range of affordability levels including 30%, 60%, and 70% MTSP; the developer has made an election of average income minimum set-aside.

Capital Sources of Funding

<u>Name of Source</u>	<u>Award Amount</u>
EDHC MF	\$790,000
Energy Rebates	\$16,000
Sales Tax Rebate	\$380,365
Syndication Proceeds	\$12,875,212
Deferred Developer Fee	\$512,377
Trellis Loan	\$1,100,000
Minnesota Housing First Mortgage	\$3,309,000
Total Permanent Financing	\$18,982,954
FUNDING GAP REMAINING	\$0

Marketplace Crossing

Developer	CommonBond Communities
Location	Big Lake
Property Number (D#)	D8314
Project Number	M18773

Project Description

Marketplace Crossing is a new construction, 3-story, 60 unit apartment building located in Big Lake proposed by CommonBond. It is located on undeveloped land in an area guided for multifamily development near a new business district currently being marketed. The site is approximately 2.5 miles from downtown Big Lake that provides access to schools, a grocery store, restaurants, and the Northstar Commuter Rail Line with service to downtown Minneapolis. Marketplace Crossing I will provide high-quality, new construction affordable housing in a growing suburban community. The project provides 48 affordable housing units and 12 market rate units. As a mixed income project, this proposal will add quality workforce housing to the growing community.

Populations Served

- The development will provide 47 general occupancy and workforce housing units and 13 units of permanent supportive housing.
- The 13 supportive housing units will be deeply affordable to households at 30% MTSP and benefit from housing support.
- 7 of the supportive housing units will serve High Priority Homeless (3 family and 4 single adults).
- 6 of the supportive housing units will serve People with Disabilities.
- 48 tax credit units will serve households with incomes at or below 60% MTSP.
- 12 units will serve households at market rate.

Capital Sources of Funding

<u>Name of Source</u>	<u>Award Amount</u>
Energy Rebates	\$15,850
Sales Tax Rebate	\$345,709
Syndication Proceeds	\$13,395,981
Deferred Developer Fee	\$366,588
GP Equity	\$100
Minnesota Housing First Mortgage	\$3,892,000
Total Permanent Financing	\$18,016,228
FUNDING GAP REMAINING	\$1

Settler Commons

Developer	Central Minnesota Housing Partnership, Inc.
Location	Buffalo
Property Number (D#)	D8424
Project Number	M18895

Project Description

Settler Commons will be a new construction 40-unit senior 55+ development, consisting of two wings and a central section, elevator three-stories buildings with underground parking in Buffalo, Minnesota. The property will offer 36 1-bedroom with den units, 2 1-bedroom without den, and 2 2-bedroom units.

The site for the proposed development has already been rezoned for housing and has received support from the City Council and the Buffalo HRA.

Populations Served

- The development will provide 40 units for seniors 55 years of age or older.
- 12 units will be restricted to households at or below 30% MTSP with rents restricted at 30% MTSP.
- 28 units will offer rents restricted to 50% MTSP and will be available to households with incomes at or below 60% MTSP.

Capital Sources of Funding

<u>Name of Source</u>	<u>Award Amount</u>
HIB Senior	\$10,852,000
Energy Rebates	\$44,650
Sales Tax Rebate	\$261,342
Minnesota Housing First Mortgage	\$2,057,000
Total Permanent Financing	\$13,214,992

Alexander Baker

Developer	Trellis Co.
Location	International Falls
Property Number (D#)	D8310
Project Number	M18744

Project Description

Alexander Baker is the adaptive reuse and historic preservation of a 27-unit apartment building with units ranging in size from 1 to 4-bedroom units. Kootasca Community Action, Inc and Trellis propose to be co-owners and renovate the historic Alexander Baker building in International Falls.

Populations Served

- The development will provide 17 general occupancy workforce housing units and 10 units of supportive housing.
- 4 of the supportive housing units will serve High Priority Homeless single adults.
- 6 of the supportive housing units will serve People with Disabilities serving both families and single adults.
- The 10 supportive housing units will benefit from project-based Section 8 vouchers.
- 27 tax credit units will serve households with incomes at or below 60% MTSP.

Capital Sources of Funding

<u>Name of Source</u>	<u>Award Amount</u>
Energy Rebates	\$12,000
Sales Tax Rebate	\$248,087
Federal Historic Proceeds	\$1,566,298
State Historic Proceeds	\$1,962,976
Syndication Proceeds	\$9,089,728
General Partner Cash	\$100
Total Permanent Financing	\$12,879,188
FUNDING GAP REMAINING	\$0

Skyridge Flats

Developer	Housing and Redevelopment Authority of Duluth
Location	Duluth
Property Number (D#)	D8302
Project Number	M18739

Project Description

Skyridge Flats will be the first new affordable senior housing development in Duluth in 30 years. The proposal is for a new construction, 70-unit senior community offering 1-bedroom units in a 3-story elevator building that will offer community spaces for gathering.

The project will be Phase V of a planned development that is funded from a 2002 HOPE VI Grant from HUD. The site is part of an overall redevelopment of former public housing space.

Populations Served

- The development will provide 70 units of senior housing to households 55+.
- 7 units will serve High Priority Homeless households with a preference for veterans, and assisted by HUD-VASH vouchers. Referrals for the HPH units will come from the Homeless Veterans Registry, which is part of the coordinated entry system. These units will be restricted to households at or below 30% MTSP.
- 14 units will benefit from project based Section 8 from the Duluth Housing and Redevelopment Authority (HRA). These units will be restricted to households at or below 30% MTSP.
- 14 additional units will also benefit from project based Section 8 from the Duluth HRA to families at or below 50% MTSP.
- 35 units will be restricted to households at or below 50% MTSP and offering rents not to exceed 50% MTSP.
- The Duluth HRA anticipates serving more households that qualify as homeless or at-risk homelessness beyond the units set-aside for High Priority Homeless.

Capital Sources of Funding

<u>Name of Source</u>	<u>Award Amount</u>
Duluth HRA	\$3,000,000
Energy Rebates	\$21,785
Sales Tax Rebate	\$358,717
HIB Senior	\$13,929,000
First Mortgage	\$426,000
Total Permanent Financing	\$17,735,502
FUNDING GAP REMAINING	\$0

Lewis Lofts

Developer	Cohen-Esrey Affordable Partners
Location	Mankato
Property Number (D#)	D8322
Project Number	M18868

Project Description

Lewis Lofts is a 64-unit, new construction senior development in Mankato. The project includes 1 and 2 bedroom units.

Populations Served

- The development will provide 64 units for seniors.
- 7 units will serve High Priority Homeless single adult households assisted by Housing Support and who are long-term homeless. An additional 6 units will benefit from the City Mankato Economic Authority project based Choice vouchers.
- All units will serve incomes at 30%, 50%, and 60% MTSP.
- 20 units that do not have rental assistance will be affordable to seniors with incomes at 30% MTSP.

Capital Sources of Funding

<u>Name of Source</u>	<u>Award Amount</u>
City of Mankato Forgivable Loan	\$400,000
Energy Rebates	\$15,000
Sales Tax Rebate	\$303,441
Syndication Proceeds	\$6,137,406
Deferred Developer Fee	\$366,951
Soil Remediation	\$24,581
HIB Senior	\$5,504,000
CDBG Funds	\$100,000
Minnesota Housing First Mortgage	\$2,605,000
General Partner Cash	\$100
Total Permanent Financing	\$15,456,479
FUNDING GAP REMAINING	\$0

Manor Hills Apartments

Developer	Titan Development and Investments, Inc
Location	Rochester
Property Number (D#)	D8320
Project Number	M18746

Project Description

Manor Hills is a 72-unit, new construction, workforce, general occupancy housing project that includes 8 permanent supportive housing units in Rochester. The project includes 1, 2 and 3 bedroom units and will serve both single households and families.

Populations Served

- The development will provide 72 units workforce general occupancy housing, including 8 units of supportive housing.
- 4 of the supportive housing units are high priority homeless units for single adults.
- 4 of the supportive housing units are for people with disabilities.
- The 8 permanent supportive units will benefit from Housing Support, referred through Coordinated Entry and will meet the Long Term Homeless definition.
- The project will serve households with incomes ranging from 30% to 60% MTSP.

Capital Sources of Funding

<u>Name of Source</u>	<u>Award Amount</u>
Energy Rebates	\$11,000
Syndication Proceeds	\$13,662,851
Minnesota Housing First Mortgage	\$7,098,000
Total Permanent Financing	\$20,771,851
FUNDING GAP REMAINING	\$0

Underwood Terrace

Developer	Three Rivers Community Action, Inc.
Location	Lake City
Property Number (D#)	D8391
Project Number	M18790

Project Description

Underwood Terrace is an acquisition and new construction of a 32-unit mixed-use apartment building with units ranging in size from 1 to 3- bedroom units. The project will be sited on 3.5 acres of land donated by the city of Lake City and is part of the city's plan to redevelop a 102-acre site that was acquired from Cemstone Corporation. The site is located near several municipal buildings, services, while a park and community garden are located across the street.

Populations Served

- The development will provide 32 workforce housing units, including 8 units of permanent supportive housing.
- 32 tax credit units will serve households with incomes at or below 60% MTSP.
- 4 of the supportive housing units will serve High Priority Homeless and benefit from Housing Support.
- 4 of the supportive housing units will serve People with Disabilities and benefit from Housing Support.
- The 8 supportive housing units will be deeply affordable to households at 30% MTSP.

Capital Sources of Funding

<u>Name of Source</u>	<u>Award Amount</u>
Energy Rebates	\$18,956
Sales Tax Rebate	\$245,585
Syndication Proceeds	\$9,641,172
Deferred Developer Fee	\$21,119
First Mortgage	\$660,000
Total Permanent Financing	\$10,586,832
FUNDING GAP REMAINING	\$0

This page intentionally blank.

Non-Select Report

Agenda Item: 7.F
Non-selected Applications

2021 RFP / 2022 HTC Round 1 Non-Select Report

Property Number	Project Number	Project Name	Developer	Location (City)	Region	9%Tax Credits	4% Tax Credits	Deferred Loans	First Mortgage
D8396	M18802	1136 Frost	Reuter Walton	Maplewood	Metro	\$ 1,500,000	\$	\$ 1,458,198	\$ 6,595,000
D8396	M18803	1136 Frost	Reuter Walton	Maplewood	Metro		\$ 958,343	\$ 6,494,524	\$ 6,595,000
D8408	M18846	3030 Niccollet	Project for Pride in Living	Minneapolis	Metro	\$ 2,595,061			\$ 8,763,000
D8408	M18847	3030 Niccollet	Project for Pride in Living	Minneapolis	Metro		\$ 2,595,061		\$ 8,763,000
D8382	M18754	3rd Avenue Flats	Commonwealth Development Corporation of America	Dilworth	West Central	\$ 1,212,000			
D0468	M18878	Artspace Washington Studios	Artspace Projects, Inc.	Duluth	Northeast	\$ 1,200,000		\$ 1,782,040	\$ 950,000
D8388	M18777	Beitline Station	Sherman Associates	Saint Louis Park	Metro		\$ 1,099,648	\$ 1,704,237	
D8323	M18874	Bethesda Cornerstone Village -- Brooklyn Park	Bethesda Cornerstone Village, LLC	Brooklyn Park	Metro		\$ 1,186,659	\$ 8,431,745	\$ 6,152,000
D8419	M18876	Bethesda Cornerstone Village -- Cottage Grove	Bethesda Cornerstone Village, LLC	Cottage Grove	Metro	\$ 1,444,584		\$ 2,145,121	\$ 3,567,000
D8419	M18877	Bethesda Cornerstone Village -- Cottage Grove	Bethesda Cornerstone Village, LLC	Cottage Grove	Metro		\$ 639,581	\$ 9,461,669	\$ 3,487,000
D8415	M18860	Burnsville Crossing	Wellington Management Inc.	Burnsville	Metro			\$ 900,000	
D8426	M18898	Calvary Apartments	Trellis Calvary Development LLC	Minneapolis	Metro	\$ 1,337,000			\$ 390,000
D8426	M18899	Calvary Apartments	Trellis Calvary Development LLC	Minneapolis	Metro	\$ 478,189		\$ 4,210,000	\$ 350,000
D3572	M18839	Clare Apartments	Clare Housing	Minneapolis	Metro			\$ 5,481,952	
D8386	M18770	Cornelia View	Cornelia View Developers, LLC	Edina	Metro		\$ 1,196,117	\$ 5,500,252	\$ 14,505,000
D8414	M18858	Currie Commons	Wellington Management Inc.	Minneapolis	Metro			\$ 1,250,000	
D8381	M18742	Decker Dwellings II	One Roof Community Housing	Duluth	Northeast	\$ 1,484,765			\$ 689,000
D8381	M18743	Decker Dwellings II	One Roof Community Housing	Duluth	Northeast		\$ 511,360	\$ 7,846,256	\$ 689,000
D8306	M18726	Eastside Apartments	Three Rivers Community Action, Inc.	Rochester	Southeast	\$ 1,178,114			\$ 2,522,000
D8306	M18727	Eastside Apartments	Three Rivers Community Action, Inc.	Rochester	Southeast		\$ 600,282	\$ 4,919,342	\$ 2,522,000
D8444	M18958	Eight05 Laurel	D.W. Jones	Brainerd	Central	\$ 1,024,976			\$ 2,238,006
D8444	M18959	Eight05 Laurel	D.W. Jones	Brainerd	Central		\$ 512,390	\$ 4,368,155	\$ 2,238,006
D8434	M18912	Gladstone Place	MWF Properties	Maplewood	Metro	\$ 1,281,000			
D8209	M18740	Gladstone Village	JB Vang Partners	Maplewood	Metro	\$ 1,450,000		\$ 3,282,409	\$ 7,349,000
D8209	M18741	Gladstone Village	JB Vang Partners	Maplewood	Metro		\$ 917,478	\$ 8,077,716	\$ 7,349,000
D7997	M18932	Granite Ridge Apartments - Delano	Connelly Development LLC	Delano	Central	\$ 1,298,000			
D0709	M18760	Hillside Terrace Apartments	The Schuett Companies, Inc.	Long Lake	Metro	\$ 782,500		\$ 449,100	\$ 2,000,000
D0709	M18761	Hillside Terrace Apartments	The Schuett Companies, Inc.	Long Lake	Metro			\$ 5,256,841	
D3325	M18756	Isle View Apartments	Volunteers of America National Services	Isle	Central			\$ 5,256,841	
D3325	M18757	Isle View Apartments	Volunteers of America National Services	Isle	Central			\$ 5,256,841	
D8430	M18906	Kasson Apartments (Exact Name TBD)	Access Development, LLC	Kasson	Southeast	\$ 963,951			
D8430	M18907	Kasson Apartments (Exact Name TBD)	Access Development, LLC	Kasson	Southeast		\$ 510,767	\$ 6,161,991	\$ 2,612,000
D8390	M18786	Lake Crossing Apartments	CommonBond Communities	Big Lake	Central		\$ 582,021	\$ 8,700,617	\$ 1,951,000
D8427	M18902	Main Street Lofts	Joseph Development	Elko New Market	Metro	\$ 1,310,000			
D8421	M18886	Minnneapolis Lot A	Sherman Associates Development LLC	Minneapolis	Metro		\$ 3,843,171	\$ 10,000,000	
D8394	M18798	Mission Creek Estates	Millie Lacs Corporate Ventures	Hinckley	Central	\$ 1,350,000			
D8416	M18862	Monticello Workforce Housing	Duffy Development Co	Monticello	Central	\$ 1,350,000		\$ 198,852	
D8379	M18730	Morgan Park Senior Housing	Accessible Space, Inc.	Duluth	Northeast		\$ 725,238	\$ 7,200,000	
D8379	M18731	Morgan Park Senior Housing	Accessible Space, Inc.	Duluth	Northeast		\$ 725,238	\$ 7,200,000	
D8406	M18841	MPHA Family Housing Expansion	Minneapolis Public Housing Authority	Minneapolis	Metro			\$ 1,400,000	
D8422	M18884	New Haven Court	Center City Housing Corp.	Hibbing	Northeast		\$ 1,208,631	\$ 18,218,996	\$ 2,625,000
D8422	M18885	New Haven Court	Center City Housing Corp.	Hibbing	Northeast		\$ 1,208,631	\$ 18,218,996	\$ 2,625,000
D8405	M18804	Nuage	The Boisclair Corporation	Richfield	Metro	\$ 1,826,784			\$ 6,688,000
D8405	M18805	Nuage	The Boisclair Corporation	Richfield	Metro		\$ 750,440	\$ 6,054,332	\$ 6,682,000
D8455	M18982	Oakwood Terrace	D.W. Jones Development, Inc	Grand Rapids	Central	\$ 880,992			\$ 3,154,000
D8455	M18983	Oakwood Terrace	D.W. Jones Development, Inc	Grand Rapids	Central		\$ 461,498	\$ 3,796,351	\$ 3,154,000
D8326	M18788	Penn Terrace	The Boisclair Corporation	Bloomington	Metro	\$ 1,890,174			\$ 7,448,000
D8326	M18789	Penn Terrace	The Boisclair Corporation	Bloomington	Metro		\$ 795,693	\$ 6,180,087	\$ 7,448,000
D8301	M18752	Plymouth Avenue Apartments	Matrix Development LLC	Minneapolis	Metro			\$ 3,499,200	\$ 4,658,000
D8328	M18991	Prairie Pointe Apartments	Beacon Interfaith Housing Collaborative	Shakopee	Metro	\$ 1,222,265		\$ 1,541,884	
D8328	M18992	Prairie Pointe Apartments	Beacon Interfaith Housing Collaborative	Shakopee	Metro		\$ 544,111	\$ 7,586,553	

Non-Select Report

2021 RFP / 2022 HTC Round 1 Non-Select Report

Property Number	Project Number	Project Name	Developer	Location (City)	Region	9%Tax Credits	4% Tax Credits	Deferred Loans	First Mortgage
D8448	M18966	Riverdale Station Senior LHTC	Sherman Associates Development LLC	Coon Rapids	Metro			\$ 1,315,679	
D8433	M18926	Riverview Flats	MWF Properties, LLC	Winona	Southeast	\$ 1,454,000			
D8343	M18920	St. Stephen's Housing	Trellis Co	Minneapolis	Metro	\$ 1,292,641			
D8343	M18921	St. Stephen's Housing	Trellis Co	Minneapolis	Metro		\$ 579,565	\$ 6,326,002	
D8330	M18994	The Rise on 7	CommonBond Communities	Saint Louis Park	Metro			\$ 950,000	
D8329	M18914	Treehouse	Trellis Co	Saint Paul	Metro	\$ 1,254,519		\$ 31,767	
D8329	M18915	Treehouse	Trellis Co	Saint Paul	Metro		\$ 428,027	\$ 7,547,246	
D8126	M18880	Twenty08	D. W. Jones, Inc	Alexandria	West Central	\$ 1,022,147			\$ 1,961,634
D8126	M18881	Twenty08	D. W. Jones, Inc	Alexandria	West Central		\$ 404,008	\$ 5,021,993	\$ 1,961,634
D8409	M18850	Walker Methodist Cambridge	Walker Methodist	Cambridge	Central		\$ 724,947	\$ 5,906,463	\$ 6,181,000
D8309	M18851	Walker Methodist Cambridge	Walker Methodist	Cambridge	Central			\$ 12,189,927	\$ 6,374,000
D8393	M18796	Wangstad Commons	JO Companies, LLC	Brooklyn Center	Metro	\$ 1,350,000			
D8393	M18797	Wangstad Commons	JO Companies, LLC	Brooklyn Center	Metro		\$ 620,443	\$ 6,341,656	

Note: A given project may submit an application with more than one funding structure type (i.e. 9%, 4% with deferred, deferred-only).

Summary of Funding Recommendations: Consolidated

2021 RFP / 2022 HTC Round 1 Multifamily Selections - Consolidated

Project Name	Sponsor	City	Total Units	Total Affordable Units	LMIR 1st Mortgage	LMIR BL or BL	Agency Deferred Total	HTC 9% Request	Estimated Syndication Proceeds	Total Development Cost
Metro										
Minneapolis										
Emerson Village	Beacon Interfaith Housing Collaborative	Minneapolis	40	40			\$ 12,991,000		\$ -	\$ 17,069,000
Kyle Garden Square	Alliance Housing Incorporated	Minneapolis	55	55			\$ 13,305,000		\$ -	\$ 18,136,345
Simpson Community Shelter	Project for Pride in Living, Inc.	Minneapolis	42	42			\$ 11,101,000		\$ -	\$ 13,575,937
Wadaag Commons	Noor Development & Seward Redesign, Inc.	Minneapolis	32	32			\$ 3,964,000		\$ 5,809,470	\$ 14,879,424
Saint Paul										
Mary Hall	Aeon	Saint Paul	88	88		\$ 3,729,000	\$ 9,705,000		\$ 5,278,694	\$ 19,995,615
Phalen Village	MWF Properties, LLC	Saint Paul	76	76	\$ 4,749,000	\$ 10,580,000	\$ 6,600,000		\$ 9,280,665	\$ 22,542,798
Suburban										
Tessman Ridge Apartment	Duffy Development Co	Brooklyn Park	75	63				\$ 1,246,593	\$ 10,968,921	\$ 18,403,451
Horizon Heights	Minnesota Brokerage Group	Burnsville	25	25	\$ 2,479,000	\$ 4,415,000	\$ 2,986,000		\$ 2,784,209	\$ 9,612,332
5240 Apts	Access Development, LLC	Crystal	58	58	\$ 4,878,000		\$ 1,120,000	\$ 1,453,520	\$ 13,225,709	\$ 19,249,268
Calvary Center Apartments	Calvary Center	Golden Valley	80	80	\$ 1,635,000	\$ 7,940,000	\$ 7,200,000		\$ 5,706,464	\$ 19,019,625
Rogers Main Street Senior	Duffy Development Co	Rogers	40	40	\$ 1,978,000	\$ 2,397,000	\$ 6,422,000		\$ 4,029,627	\$ 13,298,627
Union Park Flats	Project for Pride in Living	Saint Louis Park	60	60	\$ 4,432,000			\$ 1,919,267	\$ 17,463,583	\$ 25,812,641
Metro Totals			671	659	\$ 20,151,000.00	\$ 29,061,000.00	\$ 75,394,000.00	\$ 4,619,380	\$ 74,547,342.69	\$ 211,595,063
Greater MN										
Central										
Big Lake Station- Senior	Aeon	Big Lake	74	74	\$ 4,701,000	\$ 3,586,000	\$ 10,220,000		\$ 6,692,691	\$ 21,167,198
Cambridge Apartments	Reuter Walton	Cambridge	65	65	\$ 5,983,000	\$ 9,665,000	\$ 6,520,000		\$ 6,427,396	\$ 19,298,396
Hillside Heights Apartments	Trellis Co. (formerly CHDC)	Elk River	52	52	\$ 3,309,000		\$ 790,000	\$ 1,415,000	\$ 12,875,212	\$ 18,982,954
Marketplace Crossing	CommonBond Communities	Big Lake						\$ 853,636	\$ 13,395,981	\$ 18,016,228
Settler Commons	Central Minnesota Housing Partnership, Inc.	Buffalo	40	40	\$ 2,057,000		\$ 10,852,000		\$ -	\$ 13,214,992
Northeast										
Alexander Baker	Trellis Co. (formerly CHDC)	International Falls	27	27				\$ 1,069,487	\$ 9,089,728	\$ 12,879,189
Skyridge Flats	Housing and Redevelopment Authority of Duluth	Duluth	70	70			\$ 13,929,000		\$ -	\$ 17,735,503
Southeast										
Lewis Lofts	Cohen-Esrey Affordable Partners	Mankato	64	64	\$ 2,605,000	\$ 4,388,000	\$ 7,599,000		\$ 6,137,406	\$ 15,456,479
Manor Hills Apartments	Titan Development and Investments, Inc	Rochester						\$ 644,154	\$ 13,662,851	\$ 20,771,851
Underwood Terrace	Three Rivers Community Action, Inc.	Lake City	32	32				\$ 1,158,632	\$ 9,641,172	\$ 10,586,832
Greater MN Totals			424	424	\$ 18,655,000	\$ 17,639,000	\$ 49,910,000	\$ 5,140,909	\$ 77,922,437	\$ 168,109,623
State Totals			1095	1083	\$ 38,806,000	\$ 46,700,000	\$ 125,304,000	\$ 9,760,289	\$ 152,469,780	\$ 379,704,686

*Marketplace Crossing has been excluded from totals except for the HTC 9% Request. This project was selected and counted in the 2020 RFP/HTC Round 1. It is proposed to be selected in this RFP for supplemental credits.

**Manor Hills Apartments has been excluded from totals except for the HTC 9% Request. This project was selected and counted in the 2020 RFP/HTC Round 1. It is proposed to be selected in this RFP for supplemental credits.

Summary of Funding Recommendations: Detailed

2021 RFP / 2022 HTC Round 1 Multifamily Selections - Detailed

Project Name	Sponsor	City	Total Units	Total Affordable Units	LMIR 1st Mortgage	LMIR BL or BL	Hsg Infrastructure Bonds Senior	Hsg Infrastructure Bonds SH Homeless	Hsg Infrastructure Bonds Preservation	Hsg Infrastructure Bonds ST Loan	HUD Section 811 PRA	PARIF	HOME	EDHC	NHTF	HTC 9% Request
Metro																
Minneapolis																
Emerson Village	Beacon Interfaith Housing Collaborative	Minneapolis	40	40				\$ 6,991,000							\$ 6,000,000	
Kyle Garden Square	Alliance Housing Incorporated	Minneapolis	55	55				\$ 9,558,000					\$ 1,447,000		\$ 2,300,000	
Simpson Community Shelter and Apartments	Project for Pride in Living, Inc.	Minneapolis	42	42				\$ 11,101,000								
Wadaag Commons	Noor Development & Seward Redesign, Inc.	Minneapolis	32	32										\$ 3,964,000		
Saint Paul																
Mary Hall	Aeon	Saint Paul	88	88		\$ 3,729,000		\$ 7,222,000		\$ 2,483,000						
Phalen Village	MWF Properties, LLC	Saint Paul	76	76	\$ 4,749,000	\$ 10,580,000	\$ 6,600,000									
Suburban																
Tessman Ridge Apartments*	Duffy Development Co	Brooklyn Park	75	63							\$ 420,420					\$ 1,246,593
Horizon Heights	Minnesota Brokerage Group	Burnsville	25	25	\$ 2,479,000	\$ 4,415,000						\$ 2,986,000				
5240 Apts**	Access Development, LLC	Crystal	58	58	\$ 4,878,000						\$ 271,800		\$ 1,120,000			\$ 1,453,520
Calvary Center Apartments	Calvary Center	Golden Valley	80	80	\$ 1,635,000	\$ 7,940,000		\$ 1,459,000				\$ 5,741,000				
Rogers Main Street Senior Housing	Duffy Development Co	Rogers	40	40	\$ 1,978,000	\$ 2,397,000	\$ 4,988,000			\$ 1,434,000						
Union Park Flats	Project for Pride in Living	Saint Louis Park	60	60	\$ 4,432,000											\$ 1,919,267
Metro Totals			671	659	\$ 20,151,000	\$ 29,061,000	\$ 11,588,000	\$ 34,872,000	\$ 1,459,000	\$ 3,917,000	\$ 692,220	\$ 8,727,000	\$ 2,567,000	\$ 3,964,000	\$ 8,300,000	\$ 4,619,380
Greater MN																
Central																
Big Lake Station-Senior	Aeon	Big Lake	74	74	\$ 4,701,000	\$ 3,586,000	\$ 9,176,000			\$ 1,044,000						
Cambridge Apartments	Reuter-Walton	Cambridge	65	65	\$ 5,983,000	\$ 9,665,000							\$ 5,884,000	\$ 636,000		
Hillside Heights Apartments	Trellis Co. (formerly CHDC)	Elk River	52	52	\$ 3,309,000									\$ 790,000		\$ 1,415,000
Marketplace Crossing***	CommonBond Communities	Big Lake														\$ 853,636
Settler Commons	Central Minnesota Housing Partnership, Inc.	Buffalo	40	40	\$ 2,057,000		\$ 10,852,000									
Northeast																
Alexander Baker	Trellis Co. (formerly CHDC)	International Falls	27	27												\$ 1,069,487
Skyridge Flats	Housing and Redevelopment Authority of Duluth	Duluth	70	70			\$ 13,929,000									
Southeast																
Lewis Lofts	Cohen-Esrey Affordable Partners	Mankato	64	64	\$ 2,605,000	\$ 4,388,000	\$ 5,504,000			\$ 2,095,000						\$ 644,154
Manor Hills Apartments****	Titan Development and Investments, Inc	Rochester														\$ 1,158,632
Underwood Terrace	Three Rivers Community Action, Inc.	Lake City	32	32												
Greater MN Totals			424	424	\$ 18,655,000	\$ 17,639,000	\$ 39,461,000	\$ -	\$ -	\$ 3,139,000	\$ -	\$ -	\$ 5,884,000	\$ 1,426,000	\$ -	\$ 5,140,909
State Totals			1095	1083	\$ 38,806,000	\$ 46,700,000	\$ 51,049,000	\$ 34,872,000	\$ 1,459,000	\$ 7,056,000	\$ 692,220	\$ 8,727,000	\$ 8,451,000	\$ 5,390,000	\$ 8,300,000	\$ 9,760,289

*Tessman Ridge will receive a 5-year annual Section 811 amount of \$84,084, for a total of \$420,420.

**5240 Apts will receive a 5-year annual Section 811 amount of \$54,360, for a total of \$271,800.

***Marketplace Crossing has been excluded from totals. This project was selected and counted in the 2020 RFP/HTC Round 1. It is being selected in this RFP for supplemental credits.

****Manor Hills Apartments has been excluded from totals. This project was selected and counted in the 2020 RFP/HTC Round 1. It is being selected in this RFP for supplemental credits.

Summary of Funding Recommendations: Priorities

Agenda Item: 7.F

2021 RFP / 2022 HTC Round 1 Multifamily Selections - Priorities

Project Name	City	Sponsor	Total Units	Total Affordable Units	Senior Units	High Priority Homeless Units	People with Disabilities Units	Section 811 Units	Total PSH Units*	Workforce Housing Units	Total 30% Units
Metro											
Minneapolis											
Emerson Village	Minneapolis	Beacon Interfaith Housing Collaborative	40	40		20	6		40	40	40
Kyle Garden Square	Minneapolis	Alliance Housing Incorporated	55	55		39	9		55	55	55
Simpson Community Shelter and Apartments	Minneapolis	Project for Pride in Living, Inc.	42	42		30	12		42	42	42
Wadaag Commons	Minneapolis	Noor Development & Seward Redesign, Inc.	32	32		4	5		9	32	
Saint Paul											
Mary Hall	Saint Paul	Aeon	88	88		44			88	88	88
Phalen Village	Saint Paul	MWF Properties, LLC	76	76	76	4			4	76	25
Suburban											
Tessman Ridge Apartments	Brooklyn Park	Duffy Development Co	75	63		8	5	5	13	75	
Horizon Heights	Burnsville	Minnesota Brokerage Group	25	25						25	
5240 Apts	Crystal	Access Development, LLC	58	58		7	5	5	12	58	
Calvary Center Apartments	Golden Valley	Calvary Center	80	80	80	4			4	80	28
Rogers Main Street Senior Housing	Rogers	Duffy Development Co	40	40	40	4			4	40	4
Union Park Flats	Saint Louis Park	Project for Pride in Living	60	60		7	6		13	60	
Metro Totals			611	599	196	164	42	10	271	611	282
Greater MN											
Central											
Big Lake Station- Senior	Big Lake	Aeon	74	74	74	10			10	74	10
Cambridge Apartments	Cambridge	Reuter Walton	65	65		8	6		14	65	
Hillside Heights Apartments	Elk River	Trellis Co. (formerly CHDC)	52	52		7	8		15	52	
Marketplace Crossing**	Big Lake	CommonBond Communities									
Settler Commons	Buffalo	Central Minnesota Housing Partnership, Inc.	40	40	40					40	12
Northeast											
Alexander Baker	International Falls	Trellis Co. (formerly CHDC)	27	27		4	6		10	27	
Skyridge Flats	Duluth	Housing and Redevelopment Authority of Duluth	70	70	70	7			7	70	
Southeast											
Lewis Lofts	Mankato	Cohen-Esrey Affordable Partners	64	64	64	7			7		33
Manor Hills Apartments***	Rochester	Titan Development and Investments, Inc					4		8	32	
Underwood Terrace	Lake City	Three Rivers Community Action, Inc.	32	32		4	4				
Greater MN Totals			424	424	248	47	24	0	71	360	55
State Totals			1035	1023	444	211	66	10	342	971	337

*Total PSH Units could include Permanent Supportive Housing units above and beyond the High Priority Homeless (HPH), People with Disabilities (PWD) and Section 811 units claimed for scoring purposes.

**Marketplace Crossing has been excluded from totals. This project was selected and counted in the 2020 RFP/HTC Round 1. It is proposed to be selected in this RFP for supplemental credits.

***Manor Hills Apartments has been excluded from totals. This project was selected and counted in the 2020 RFP/HTC Round 1. It is proposed to be selected in this RFP for supplemental credits.

This page intentionally blank.



Board Agenda Item: 8.A
Date: 1/27/2022

Updated 1/28/2022

Item: 2022 Governor's Capital Budget and Supplemental Budget Recommendations

Staff Contact(s):

Dan Kitzberger, 651.296.3706, dan.kitzberger@state.mn.us

Ryan Baumtrog, 651.296.9820, ryan.baumtrog@state.mn.us

Request Type:

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

Summary of Request:

Governor Walz and Lt. Governor Flanagan announced their Capital Budget recommendations on January 18 and their budget recommendations will be announced soon. Minnesota Housing's base budget for programs funded by state appropriations for State Fiscal Years 2022-2023 is \$125.6 million across several housing stability, rental development and homeownership programs.

Fiscal Impact:

Loans and grants funded by state appropriations generally do not earn interest for the agency but are critical to meeting statewide housing needs.

Meeting Agency Priorities:

- Improve the Housing System
- Preserve and Create Housing Opportunities
- Make Homeownership More Accessible
- Support People Needing Services
- Strengthen Communities

Attachment(s):

- Will be provided at the meeting

THE WALZ-FLANAGAN BUDGET



TO MOVE MINNESOTA FORWARD

HOUSING

Total New Investment: \$225.5 million General Fund (FY 2023)
 \$184 million General Fund (FY 2024-25)
 \$250 million Housing Infrastructure Bonds
 \$60 million Public Housing Rehab
 \$719.5 million over three years

BUILD MORE HOMES



Challenge

The Governor recommends a \$25 million increase to the Economic Development and Housing Challenge program in FY 2023 and \$25 million in FY 2024-25 to produce more new housing opportunities across the state. Many employers across the state are hiring more people, but often the limited supply of housing is impacting business expansion. The priority for the funding will be on increasing rental and homeownership housing opportunities in communities where the lack of housing is impacting job growth, as well as providing downpayment assistance to first-time homebuyers through community-based nonprofit organizations and local units of government. This recommendation will create an estimated 1,225 housing opportunities across the state over three years.

FY 2023 Enacted Budget – \$12.9 million

FY 2024-25 Base Budget – \$25.8 million

Workforce and Affordable Homeownership

The Governor recommends an increase of \$12 million per year starting in FY 2023 to increase the supply of single-family homes across the state. The Workforce and Affordable Homeownership Program finances homeownership development grants to cities, tribal governments, nonprofit organizations, cooperatives and community land trusts for development of workforce and affordable homeownership projects. Funds can be used for development costs, rehabilitation, land development and

manufactured home park infrastructure. This recommendation will create an estimated 900 homes over three years.

FY 2023 Enacted Budget – \$250,000

FY 2024-25 Base Budget – \$500,000

Greater Minnesota Workforce Housing

The Governor recommends \$10 million in FY 2023 and \$16 million in FY 2024-25 for the Greater Minnesota Workforce Housing Development program. This program builds new rental housing in Greater Minnesota, typically in cities and towns with populations under 5,000. While many communities have had increased jobs in the region, the market has not added adequate new housing. The development of new housing in all regions of Greater Minnesota is critical for economic growth and job creation. The additional funding will create an estimated 865 new units of housing in Greater Minnesota over three years.

FY 2023 Enacted Budget – \$2 million

FY 2024-25 Base Budget – \$4 million

Flexible Financing for Capital Costs

The Governor recommends \$10 million in FY 2023 for a Flexible Financing for Capital Costs program to fund financing gaps in housing development. The program will provide deferred loans or grants to developments that need additional financing due to either ineligible costs from a specific funding source or to help with unanticipated gaps in financing due to changing market conditions. For example, the costs of construction materials increased 17% last year compared to the previous year. This funding will assist around 333 units of rental housing.

INCREASE HOME STABILITY



Housing Trust Fund – Rental Assistance

The Governor recommends a \$10 million increase in FY 2023 and a base increase of \$25 million in FY 2024-25 to the Housing Trust Fund program to provide rental assistance for individuals and families. The state’s rental assistance program helps meet the overall need in the state that is not met through federal programs. Only one out of every four individuals/families that is income-qualified for federal rent assistance receives rental assistance. The new funding will provide housing assistance to an estimated 1,500 households each year.

FY 2023 Enacted Budget – \$11.6 million

FY 2024-25 Base Budget – \$23.3 million



Pre-Natal to Pre-K Housing Assistance (Homework Starts with Home Expansion)

The Governor recommends \$10 million each year starting in FY 2023 to add to and expand the Homework Starts with Home program. On any given day, around 8,000 school-age children are identified as homeless or highly mobile in school districts across the state. This impacts more than 1,400 schools in 300 school districts that cover 77 of Minnesota’s 87 counties. Priority for the new funding will be to serve younger children and pregnant families experiencing or at-risk of homelessness. An estimated 5,000 young children not yet in school are identified when they access certain state early childhood programs as being at-risk of or experiencing homelessness. The funding will provide rent and other housing assistance to families with or expecting children that lack housing stability. The funding will provide housing assistance for an estimated 1,425 families each year.

FY 2023 Enacted Budget – \$1.750 million

FY 2024-25 Base Budget – \$3.5 million



Homelessness Prevention

The Governor recommends an increase of \$19.5 million in FY 2023 and an increase of \$19 million in FY 2024-25 to the Family Homelessness Prevention and Assistance Program. Significant one-time federal resources, including the COVID-19 Emergency Rental Assistance program, will run out of funding in 2022, leaving many renters one life incident away from losing their housing without adequate homelessness prevention resources. The priority for funding will be on direct assistance, but the funds may also be used to better coordinate access to prevention services and funding. The housing assistance is typically paid to the housing provider or property owner. We estimate that the new funding will serve an estimated 19,250 households over three years.

FY 2023 Enacted Budget – \$10.3 million

FY 2024-25 Base Budget – \$20.5 million

Landlord Risk Mitigation Fund

The Governor recommends \$5 million in FY 2023 to expand the Landlord Risk Mitigation Fund program. The purpose of the program is to provide a financial guarantee and case management services to incentivize rental housing owners to rent to tenants they would otherwise not likely rent to. With a tight rental market, it can be challenging for any renter to find housing and people with felony records, multiple evictions, behavioral health challenges, and long-term or chronic homelessness face significant challenges in finding stable housing and meeting the rental screening criteria. The funding will help an estimated 2,000 households find stable housing.

Strengthen Supportive Housing

The Governor recommends \$12 million in FY 2023 and \$30 million in FY 2024-25 to strengthen supportive housing for individuals and families who are at-risk of or have experienced homelessness. Certain costs associated needed for permanent supportive housing to operate effectively (such as front desk and security costs) do not have a reliable or coordinated source of funding, creating up-front and ongoing challenges to building and maintaining this critical type of housing. The funding may be used to create partnerships with the health care sector to demonstrate more sustainable ways to provide services for supportive housing residents, improve access to health care, and reduce use of expensive emergency and institutional care.

SUPPORT AND STRENGTHEN HOMEOWNERSHIP



Downpayment Assistance

The Governor recommends \$12 million in FY 2023 and \$20 million in FY 2024-25 for additional downpayment and closing cost assistance. Minnesota has one of the nation’s highest rates of homeownership (more than 70 percent), and also has one of the largest disparities in homeownership rates between white households and Black, Indigenous and households of color. There are an estimated 179,000 renter households between the ages of 25 and 44 who are potentially income-ready to buy a home. With home prices increasing significantly in recent years and interest rates on the rise, the need for additional downpayment and closing cost assistance is critical to address the wealth needed to become a first-time homebuyer. This recommendation will help an estimated 2,667 households become first-time homebuyers over three years.

FY 2023 Enacted Budget – \$885,000

FY 2024-25 Base Budget – \$1.8 million

PRESERVE THE HOMES WE HAVE



Community Stabilization

The Governor recommends \$100 million in FY 2023 to preserve and improve existing housing commonly referred to as Naturally Occurring Affordable Housing. Investing in existing housing is an important and cost-effective way to maintain housing that is currently affordable to low-income households. In recent years the affordability of housing throughout the state has been eroded as older apartments and single-family homes are purchased and upscaled, leading to increased rents or home values. Community Stabilization is a new program, and the resources will be used to acquire, rehabilitation and preserve existing rental and homeownership housing so that it remains affordable for current and future households. With \$100 million, the state will preserve an estimated 2,850 homes.

BONDING



Housing Infrastructure Bonds

The Governor recommends authorizing the Minnesota Housing Finance Agency to sell \$250 million in Housing Infrastructure Bonds and recommends a corresponding appropriation of up to \$20 million annually for 20 years from the general fund to pay the debt service on the bonds. Funds will be awarded through competitive request for proposal processes to for-profit developers, non-profit developers, Indian Tribes or tribal housing corporations, and local units of government for supportive housing, preservation, senior housing, single family development, and manufactured home communities. The Governor also recommends expanding the eligible uses of Housing Infrastructure Bonds to include new construction of rental housing for households with incomes at or below 50% of area median income.

Public Housing Rehabilitation program (General Obligation Bonds)

The Governor recommends \$60 million for the Public Housing Rehabilitation program to preserve existing public housing and keep it safe and healthy for residents. Funds are awarded statewide on a competitive basis to local public housing authorities for improvements in fire suppression systems, accessibility improvements, heating and cooling systems, building envelopes, energy efficient windows, elevators, and other critical health and safety items.

Governor's 2022 Bonding and Budget Recommendations

	FY2023	FY2024	FY2025	TOTAL
(\$ in millions)				
Minnesota Housing Proposed Increases	\$535.5	\$92.0	\$92.0	\$719.5
Capital	\$310.0		--	\$310.0
General Obligation Bonds for Public Housing Rehabilitation program	\$60.0	--	--	\$60.0
Housing Infrastructure Bonds	\$250.0	--	--	\$250.0
Programs	\$225.5	\$92.0	\$92.0	\$409.5
Challenge	\$25.0	\$15.0	\$15.0	\$55.0
Community Stabilization	\$100.0	--	--	\$100.0
Downpayment Assistance	\$12.0	\$10.0	\$10.0	\$32.0
Flexible Financing for Capital Costs	\$10.0	--	--	\$10.0
Greater Minnesota Workforce Housing	\$10.0	\$8.0	\$8.0	\$26.0
Homelessness Prevention	\$19.5	\$9.5	\$9.5	\$38.5
Housing Trust Fund – Rental Assistance	\$10.0	\$12.5	\$12.5	\$35.0
Landlord Risk Mitigation Fund	\$5.0	--	--	\$5.0
Pre-Natal to Pre-K Housing Assistance (Homework Starts with Home Expansion)	\$10.0	\$10.0	\$10.0	\$30.0
Strengthen the Supportive Housing Model	\$12.0	\$15.0	\$15.0	\$42.0
Workforce and Affordable Homeownership	\$12.0	\$12.0	\$12.0	\$36.0

This page intentionally left blank.

Item: Post-Sale Report, Residential Housing Finance Bonds 2021 Series GHI

Staff Contact(s):

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

Request Type:

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

Summary of Request:

The Agency sold \$175,000,000 of Residential Housing Finance Bonds on December 7, 2021 with a closing on December 23, 2021. 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.

Meeting Agency Priorities:

- Improve the Housing System
- Preserve and Create Housing Opportunities
- Make Homeownership More Accessible
- Support People Needing Services
- Strengthen Communities

Attachment(s):

- Post-Sale Report

\$175,000,000
Minnesota Housing Finance Agency
Residential Housing Finance Bonds
2021 Series GHI

POST-SALE ANALYSIS

KEY RESULTS FOR MINNESOTA HOUSING

Purpose. 2021 Series GHI accomplished the following major objectives:

1. The issue enabled Minnesota Housing to profitably finance Start-Up first mortgages on the balance sheet and earn net annual income over future years.
2. This tax-exempt issue used \$88 million of private activity bond volume cap from 2018 and 2019, together with recycled authority from past bond issues and \$25 million of taxable debt.
3. Achieved full spread, after utilizing approximately \$15 million of Minnesota Housing's existing zero participations. This leaves approximately \$53 million of zero participations for future transactions.

Key Measurable Objectives and Accomplishments. The results of the issue were very successful:

Objective	Result
Finance new production on balance sheet	\$175 million of new first mortgage loans in MBS securities
Leverage private activity bond volume cap	Leveraged new bond cap approx. 2 times.
Efficiently incorporate taxable debt	Included \$25 million of taxable bonds (Series I)
Achieve full spread on the overall transaction	Agency earned full spread (1.12%) including from use of zero participations.
Minimize use of and/or create zero participations (interest subsidies under IRS rules), and preserve them for future issues	The agency has about \$53 million of zero participations available to help achieve full spread on future issues.
Achieve cost-effective bond yield	The overall bond yield was approximately 2.11%.
Create future income streams that will support Pool 3	Increases indenture's expected net present value.
Maintain high bond ratings	RHFB bonds are rated Aa1 / AA+

OVERALL SINGLE-FAMILY FINANCINGS IN 2021

Series GHI completed Minnesota Housing's single family financings for the year. Altogether, the agency issued \$873.1 million of single-family bonds for Start-Up borrowers. This included \$628.2 million in four issuances under the RHFB indenture and \$244.9 million in four issuances under the HFB indenture.

In terms of volume cap, Minnesota Housing used \$190.5 million of private activity bond cap (22% of the total), together with an extraordinary \$463.5 million of recycled bond cap (53%) and \$219.1 million of taxable debt (25%). Previously unused volume cap was thus leveraged 4.58 times to serve the agency's borrowers.

TIMING AND STRUCTURE

Timing. The bonds were priced on Tuesday, December 7th and closed on December 23rd.

Sizing. The issue was sized to fund a portion of the current pipeline, while preserving and rolling over past zero participations.

Major Design Decisions. Key decisions by Minnesota Housing were to:

- **Preserve and extend existing zero participations** – a key resource that issuers are allowed under the IRS tax code – to help the agency and borrowers on future bond issues. Since zero participations can only be extended in conjunction with a large enough amount of new tax-exempt debt, the issue was sized to carry over these past zero participations. The agency has gradually used zero participations throughout 2021, achieving a more manageable level of \$53 million that can flexibly be rolled forward for future issues.
- **Use zero participations effectively.** The agency's zero participations were used effectively on this issue to enable the agency to earn full spread on this issue, while recovering hedge losses.
- **Used taxable debt to efficiently leveraged volume cap.** In the current market, the marginal borrowing cost of blending in \$25 million of taxable debt in the earlier maturities of this combined taxable/tax-exempt GHI issue was very efficient. This blended debt approach was less expensive than issuing the same \$25 million in taxable pass-through bonds in the Homeownership Finance Bond indenture.

Bond Structure Decisions.

- **Series G.** These \$22,690,000 of bonds, which are subject to the Alternative Minimum Tax (AMT), were structured as serial maturities from 2022 through 2033, to incur the least additional cost from AMT debt on overall bond yield.
- **Series H.** This series of \$127,310,000 of non-AMT bonds included \$965,000 of serial bonds in 2022, 2023, 2026 and 2027, together with large regular term bonds in 2036, 2041, and 2046, and a premium PAC bond in 2052 for \$51,980,000, 30% of the entire issue.

- **Series I.** This \$25 million taxable bond series included \$22.3 million of serial bonds from 2022 through 2030 and a \$2.7 million small term bond in 2035. Like the Series G AMT bonds, this taxable bond series was included at the front-end of the maturity schedule in order to reduce its costs to the overall transaction.

SOCIAL BONDS

Minnesota Housing continued the practice it established with Series EF, of designating its RHFB bonds meeting an important social purpose.

Many investors have begun seeking out bonds which meet 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.

Indeed, the three social purpose categories are: affordable housing, access to essential services, and socioeconomic advancement and empowerment. Eligibility requirements for loans supported with social bonds include income limits to help ensure the program serves households with low and moderate incomes, and that the borrower must be a first-time homebuyer, a qualified veteran, or purchasing a home in a targeted area.

Minnesota Housing, like other state and local housing finance agencies, has been serving these needs for many years. What is new is not what Minnesota Housing is doing, but the growing interest of many participants across the wide range of municipal and corporate markets in defining those investments which meet these kinds of standards. New bond funds are beginning to be established specifically for such bonds.

Like many housing finance agencies, Minnesota Housing has contracted 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 opinion. As the basis for Kestrel's determination, Minnesota Housing provides detailed information on the income mix of borrowers under the program. A copy of Kestrel's official report accompanies the preliminary and final official statements, and is attached as an exhibit to this memo.

The underwriters received a significant \$30 million order from Wells Fargo Bank that is treating these as social bonds on their books. While it is difficult to quantify the exact marginal impact on bond pricing, the Social Bond designation is helping expand the investor base and potential level of interest in Minnesota Housing's RHFB offerings.

BOND SALE RESULTS

1. **Retail Interest.** Except for the very modest amount of Non-AMT serial bonds in Series H, very few maturities under the bond structure were intended for retail investors. Nonetheless, there were approximately \$17 million of retail orders, including \$10 million from Minnesota investors.
2. **Institutional Interest.** More than \$609 million of institutional orders were received, so that altogether there was a total of \$636 million of going away orders, approximately 3.6 times the total amount of bonds. There was a similar level of oversubscription on the taxable as well as taxable components, with a wide range of investors including an extraordinary 25 investors for the taxable municipal bonds, as well as 22 investors on the tax-exempt side.
3. **Overall Pricing.** On the tax-exempt series, several serial maturities were 3x oversubscribed and reduce in yield by 5 basis points. There was significant interest in the longer maturities, with the 2041 and 2046 term bonds reduced in yield by 5 basis points; the large PAC bond was 3.6 times oversubscribed and reduced in yield by 3 basis points.

Taxable series I was heavily oversubscribed in many of the early and mid-range serial bonds through 2028 and in the 2035 term bond. Yields were reduced by 1 to 5 basis points throughout the scale, including a reduction of 3 basis points on the 2035 maturity that was 4.1x oversubscribed.

4. **Comparable Transactions. Series G: AMT.** There are relatively few recent AMT single-family series. The most recent AMT issue was State of New York Mortgage Agency almost a month earlier. Minnesota's AMT bonds were similar to or slightly tighter than SONYMA's.

Series H: Non-AMT. The most comparable issues were Maryland and Alaska priced the week before. Minnesota's regular term bonds were 5 to 10 basis points tighter than Maryland's and similar to Alaska's. Minnesota's PAC bond was 3 basis points tighter than both Maryland's and Alaska's.

Series I: Taxable. The most recent taxable issue was Maryland's, with maturities only out to 2027. Minnesota's taxable bonds were approximately 5 basis points tighter than Maryland's.

UNDERWRITING

Underwriters. RBC was senior manager, with J.P. Morgan, Piper Sandler and Wells Fargo as co-managers.

Sales by Underwriter. Following are retail orders and allotments. In addition to RBC, there were excellent contributions by co-managers, especially Wells Fargo and Piper. Beyond retail orders shown on the table, as well as RBC as the senior manager bringing in institutional orders, Piper Sandler also brought in \$3.98 million of institutional orders.

Member	Role	MN Retail Orders	MN Retail Allotments	Total Retail Orders (includes MN)	Total Retail Allotments (includes MN)
<u>RBC</u>	<u>Senior Manager</u>	<u>3,575,000</u>	<u>3,575,000</u>	<u>6,975,000</u>	<u>6,975,000</u>
J.P. Morgan	Co-Manager	650,000	500,000	1,175,000	535,000
Piper Sandler	Co-Manager	3,905,000	2,845,000	3,905,000	2,845,000
<u>Wells Fargo</u>	<u>Co-Manager</u>	<u>2,310,000</u>	<u>1,365,000</u>	<u>4,965,000</u>	<u>1,850,000</u>
Subtotal		6,865,000	4,710,000	10,045,000	5,230,000
Robert W. Baird	Selling Group				
Morgan Stanley	Selling Group			100,000	100,000
<u>UBS</u>	<u>Selling Group</u>				
Subtotal				100,000	100,000
Total		10,440,000	8,285,000	17,120,000	12,305,000

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

ISSUE DETAILS

Economic Calendar. With the economy growing from shutdown levels—including 6.6% GDP increase in the second quarter and a slower 2.1% in the third quarter, the \$1.9 trillion April federal fiscal stimulus, the \$1 billion new infrastructure bill—the focus of Fed policy and investors has been on inflation. Inflation is currently running at the highest rate in 40 years. On the Friday before the bond sale, Fed Chairman Powell indicated they would no longer use ‘transitory’ to describe this inflation. Both the Federal Reserve and Treasury have begun their long-expected tapering of purchases of Treasury bonds and MBS. In the weeks prior to the sale, there was a brief dramatic flight to quality from the first news about the Omicron variant, then relief that cases may not be as severe. While the nonfarm payroll only increased by 210,000 in November (compared to a consensus forecast of 573,000), most other economic news was positive, including unemployment dropping to 4.2% (versus consensus forecast of 4.5%). Perhaps the most striking economic news was the Case-Shiller home price index having increased almost 20% since a year before.

Treasuries. The yields on Treasuries, after reaching record lows in 2020 during the early stages of the pandemic, have increased in 2021 with the roll-out of vaccines, fewer infections, states reopening, the \$1.9 trillion Federal COVID relief plan in April, rising prices, and fears of further inflation from fiscal stimulus and Federal Reserve policy. Yields have fluctuated in 2021 based on fears of inflation and expectations of Federal tapering, offset by news of COVID-19 variants. The 10 year UST yield rose quickly

from 1.15% when HFB 2021 A was priced in mid-February to 1.47% when RHF AB was priced in early March, 1.68% when RHF CD was priced in mid-May, and dropped to 1.30% when RHF EF was priced in September. Yields then rose based on inflation fears, dropped dramatically in late November on the first news and widespread worries about the Omicron variant, and then rose again to 1.46% when RHF GHI was priced.

One of the more significant changes in recent months has been the flattening of the yield curve. The difference between the 30 year and 10 year Treasury was 60 basis points when RHF EF was priced in September; this difference was only about half as wide, 33 basis points, when GHI was priced.

Municipals. When the pandemic first rocked financial markets in March 2020, Treasuries dramatically outperformed municipals, leading to record ratios of MMD to Treasury. Investors, however, returned to municipals, driving muni yields down. This enormous surge of demand and limited municipal supply drove municipal yields to as low as 60% of the 10 year Treasury earlier this year. Demand for municipal bonds remains very strong, including many months of straight inflows to municipal bond funds. As a result, MMD remains relatively low compared to Treasuries.

Municipal yields have been much less affected than Treasuries by the news of the Omicron variant. That news brought a global flight to the security of Treasury investments and then a retreat, while municipal bonds were relatively unaffected.

For taxable municipal bonds, the spreads to Treasury have widened by more than 20 basis points over the last several months.

Perhaps what is most important for issuers like Minnesota Housing, is that yields remain near historically low levels.

<i>Issue</i>	<i>Date</i>	<i>10-Year Treasury</i>	<i>10-Year MMD</i>	<i>MMD/Treasury</i>	<i>30-Year Treasury</i>	<i>30-Year MMD</i>	<i>MMD/Treasury</i>
2020 HFB A	3/9/20	0.54%	0.78%	144.4%	0.99%	1.38%	139.4%
2020 HFB BC	5/13/20	0.64%	1.09%	170.3%	1.35%	1.90%	140.7%
<i>2020 RHFB DE</i>	6/9/20	0.84%	0.88%	104.8%	1.59%	1.68%	105.7%
2020 HFB D	8/6/20	0.55%	0.59%	107.3%	1.20%	1.28%	106.7%
<i>2020 RHFB FG</i>	9/15/20	0.68%	0.84%	123.5%	1.43%	1.58%	110.5%
2020 HFB E	11/9/20	0.96%	0.86%	89.6%	1.73%	1.61%	93.1%
<i>2020 RHFB HI</i>	12/9/20	0.95%	0.71%	74.7%	1.69%	1.40%	82.8%
2021 HFB A	2/10/21	1.15%	0.69%	60.0%	1.92%	1.34%	69.8%
<i>2021 RHFB AB</i>	3/3/21	1.47%	1.15%	78.2%	2.25%	1.80%	80.0%
2021 HFB B	5/12/21	1.69%	1.02%	60.4%	2.41%	1.60%	66.4%
<i>2021 RHFB CD</i>	5/19/21	1.68%	1.01%	60.1%	2.38%	1.58%	66.4%
2021 HFB C	8/10/21	1.36%	0.88%	64.7%	1.99%	1.46%	73.4%
<i>2021 RHFB EF</i>	<i>9/9/21</i>	<i>1.30%</i>	<i>0.94%</i>	<i>72.3%</i>	<i>1.90%</i>	<i>1.53%</i>	<i>80.5%</i>
2021 HFB D	11/9/21	1.46%	1.08%	74.0%	1.82%	1.53%	84.1%
<i>2021 RHFB GHI</i>	<i>12/7/21</i>	<i>1.47%</i>	<i>1.03%</i>	<i>70.1%</i>	<i>1.80%</i>	<i>1.48%</i>	<i>82.2%</i>
<i>Change from RHFB 2021 EF</i>		<i>+ 17 bp</i>	<i>+ 9 bp</i>	<i>+12.2 %</i>	<i>- 10 bp</i>	<i>-5 bp</i>	<i>+1.7%</i>

AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 6 MONTHS PLUS EARLIER MHFA

Pricing Date	12/7/21	11/9/21	11/4/21	11/2/21
Amount	\$22,690,000	\$23,760,000	\$2,700,000	\$16,300,000
Issuer	Minnesota HFA	SONYMA	Washington SHFC	North Dakota HFA
Series	2021 Series G	Series 240	2021 Series 2A	2021 Series C
Program	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated
Rating(s)	Aa1 / AA+ / -	Aa1 / - / -	Aaa / - / -	Aa1 / - / -
Tax Status	AMT	AMT	AMT	AMT
Maturity	Coupon/ Yield	Coupon/ Yield	Coupon/ Yield	Coupon/ Yield
Spread	Spread to iMMD	Spread to iMMD	Spread to iMMD	Spread to iMMD
Year ('21 pricings)				
0	2021			
1	2022	0.25 / 0.35	0.15 / 0.25	0.250
2	2023	0.40 / 0.50	0.50 / 0.55	0.40 / 0.50
3	2024	0.70 / 0.75	0.75 / 0.85	0.70 / 0.80
4	2025	0.90 / 1.00	0.95 / 1.05	0.95 / 1.05
5	2026	1.15 / 1.25	1.20 / 1.30	1.20 / 1.30
6	2027	1.35 / 1.50	1.375	1.400
7	2028	1.65 / 1.75		
8	2029	1.85 / 1.95		
9	2030	2.00 / 2.10		
10	2031	2.20 / 2.25		
11	2032	2.300		
12	2033	2.35 / 2.40		
13	2034			
PAC				
Notes				
Maturity Dates	7/1 and 1/1	4/1 and 10/1	6/1 and 12/1	7/1 and 1/1
Call Provisions	1/1/31 at par	None	None	None
Mkt Index	BBI / RBI 2.05% / 2.41%	BBI / RBI 2.23% / 2.59%	BBI / RBI 2.23% / 2.59%	BBI / RBI 2.25% / 2.61%
Sr Manager	RBC Capital Markets	BofA	RBC Capital Markets	RBC Capital Markets

AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 6 MONTHS PLUS EARLIER MHFA

Pricing Date	10/19/21	10/19/21	10/19/21	10/13/21	9/14/21
Amount	\$1,880,000	\$6,710,000	\$6,710,000	\$39,960,000	\$6,615,000
Issuer	Colorado HFA	Indiana HCDA	Indiana HCDA	Connecticut HFA	Wyoming CDA
Series	2021 Series K	2021 Series C-2	2021 Series C-2	2021 Series E-5	2021 Series 4
Program	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated
Rating(s)	Aaa / AAA / -	Aaa / - / AAA	Aaa / - / AAA	Aaa / AAA / -	Aa1 / AA+ / -
Tax Status	AMT	AMT	AMT	AMT	AMT
Maturity	Coupon/ Yield	Coupon/ Yield	Coupon/ Yield	Coupon/ Yield	Coupon/ Yield
Spread	Spread to iMMD	Spread to iMMD	Spread to iMMD	Spread to iMMD	Spread to iMMD
Year ('21 pricings)					
0	2021				
1	2022	0.25 / 0.30	0.300	0.17* / 0.22*	0.20 / 0.25
2	2023	0.450	0.40 / 0.50	0.30* / 0.35*	0.30 / 0.35
3	2024		0.65 / 0.75	0.50* / 0.60*	0.50 / 0.60
4	2025		0.85 / 0.95	0.73* / 0.77*	
5	2026		1.05 / 1.15	0.87* / 0.97*	
6	2027			1.19* / 1.34*	
7	2028			1.45* / 1.60*	
8	2029			1.80* / 1.95*	
9	2030			2.00* / 2.10*	
10	2031			2.30 / 2.35	
11	2032			2.40 / 2.45	
12	2033			2.500	
13	2034				
PAC					
Notes				* 5/22-11/30 are 5% cpns not subject to redeemt (lock out)	
Maturity Dates	5/1 and 11/1	7/1 and 1/1	7/1 and 1/1	5/15 and 11/15	6/1 and 12/1
Call Provisions	None	None	None	11/15/30 at par	None
Mkt Index	BBI / RBI 2.28% / 2.64%	BBI / RBI 2.28% / 2.64%	BBI / RBI 2.28% / 2.64%	BBI / RBI 2.27% / 2.63%	BBI / RBI 2.15% / 2.50%
Sr Manager	Barclays	RBC Capital Markets	RBC Capital Markets	BofA	BofA

AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 6 MONTHS PLUS EARLIER MHFA

Pricing Date	9/13/21	9/9/21	7/20/21	6/30/21
Amount	\$2,430,000	\$15,695,000	\$2,770,000	\$67,090,000
Issuer	Connecticut HFA	Minnesota HFA	Colorado HFA	SONYMA
Series	2021 Subseries D-2	2021 Series E	2021 Series G	Series 235
Program	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated
Rating(s)	Aaa / AAA / -	Aa1 / AA+ / -	Aaa / AAA / -	Aa1 / - / -
Tax Status	AMT	AMT	AMT	AMT
Maturity	Coupon/ Yield	Coupon/ Yield	Coupon/ Yield	Coupon/ Yield
Spread	Spread to iMMD	Spread to iMMD	Spread to iMMD	Spread to iMMD
Year ('21 pricings)				
0	2021			
1	2022	0.150	0.25 / 0.30	0.25 / 0.30
2	2023	0.25 / 0.30	0.40 / 0.45	0.40 / 0.55
3	2024	0.45 / 0.55	0.55 / 0.60	0.65 / 0.75
4	2025	0.70 / 0.75		0.875 / 1.00
5	2026	0.90 / 0.95		1.05 / 1.15
6	2027	1.10 / 1.25		1.30 / 1.40
7	2028			1.50 / 1.55
8	2029			
9	2030			
10	2031			
11	2032			
12	2033			
13	2034			
PAC				
Notes				
Maturity Dates	5/15 and 11/15	1/1 and 7/1	11/1 and 5/1	4/1 and 10/1
Call Provisions	None	None	None	None
Mkt Index	BBI / RBI 2.15% / 2.50%	BBI / RBI 2.15% / 2.50%	BBI / RBI 2.04% / 2.40%	BBI / RBI 2.16% / 2.53%
Sr Manager	Morgan Stanley	RBC Capital Markets	Jefferies	Barclays

AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 6 MONTHS PLUS EARLIER MHFA

Pricing Date		6/9/21	5/19/21	3/3/21	12/9/20
Amount		\$5,650,000	\$24,020,000	\$23,060,000	\$16,525,000
Issuer		Montgomery Co. HOC (MD)	Minnesota HFA	Minnesota HFA	Minnesota HFA
Series		2021 Series B	2021 Series C	2021 Series A	2020 Series H
Program		Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated
Rating(s)		Aa2 / - / -	Aa1 / AA+ / -	Aa1 / AA+ / -	Aa1 / AA+ / -
Tax Status		AMT	AMT	AMT	AMT
Maturity		Coupon/ Yield	Coupon/ Yield	Coupon/ Yield	Coupon/ Yield
Year ('21 pricings)		Spread to iMMD	Spread to iMMD	Spread to iMMD	Spread to iMMD
0	2021				
1	2022	0.25 / 0.30	0.20 / 0.25	0.25 / 0.30	0.250
2	2023	0.35 / 0.45	0.40 / 0.45	0.40 / 0.50	0.30 / 0.375
3	2024	0.50 / 0.60	0.60 / 0.70	0.625 / 0.75	0.55 / 0.60
4	2025	0.65 / 0.75	0.80 / 0.875	0.85 / 0.875	0.65 / 0.70
5	2026	0.90 / 0.95	0.95 / 1.05	1.10 / 1.125	0.80 / 0.85
6	2027	1.100	1.20 / 1.30	1.35 / 1.40	1.00 / 1.10
7	2028	1.30 / 1.40	1.450	1.55 / 1.60	1.20 / 1.35
8	2029	1.55 / 1.65	+86 / +91	1.75 / 1.80	1.45 / 1.50
9	2030			1.90 / 1.95	+102 / +100
10	2031				
11	2032				
12	2033				
13	2034				
PAC					
Notes					
Maturity Dates		1/1 and 7/1	1/1 and 7/1	1/1 and 7/1	7/1 and 1/1
Call Provisions		None	None	None	None
Mkt Index		BBI / RBI 2.18% / 2.54%	BBI / RBI 2.28% / 2.64%	BBI / RBI 2.44% / 2.80%	BBI / RBI 2.13% / 2.58%
Sr Manager		BofA	RBC Capital Markets	RBC Capital Markets	RBC Capital Markets

AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 6 MONTHS PLUS EARLIER MHFA

Pricing Date	9/15/20	9/15/20	9/15/20	6/9/20	1/23/20
Amount	\$15,630,000	\$15,630,000	\$15,630,000	\$19,300,000	\$20,850,000
Issuer	Minnesota HFA	Minnesota HFA	Minnesota HFA	Minnesota HFA	Minnesota HFA
Series	2020 Series F	2020 Series F	2020 Series F	2020 Series D	2020 Series A
Program	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated
Rating(s)	Aa1 / AA+ / -	Aa1 / AA+ / -	Aa1 / AA+ / -	Aa1 / AA+ / -	Aa1 / AA+ / -
Tax Status	AMT	AMT	AMT	AMT	AMT
Maturity					
Year ('21 pricings)					
0	2021				
1	2022	0.35 / 0.40	0.35 / 0.40	0.45 / 0.50	1.10 / 1.15
2	2023	0.45 / 0.50	0.45 / 0.50	0.60 / 0.65	1.25 / 1.30
3	2024	0.65 / 0.70	0.65 / 0.70	0.85 / 0.90	1.350
4	2025	0.85 / 0.90	0.85 / 0.90	1.050	1.450
5	2026	1.05 / 1.10	1.05 / 1.10	1.35 / 1.40	1.550
6	2027	1.25 / 1.35	1.25 / 1.35	1.625 / 1.65	1.65 / 1.70
7	2028	1.45 / 1.50	1.45 / 1.50	1.800	
8	2029	1.65 / 1.70	1.65 / 1.70		
9	2030				
10	2031				
11	2032				
12	2033				
13	2034				
PAC					
Notes					
Maturity Dates	1/1 and 7/1	1/1 and 7/1	1/1 and 7/1	1/1 and 7/1	7/1 and 1/1
Call Provisions	None	None	None	None	None
Mkt Index	BBI / RBI 2.22% / 2.64%	BBI / RBI 2.22% / 2.64%	BBI / RBI 2.22% / 2.64%	BBI / RBI 2.16% / 2.58%	BBI / RBI 2.54% / 3.04%
Sr Manager	RBC Capital Markets	RBC Capital Markets	RBC Capital Markets	RBC Capital Markets	RBC Capital Markets

NON-AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 3 MONTHS PLUS EARLIER MHFA

Pricing Date	12/17/21	12/1/21	12/1/21	11/30/21	11/22/21	11/18/21	11/17/21	
Amount	\$127,310,000	\$66,680,000	\$86,115,000	\$221,770,000	\$70,860,000	\$20,000,000	\$170,000,000	
Issuer	Minnesota HFA	Alaska HFC	Alaska HFC	Maryland DHCD	Massachusetts HFA	Vermont HFA	Tennessee HDA	
Series	2021 Series H	2022 Series A, B-1	2022 Series B-2	2021 Series C	Series 223	2021 Series A	Issue 2021-3	
Program	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	
Rating(s)	Aa1 / AA+ / -	Aa1 / AA+ / -	Aa1 / AA+ / -	Aa1 / - / AA	Aa1 / AA+ / -	Aa2 / AA+ / -	Aa1 / AA+ / -	
Tax Status	Non-AMT	Non-AMT	Non-AMT	Non-AMT	Non-AMT	Non-AMT	Non-AMT	
Maturity								
Year (21 pricings)	0							
0	2021							
1	2022	0.15 / 0.20	+2 / +5	1.30 / 1.40	+51 / +56	1.55 / 1.60	+60 / +60	
2	2023	0.30 / 0.35	+8 / +11	1.75 / 1.80	+79 / +82	1.70 / 1.75	+67 / +70	
3	2024	0.45 / 0.50	+13 / +15	1.90 / 1.95	+90 / +93	1.85 / 1.90	+78 / +81	
4	2025	0.60 / 0.70	+20 / +24	2.00 / 2.05	+96 / +99	1.95 / 2.00	+85 / +89	
5	2026	0.90	+35	2.05 / 2.10	+99 / +102	2.05 / 2.10	+97 / +100	
6	2027	1.00	+40	1.60*	+50	2.10 / 2.15	+94 / +97	
7	2028			1.62*	+50			
8	2029			1.64*	+50			
9	2030							
10	2031							
11	2032							
12	2033							
13	2034							
14	2035							
15	2036							
16	2037							
17	2038							
18	2039							
19	2040							
20	2041							
21	2042							
22	2043							
23	2044							
24	2045							
25	2046							
26	2047							
27	2048							
28	2049							
29	2050							
30	2051							
31	2052							
PAC	3.00C/1.29Y	+69 to 5yr	3.00C/1.32Y	+72 to 5yr	3.00C/1.32Y	+73 to 4.6yr	3.00C/1.28Y	+65 to 5yr
Notes	7/1/52 PAC bond has 3% coupon priced at 108.197 to yield 1.29% and has an average life of 5 years from 100-500% PSA	6/1/51 PAC bond has 3% coupon priced at 107.962 to yield 1.32% and has an average life of 5 years from 100-500% PSA	All 5% cpns not subject to redemption (lock out)	9/1/51 PAC bond has 3% coupon priced at 108.057 to yield 1.32% and has an average life of 5 years from 100-400% PSA	* 12/22-6/28 are 5% cpns not subject to redeem (lock out); 6/47 PAC is 3% cpn at 107.523 to yield 1.30% w/4.6 yr avg life 100-500% PSA	11/1/51 PAC bond has 3% coupon priced at 108.133 to yield 1.55% and has an average life of 6 years from 100-400% PSA	* 7/22 includes 0.20% 3A and 0.25% 3B callable 4/1/22; 1/52 PAC is 3% cpn at 108.240 to yield 1.28% w/5 yr avg life 100-400% PSA	
Maturity Dates	7/1 and 1/1	6/1 and 12/1	12/1 and 6/1/36	9/1 and 3/1	12/1 and 6/1	7/1 and 1/1	7/1 and 1/1	
Call Provisions	1/1/31 at par	12/1/30 at par+adj PAC	12/1/30 at par+adj PAC	9/1/30 at par	12/1/30 at par	11/1/30 at par/102.243 PAC	1/1/31 at par/4/1/22 for 3B	
Mkt Index	BBI / RBI 2.05% / 2.41%	BBI / RBI 2.11% / 2.47%	BBI / RBI 2.11% / 2.47%	BBI / RBI 2.11% / 2.47%	BBI / RBI 2.13% / 2.49%	BBI / RBI 2.13% / 2.49%	BBI / RBI 2.10% / 2.46%	
Sr Manager	RBC Capital Markets	Jefferies	Jefferies	Morgan Stanley	Citigroup	J.P. Morgan	Citigroup	

NON-AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 3 MONTHS PLUS EARLIER MHFA

Pricing Date	9/14/21	9/13/21	9/9/21	9/8/21
Amount	\$78,995,000	\$158,960,000	\$134,305,000	\$89,900,000
Issuer	Wyoming CDA	Connecticut HFA	Illinois HFA	Massachusetts HFA
Series	2021 Series 3	2021 Subseries D-1	2021 Series D	Series 222
Program	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated
Rating(s)	Aa1 / AA+ / -	Aaa / AAA / -	Aaa / - / -	Aa1 / AA+ / -
Tax Status	Non-AMT	Non-AMT	Non-AMT	Non-AMT
Maturity				
Year (21 pricings)				
0				
1		0.12*	0.10 / 0.15	0.08* / 0.10*
2		0.16* / 0.19*	0.20 / 0.25	0.14* / 0.16*
3	0.350	0.24* / 0.30*	0.30 / 0.35	0.22* / 0.27*
4	0.45 / 0.55	0.39* / 0.45*	0.45 / 0.55	0.33* / 0.40*
5	0.60 / 0.70	0.53* / 0.58*	0.60 / 0.70	0.50* / 0.57*
6	0.85 / 1.00	0.68* / 0.79*	0.85 / 1.00	0.69* / 0.80*
7	1.10 / 1.15	0.88* / 0.96*	1.10 / 1.15	0.88* / 0.96*
8	1.30 / 1.45	1.08* / 1.18*	1.30 / 1.40	1.06* / 1.45
9	1.55 / 1.60	1.55 / 1.60	1.50 / 1.60	1.55 / 1.60
10	1.70 / 1.75	1.85 / 1.70	1.70 / 1.75	1.65 / 1.70
11	1.85 / 1.90	1.80 / 1.85	1.85 / 1.90	1.80 / 1.85
12	1.950	1.90 / 1.95	1.95 / 2.00	1.90 / 1.95
13				
14				
15	1.97*	2.000	2.050	2.000
16				
17				
18				
19				
20	2.250	2.300	2.250	2.300
21			2.375	2.375
22				
23	2.375			
24				
25				
26				
27				
28				
29				
30				
31				
PAC	3.00C/0.79Y +50 to 4yr	3.00C/0.88Y +50 to 4.7yr	3.00C/0.91Y +50 to 5yr	3.00C/0.95Y +48 to 5.5yr
Notes	* 12/1/36 is 2% coupon; 6/1/50 PAC is 3% coupon at 108.659 to yield 0.79% with 4 year avg. life 75-500% PSA	* 11/22-11/29 are 5% cpns not subject to redeem (lock out); 5/51 PAC is 3% cpn at 109.609 to yield 0.88% w/4.7 yr avg life 100-400% PSA	10/1/51 PAC bond has 3% coupon priced at 110.136 to yield 0.91% and has an average life of 5.0 years from 100-400% PSA	* 6/22-6/29 are 5% cpns not subject to redeem (lock out); 6/51 PAC is 3% cpn at 110.910 to yield 0.95% w/5.5 yr avg life 100-400% PSA
Maturity Dates	12/1 and 6/1	11/15 and 5/15	4/1 and 10/1	6/1 and 12/1
Call Provisions	12/1/30 at par/adj PAC	11/15/30 at par	10/1/30 at par	6/1/30 at par/adj PAC
Mkt Index	BBI / RBI 2.15% / 2.50%	BBI / RBI 2.15% / 2.50%	BBI / RBI 2.15% / 2.50%	BBI / RBI 2.14% / 2.50%
Sr.Manager	BofA	Morgan Stanley	J.P. Morgan	Morgan Stanley

NON-AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 3 MONTHS PLUS EARLIER MHFA

Pricing Date	5/19/21	3/3/21	12/9/20	9/15/20	6/9/20	1/23/20
Amount	\$154,145,000	\$101,940,000	\$108,475,000	\$109,370,000	\$130,700,000	\$149,150,000
Issuer	Minnesota HFA	Minnesota HFA	Minnesota HFA	Minnesota HFA	Minnesota HFA	Minnesota HFA
Series	2021 Series D	2021 Series B	2020 Series I	2020 Series G	2020 Series E	2020 Series B
Program	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated
Rating(s)	Aa1 / AA+ / -	Aa1 / AA+ / -	Aa1 / AA+ / -	Aa1 / AA+ / -	Aa1 / AA+ / -	Aa1 / AA+ / -
Tax Status	Non-AMT	Non-AMT	Non-AMT	Non-AMT	Non-AMT	Non-AMT
Maturity						
Year ('21 pricings)						
0						
1	2022	2023	2024	2025	2026	2027
2	2023	2024	2025	2026	2027	2028
3	2024	2025	2026	2027	2028	2029
4	2025	2026	2027	2028	2029	2030
5	2026	2027	2028	2029	2030	2031
6	2027	2028	2029	2030	2031	2032
7	2028	2029	2030	2031	2032	2033
8	2029	2030	2031	2032	2033	2034
9	2030	2031	2032	2033	2034	2035
10	2031	2032	2033	2034	2035	2036
11	2032	2033	2034	2035	2036	2037
12	2033	2034	2035	2036	2037	2038
13	2034	2035	2036	2037	2038	2039
14	2035	2036	2037	2038	2039	2040
15	2036	2037	2038	2039	2040	2041
16	2037	2038	2039	2040	2041	2042
17	2038	2039	2040	2041	2042	2043
18	2039	2040	2041	2042	2043	2044
19	2040	2041	2042	2043	2044	2045
20	2041	2042	2043	2044	2045	2046
21	2042	2043	2044	2045	2046	2047
22	2043	2044	2045	2046	2047	2048
23	2044	2045	2046	2047	2048	2049
24	2045	2046	2047	2048	2049	2050
25	2046	2047	2048	2049	2050	2051
26	2047	2048	2049	2050	2051	2052
27	2048	2049	2050	2051	2052	
28	2049	2050	2051	2052		
29	2050					
30	2051					
31	2052					
PAC	3.00C/0.95Y +45 to 5yr	3.00C/1.04Y +49 to 5yr	3.00C/0.84Y +61 to 5yr	3.00C/0.98Y +74 to 5yr	3.50C/1.43Y +105 to 5yr	3.50C/1.46Y +60 to 5yr
Notes	7/1/36 is 2% coupon; 1/1/52 PAC is 3% coupon at 109.938 to yield 0.95% with 5 year avg. life 100-500% PSA	7/1/51 PAC bond has 3% coupon priced at 109.469 to yield 1.04% and has an average life of 5 years from 100-500% PSA	1/1/51 PAC bond has 3% coupon priced at 110.52 to yield 0.84% and has an average life of 5 years from 100-500% PSA	1/1/51 PAC bond has 3.00% coupon priced at 109.905 to yield 0.98% and has an average life of 5 years from 100-500% PSA	7/1/50 PAC bond has 3.50% coupon priced at 109.871 to yield 1.43% and has an average life of 5 years from 100-500% PSA	7/1/50 PAC bond has 3.50% coupon priced at 109.724 to yield 1.46% and has an average life of 5 years from 100-500% PSA
Maturity Dates	1/1 and 7/1	1/1 and 7/1	7/1 and 1/1	1/1 and 7/1	1/1 and 7/1	7/1 and 1/1
Call Provisions	7/1/30 at par	7/1/30 at par	1/1/30 at par	1/1/30 at par	7/1/29 at par	7/1/29 at par
Mkt Index	BB1 / RBI 2.28% / 2.64%	BB1 / RBI 2.44% / 2.80%	BB1 / RBI 2.13% / 2.58%	BB1 / RBI 2.22% / 2.64%	BB1 / RBI 2.16% / 2.58%	BB1 / RBI 2.54% / 3.04%
Sr. Manager	RBC Capital Markets	RBC Capital Markets	RBC Capital Markets	RBC Capital Markets	RBC Capital Markets	RBC Capital Markets

TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 6 MONTHS PLUS EARLIER MHFA

Pricing Date	12/7/21	11/30/21	11/16/21	11/9/21	10/19/21
Amount	\$25,000,000	\$30,000,000	\$12,500,000	\$25,000,000	\$28,000,000
Issuer	Minnesota HFA	Maryland DHCD	Nevada HD	SONYMA	Colorado HFA
Series	2021 Series I	2021 Series D	Series 2021C	Series 241	2021 Series M-1
Program	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated
Rating(s)	Aa1 / AA+ / -	Aa1 / - / AA	- / AA+ / -	Aa1 / - / -	Aaa / AAA / -
Tax Status	Taxable	Taxable	Taxable	Taxable	Taxable
Maturity	Coupon/ Yield	Coupon/ Yield	Coupon/ Yield	Coupon/ Yield	Coupon/ Yield
Year ('21 pricings)	Spread to UST	Spread to UST	Spread to UST	Spread to UST	Spread to UST
0	2021				
1	2022	0.670	0.640	0.47 / 0.52	0.345 / 0.395
2	2023	0.77 / 0.87	0.74 / 0.79	+33 / +38	-5 / -
3	2024	+7 / +17	+20 / +25	+18 / +25	+7 / +14
4	2025	+20 / +25	+32 / +37	+31 / +36	+15 / +25
5	2026	+22 / +29	+26 / +31	+24 / +29	+15 / +20
6	2027	+36 / +45	+41 / +51	+39 / +49	+27 / +35
7	2028	+34 / +44	+40 / +50	+46 / +56	+33 / +43
8	2029	+55 / +62	+65 / +70	+61 / +71	+55 / +65
9	2030	+64 / +66	+60 / +65	+60 / +65	+55 / +65
10	2031	+71 / +76	+70 / +75	+70 / +75	+67 / +72
11	2032				
12	2033				
13	2034				
14	2035	2.770	2.660	+120	+120
15	2036				
16	2037				
17	2038				
18	2039				
19	2040				
20	2041				
21	2042				
22	2043				
23	2044				
24	2045				
25	2046				
26	2047				
27	2048				
28	2049				
29	2050				
30	2051				
31	2052				
PAC					
Notes					5/1/22 and 11/1/22 priced to 2yr UST
Maturity Dates	7/1 and 1/1	9/1 and 3/1	10/1 and 4/1	4/1 and 10/1	5/1 and 11/1
Call Provisions	1/1/31 at par	None	10/1/30 at par	10/1/30 at par	11/1/30 at par
Mkt Index	BBI / RBI 2.05% / 2.41%	BBI / RBI 2.11% / 2.47%	BBI / RBI 2.10% / 2.46%	BBI / RBI 2.23% / 2.59%	BBI / RBI 2.28% / 2.64%
Sr-Manager	RBC Capital Markets	Morgan Stanley	J.P. Morgan	BofA	Barclays

TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 6 MONTHS PLUS EARLIER MHFA

Pricing Date	8/17/21	8/24/21	8/25/21	9/9/21	10/13/21	10/13/21
Amount	\$27,865,000	\$10,500,000	\$33,795,000	\$19,300,000	\$23,410,000	\$23,410,000
Issuer	Rhode Island HMFC	Iowa FA	New Hampshire HFA	Illinois HDA	Kentucky HC	Kentucky HC
Series	Series 75-T	2021 Series F	2021 Series A	2021 Series E	2021 Series A	2021 Series A
Program	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated
Rating(s)	Aa1 / AA+ / -	Aaa / AAA / -	Aa1 / - / -	Aaa / - / -	Aaa / - / -	Aaa / AAA / -
Tax Status	Taxable	Taxable	Taxable	Taxable	Taxable	Taxable
Maturity	Coupon/ Yield	Coupon/ Yield	Coupon/ Yield	Coupon/ Yield	Coupon/ Yield	Coupon/ Yield
Year ('21 pricings)	Spread to UST	Spread to UST	Spread to UST	Spread to UST	Spread to UST	Spread to UST
0	2021					
1	2022	0.300	0.300	0.27 / 0.32	0.350	0.350
2	2023	0.35 / 0.40	0.35 / 0.40	+20 / +25	+8 / +18	+24
3	2024	0.65 / 0.70	0.65 / 0.70	+14 / +19	+14 / +19	+8 / +18
4	2025	0.80 / 0.90	0.80 / 0.90	+22 / +29	+14 / +29	+14 / +29
5	2026	1.00 / 1.10	1.00 / 1.10	+11 / +16	+6 / +16	+6 / +16
6	2027	1.25 / 1.35	1.00 / 1.10	+26 / +41		
7	2028	1.45 / 1.55	1.38 / 1.53	+28 / +38		
8	2029		1.63 / 1.73	+50 / +58		
9	2030		1.85 / 1.90	+48 / +56		
10	2031		1.95 / 2.00	+63 / +68		
11	2032		2.05 / 2.10	+71 / +78		
12	2033		2.15 / 2.20			
13	2034		2.350			
14	2035					
15	2036					
16	2037					
17	2038					
18	2039					
19	2040					
20	2041					
21	2042					
22	2043					
23	2044					
24	2045					
25	2046					
26	2047					
27	2048					
28	2049					
29	2050					
30	2051					
31	2052					
PAC			1.50C/1.50Y	+66		
Notes			7/1/41 PAC bond has 1.50% coupon priced at par and has an average life of 4 years from 100-400% PSA			
Maturity Dates			7/1 and 1/1	4/1 and 10/1	7/1 and 1/1	7/1 and 1/1
Call Provisions			None	10/1/30 at par	None	None
Mkt Index			BBI / RBI 2.14% / 2.50%	BBI / RBI 2.15% / 2.50%	BBI / RBI 2.27% / 2.63%	BBI / RBI 2.14% / 2.50%
Sr. Manager			RBC Capital Markets	J.P. Morgan	Citigroup	Morgan Stanley

TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 6 MONTHS PLUS EARLIER MHFA

Pricing Date	Amount	Issuer	Series	Program	Rating(s)	Tax Status	8/3/21	7/29/21	7/14/21	6/30/21	6/8/21
Maturity Year ('21 pricings)							Coupon/ Yield	Coupon/ Yield	Coupon/ Yield	Coupon/ Yield	Coupon/ Yield
							Spread to UST	Spread to UST	Spread to UST	Spread to UST	Spread to UST
0	2021						0.276	0.279 / 0.379	0.203 / 0.253	0.203 / 0.253	0.203 / 0.253
1	2022	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	0.214 / 0.254	+14 / +18	+5 / +15	+5 / +10	+5 / +10
2	2023	\$111,025,000	Michigan SHDA	2021 Series B	Aa2 / AA+ / -	Taxable	0.436 / 0.496	+25 / +31	+20 / +25	+15 / +20	+15 / +20
3	2024	\$108,565,000	Illinois HDA	2021 Series C	Aa1 / - / -	Taxable	0.59 / 0.64	+26 / +31	+25 / +30	+15 / +20	+15 / +20
4	2025	\$20,000,000	South Dakota HDA	2021 Series C	Aaa / AAA / -	Taxable	0.692 / 0.752	+32 / +38	+15 / +25	+10 / +20	+10 / +20
5	2026	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	0.874 / 0.924	+22 / +27	+15 / +25	+10 / +20	+10 / +20
6	2027	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	1.074 / 1.124	+42 / +47	+30 / +40	+30 / +35	+30 / +35
7	2028	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	1.412 / 1.512	+39 / +49	+30 / +40	+28 / +42	+25 / +40
8	2029	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	1.622 / 1.672	+60 / +65	+50 / +55	+53 / +58	+50 / +55
9	2030	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	1.864 / 1.914	+60 / +65	+50 / +55	+48 / +55	+45 / +50
10	2031	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	1.964 / 2.014	+70 / +75	+60 / +65	+60 / +65	+55 / +60
11	2032	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	2.064 / 2.114	+80 / +85	+60 / +65	+60 / +65	+65 / +70
12	2033	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	2.164 / 2.214	+90 / +95	+60 / +65	+60 / +65	+65 / +70
13	2034	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	2.264 / 2.304	+100 / +104	+60 / +65	+60 / +65	+65 / +70
14	2035	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	2.312 / 2.342	+112 / +115	+60 / +65	+60 / +65	+65 / +70
15	2036	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	2.362 / 2.382	+117 / +119	+60 / +65	+60 / +65	+65 / +70
16	2037	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	2.444	+118	+60 / +65	+60 / +65	+65 / +70
17	2038	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	2.658	+73	+60 / +65	+60 / +65	+65 / +70
18	2039	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	2.808	+88	+60 / +65	+60 / +65	+65 / +70
19	2040	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	2.898	+97	+60 / +65	+60 / +65	+65 / +70
20	2041	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	2.898	+97	+60 / +65	+60 / +65	+65 / +70
21	2042	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	2.898	+97	+60 / +65	+60 / +65	+65 / +70
22	2043	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	2.898	+97	+60 / +65	+60 / +65	+65 / +70
23	2044	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	2.898	+97	+60 / +65	+60 / +65	+65 / +70
24	2045	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	2.898	+97	+60 / +65	+60 / +65	+65 / +70
25	2046	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	2.898	+97	+60 / +65	+60 / +65	+65 / +70
26	2047	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	2.898	+97	+60 / +65	+60 / +65	+65 / +70
27	2048	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	2.898	+97	+60 / +65	+60 / +65	+65 / +70
28	2049	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	2.898	+97	+60 / +65	+60 / +65	+65 / +70
29	2050	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	2.898	+97	+60 / +65	+60 / +65	+65 / +70
30	2051	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	2.898	+97	+60 / +65	+60 / +65	+65 / +70
31	2052	\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	2.898	+97	+60 / +65	+60 / +65	+65 / +70
PAC		\$108,565,000	California Veterans Affairs	2021 Series A	Aa3 / AA / AA-	Taxable	2.898	+97	+60 / +65	+60 / +65	+65 / +70
Notes							12/1/21, 6/1/22, and 12/1/22 priced to 2yr UST	5/1/22 and 11/1/22 priced to 2yr UST	4/1/22 and 10/1/22 priced to 2yr UST		
Maturity Dates							6/1 and 12/1	5/1 and 11/1	4/1 and 10/1		
Call Provisions							6/1/30 at par	5/1/30 at par	4/1/30 at par		
Mkt Index							BBI / RBI 2.04% / 2.40%	BBI / RBI 2.04% / 2.40%	BBI / RBI 2.16% / 2.53%		
Sr-Manager							Academy Securities	Wells Fargo	Barclays	Barclays	Jefferies

TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 6 MONTHS PLUS EARLIER MHFA

Pricing Date	1/23/20	8/20/19	3/7/19	11/14/18	6/7/18
Amount	\$60,000,000	\$46,015,000	\$37,500,000	\$35,000,000	\$25,000,000
Issuer	Minnesota HFA	Minnesota HFA	Minnesota HFA	Minnesota HFA	Minnesota HFA
Series	2020 Series C	2019 Series G	2019 Series C	2018 Series G	2018 Series C
Program	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated
Rating(s)	Aa1 / AA+ / -	Aa1 / AA+ / -	Aa1 / AA+ / -	Aa1 / AA+ / -	Aa1 / AA+ / -
Tax Status	Taxable	Taxable	Taxable	Taxable	Taxable
Maturity	Coupon/ Yield	Coupon/ Yield	Coupon/ Yield	Coupon/ Yield	Coupon/ Yield
Year (21 pricings)	Spread to UST	Spread to UST	Spread to UST	Spread to UST	Spread to UST
0	1.670	1.760	2.625 / 2.675	3.100	2.65 / 2.80
1	1.690	1.81 / 1.86	2.725 / 2.775	3.15 / 3.20	2.90 / 3.00
2	1.72 / 1.77	+30 / +35 to 2 yr	+25 / +30 to 2 yr	+29 / +34 to 2 yr	+34 / +49 to 1 yr
3	1.816 / 1.866	+40 / +45 to 3 yr	+40 / +45 to 3 yr	+39 / +44 to 3 yr	+40 / +50 to 2 yr
4	1.957 / 2.007	+40 / +45 to 5 yr	+50 / +55 to 5 yr	+39 / 3.36	3.05 / 3.15
5	2.037 / 2.087	+48 / +53 to 5 yr	+60 / +65 to 5 yr	+44 / +49 to 5 yr	3.30 / 3.35
6	2.211 / 2.261	+55 / +60 to 7 yr	+60 / +65 to 5 yr	+55 / +59 to 5 yr	3.45 / 3.50
7	2.311 / 2.361	+65 / +70 to 7 yr	+67 / +70 to 7 yr	+61 / +66 to 7 yr	3.55 / 3.60
8	2.491 / 2.541	+75 / +80 to 10 yr	+78 / +83 to 7 yr	+71 / +76 to 7 yr	3.65 / 3.70
9	2.591 / 2.641	+85 / +90 to 10 yr	+83 / +88 to 10 yr	+73 / +78 to 10 yr	3.75 / 3.80
10	2.691 / 2.741	+95 / +100 to 10 yr	+93 / +98 to 10 yr	+88 / +93 to 10 yr	3.85 / 3.90
11		2.655 / 2.705	+103 / +108 to 10 yr	+98 / +103 to 10 yr	3.95 / 4.00
12				+108 / +113 to 10 yr	
13					
14					
15	2.941	2.905	3.971	4.450	4.200
16					
17					
18					
19					
20	3.237	3.164		4.630	
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
PAC	2.657CY	+110 to 5yr		4.730	
Notes	7/20 - 7/21 priced to 2yr rather than 1yr UST; spread to 1yr would have been +12 / +14/+14; 7/1/50 PAC bond has 5 year avg. life 100-500%	7/1/20 maturity priced to 2yr rather than 1yr UST per pricing wire; spread to 1yr would have been +4			
Maturity Dates	7/1 and 1/1	7/1 and 1/1	7/1 and 1/1	7/1 and 1/1	1/1 and 7/1
Call Provisions	7/1/29 at par	1/1/29 at par	7/1/28 at par	1/1/28 at par	7/1/27 at par
Mkt Index	BB1 / RBI 2.54% / 3.04%	BB1 / RBI 3.10% / 3.58%	BB1 / RBI 4.09% / 4.56%	BB1 / RBI 4.36% / 4.85%	BB1 / RBI 3.88% / 4.37%
Sr-Manager	RBC Capital Markets	RBC Capital Markets	RBC Capital Markets	RBC Capital Markets	RBC Capital Markets