Constructing a Competitive POHP Application

Minnesota Housing POHP Staff

January 11, 2024

Minnesota Housing Staff

Multifamily Housing Division

Publicly Owned Housing Program

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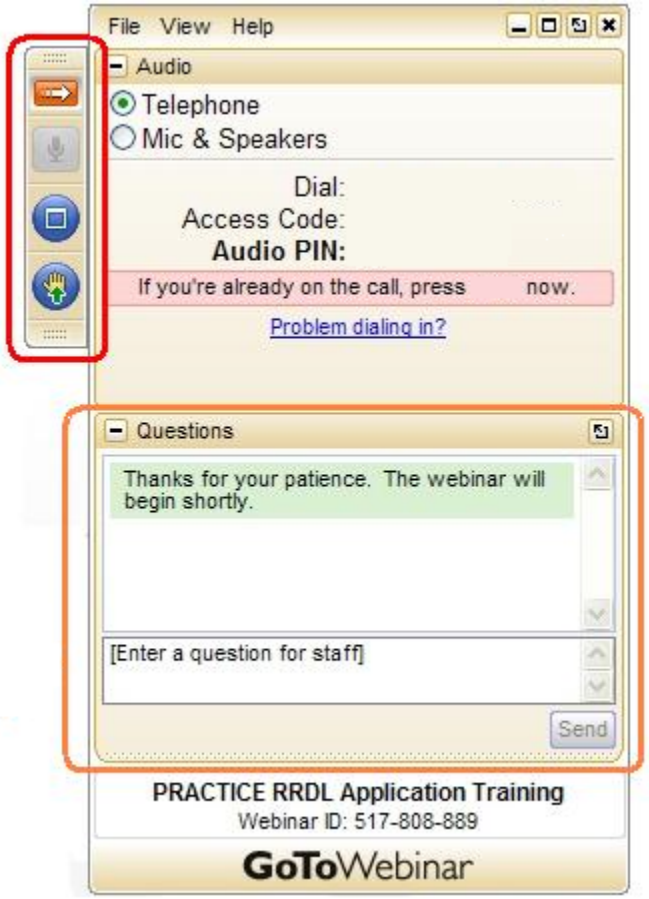

Agenda

- Our Mission
- POHP Program – Purpose and Background
- Upcoming POHP Rounds
- Eligibility
- Application and Portal Submission Process
- Partnerships – Leveraging Funding
- Success Stories
- Next Steps
- Question and Answer

Our Mission: The Core Purpose

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

Why We're Here

- Housing impacts Minnesotans of all backgrounds in all corners of the state
- Housing touches all areas of life – education, health, jobs and more

Background and Purpose

Program Background

Publicly Owned Housing Program (POHP)

First established by the Minnesota Legislature in 2005

- to offer financial assistance
- to housing and redevelopment authorities (HRAs)
  and public housing authorities (PHAs)
  and community development authorities (CDA)
- for publicly owned properties
- that provide public housing to individuals and families

Program Purpose

Rehabilitate and **Preserve**

Public Housing Units

Specifically to address:

- health and life safety
- critical needs
- energy and water efficiency / climate resiliency and sustainability
- accessibility

Upcoming POHP Rounds

Upcoming POHP RFPs

- First RFP: January 8, 2024 - **$41 Million in Funding!**
  - Traditional POHP RFP
  - Health & life safety, critical needs, and accessibility
  - Energy related upgrades and /or climate resiliency upgrades (NEW)
  - Application similar to prior RFPs
- Next RFP: late summer/early fall 2024
- Third RFP: Climate Resiliency Focus

Funding Requested

- No minimum or maximum loan request amounts
- All or part of a proposed project may be funded
- Leverage from other non-Agency funding sources is required

POHP Loan Terms

POHP funds are provided as:

- a 20-year, 0% interest, deferred, forgivable loan
- with a 35-year compliance period to HRAs/PHAs/CDAs that operate public housing

POHP funding is **competitive**.

We want HRAs/PHAs/CDAs
in every corner of the state
to successfully compete
for POHP funding.

Eligibility

Eligibility Criteria

Developments must:

- Be public housing
- Be an existing building(s)
- Owned and operated by an HRA, PHA, or CDA
  → In other words: Publicly Owned
- Have a minimum of four units
- Must have 100% project-based federal subsidy

Health and Life Safety

- Installation or modernization of fire suppression systems
- Repair or replacement of any conditions that indicate imminent structural collapse or failure
- Environmental remediation for mold, radon, friable asbestos, or lead-based paint hazards

Critical Needs

- Mechanical equipment / other items that have outlived their expected useful life and need repairing or replacement
- Conditions determined to be a critical deficiency per HUD UPCS or REAC inspection report
- Any work described in Minnesota Housing's 2023 Rental Housing Design/Construction Standards (RHD/CS)
  - See Chapter 8

Energy & Water Efficiency / Climate Resiliency & Sustainability

- Replacement of inefficient plumbing fixtures with water conserving fixtures
- Replacement of inefficient/antiquated heating ventilating and air conditioning (HVAC)
- Replacement of lighting controls
- Weatherization improvements such as additional insulation, air-bypass sealing, exterior window/door upgrades, or other energy improvement strategies

Energy & Water Efficiency / Climate Resiliency & Sustainability

- Renewable energy systems may be considered if supported by a third-party analysis with a simple 10-year payback
- Replacing building components with more climate resilient materials will be encouraged (ex: using higher standard windows)
- Consider improvements for future by making building components upgrade ready (ex: if replacing the roof, ensure that it is “solar panel ready” for a future rehabilitation project)

Accessibility

- Lack of compliance with Section 504 of the Rehabilitation Act of 1973
- Lack of compliance with the Architectural Barriers Act, the Fair Housing Act, and/or the American with Disabilities Act (ADA)
- Improvements such as Universal Design and/or demonstrated need for aging-in-place features

Application Process

Streamlined Application Process

- No third-party reports required
- An easier sources and uses workbook
- A concept-based application rather than a completed scope of work
- Technical assistance with POHP program staff, required

Concept-based Application

1. POHP Application Narrative
2. POHP Workbook
3. Most current five-year Capital Fund Program Action Plan
4. Most recent capital needs assessment and any updates
5. One or two year, most current audited financial statements
6. Annual operating budget for HRA/PHA/CDA
7. Most recent REAC inspection report
8. Applicant certification of Known Environmental Conditions (Minnesota Housing form)
9. Photographs of overall property, existing conditions, and all proposed improvement areas
10. Any other information deemed appropriate to support the application (optional)

POHP Webpage

POHP

mnhousing.gov/rental-housing/housing-development-and-capital-programs/deferred-loans-and-grant-programs/pohp.html

SysAid | Self Service | Home | Salesforce | Box | Login | Rental Housing Dev... | USDA Sec 515 Exit... | USDA RD Rent Limits | All Bookmarks

MINNESOTA HOUSING

Partner Login

Home / Rental Housing / Housing Development and Capital Programs / Deferred Loans and Grant Programs / **POHP**

Menu

- Deferred Loans and Grant Programs
  - RRDL
  - POHP
  - State Housing Tax Credit (SHTC)
  - Stable Housing Organization Relief Program (SHORP)
  - HOME ARP

Quick Links

- Supportive Housing Resources
- Development Team Qualification Forms
- Rent and Income Limits

Publicly Owned Housing Program (POHP)

Minnesota Housing is pleased to announce the availability of up to $41 million in General Obligation (GO) bond proceeds to help finance public housing rehabilitation costs. These funds will be administered through a one-time Publicly Owned Housing Program (POHP) Request for Proposals (RFP), and application materials are now available.

Applications are due Wednesday, March 6, 2024, by noon Central time.

POHP is a competitive funding program that uses the proceeds of General Obligation (GO) Bonds to provide financing in the form of a 20-year deferred, forgivable loan for the rehabilitation and preservation of public housing.

Funding Priorities

Preference will be given to projects that address:

- Health and life safety issues
- Accessibility
- Energy and water efficiency/climate resiliency and sustainability
- Critical physical needs

Eligible Applicants

Applicants must be local units of government, such as a city, county, housing redevelopment authority (HRA) or public housing authority (PHA).

Eligible Projects and Activities

Funds are available for capital activities of a non-recurring nature and add value or life to a building. Examples of eligible expenses include construction, pre-design, architectural or engineering costs.

Required Technical Assistance

All potential 2024 POHP applicants are required to arrange a technical assistance meeting with POHP program staff. To schedule a meeting please contact Cheryl Rivinius at 651.296.3705.

POHP Webpage Selection Bars

Quick Links

- Supportive Housing Resources
- Development Team Qualification Forms
- Rent and Income Limits
- Underwriting Standards
- Request for Action and Change Notifications
- MF Consolidated Request For Proposals (RFP)
- MF Consolidated RFP & HTC Funding Selections
- Preservation Resources

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- Webinar & Technical Assistance
- Application Forms
- Current Program Guides
- Due Diligence Forms
- Post Loan Closing
- Previous Program Guides

Contact

The POHP team is available to answer any questions or provide technical assistance.

mhfa.pohp@state.mn.us

POHP Webpage Application Bar

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Webinar & Technical Assistance

Application Forms

Applicants must submit the application and all other required materials using the secure PORTAL system.

- RFP Application Checklist
- Application Instructions
- Narrative and Certifications
- Workbook
- Applicant Certification of Known Environmental Conditions
- Frequently Asked Questions - coming soon

Current Program Guides

Due Diligence Forms

Telling the Story: The Narrative

- Describe in detail the building, the proposed project, why it is important, and the consequences of the project not being completed
- Explain how you will leverage POHP funds by bringing other sources of funding to the rehabilitation project
- Demonstrate your organization’s capacity to facilitate, manage and complete the POHP project in a timely manner

Telling the Story: Descriptive Photos

“Wood blocks placed at some units by maintenance staff due to toilets breaking free of the carriers, causing emergency medical calls by residents who find themselves lying on the floor due to the mounting of the toilet.

Telling the Story: Descriptive Photos

"Example of a patchwork fix actually orchestrated by the fire marshal himself to keep the building operational when a resident pulled the fire alarm and the whole device came out of the wall."

Telling the Story: Supporting Documentation

Other information to help explain or support the proposed project

- Recent energy audit
- Letters of support from local officials and/or residents
- Cited code violations
- Elevator inspections and/or maintenance records

Portal Information

Home | Portal | Google

mnhousing.gov/rental-housing/housing-development-and-capital-programs/portal.html

SysAid | Self Service | Home | Salesforce | Box | Login | Rental Housing Dev... | USDA Sec 515 Exit... | USDA RD Rent Limits | All Bookmarks

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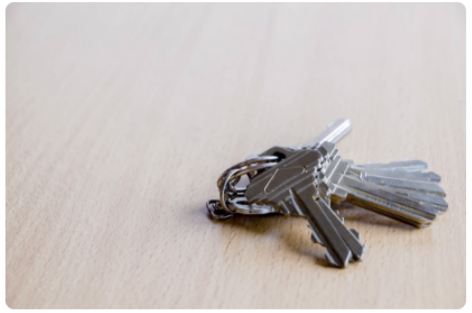


Quick Links

- Request for Proposals
- Post-Selection Materials & Forms
- Development Team Qualification Forms
- Special Claims

Multifamily Customer Portal Resources

The Multifamily Customer Portal (Portal)* facilitates the application and post-selection process for developers seeking funding from Minnesota Housing for affordable rental housing. It is also used by HUD Section 8 and Section 811 Project-Based Rental Assistance owners and management agents to submit Special Claims packets.

The Portal is a web-based application built on the Salesforce platform. The recommended browser is Google Chrome. Download Google Chrome for free.

Portal Login

*NOTE: This is a different system than the Property Online Reporting Tool (PORT) that is used to certify to Minnesota Housing that property owners have complied with the income, rent, and other restrictions of the financing it received from HOME, National Housing Trust Fund, housing tax credits, or Minnesota Housing deferred loan programs.

Expand All

- How do I access the Portal?
- When do I use the Portal?
- How do I use the Portal?

Contact

mhfa.app@state.mn.us

POHP Training Videos

How do I use the Portal?

User Guides

Topic specific user guides are linked throughout the Portal so you can access them when you need them. They are also available on the Portal home page and linked below.

- Setting Up or Changing User Accounts
- How to Log In
- How to Customize Your User Profile and Settings
- How to Navigate
- How to Use Chatter
- How to Apply for Funding
- How to Setup and Change Project Characteristics
- Managing Files
- Project Workbooks
- Project Documents
- Project Teams
- Project Checklists
- Scoring Wizard
- Special Claims
- Terms and Conditions

Training

Publicly Owned Housing Program (POHP)

- Getting Started – Learn how to get started in the Portal including how to request a user account and log in.
- Apply for Funding – Learn how to find open funding rounds, create a project using the Apply for Funding Wizard and request project team access.
- Project Checklists – Learn how to select project characteristics, manage checklist items, and submit a checklist.

Partnerships – Leveraging Funding

Examples of Partnership

- Work with your local city or county departments and representatives
- Explore strategic partnerships with your local water, gas, and electric providers
- Seek additional sources of funds as leverage for the project:
  - Small Cities Development Program
  - Local philanthropic organizations
  - Federal Home Loan Bank Affordable Housing Program
  - Energy Rebates
  - Sales tax rebates or exemption

MINNESOTA HOUSING

Success Stories

Hibbing HRA

A high-rise development built in 1969

Totals 60 one- and two-bedroom units

Scope of work included:

- Restoration of deteriorating exterior walkways
- Repairing concrete balconies
- Painting corroded steel
- Recoating balconies
- Tuckpointing, brick replacement, and sealant work

Full funding was awarded due to the critical nature of the structural issues.

Before

Corrosion

Falling Bricks

Structural Deterioration

After

Repaired
Brick and Beams

Restored
Walkways and Balconies

Lincoln County HRA

A scattered site of 7 duplexes built in 1983

Totals 14-unit townhomes

Scope of work included:

- Mitigation of radon
- Installing smoke alarm systems
- Upgrading windows, water heaters, furnaces, and air conditioners
- Replacing doors
- Replacing decks and railings

Full funding was awarded due to health & life safety and energy conservation needs.

Before

Drafty Windows

Structural Deterioration of Decks and Railings

Rusting/Damaged Air Conditioning Units

After

New Windows

New Energy Efficient Air Conditioning Units

New Decks and Railings Replaced

Next Steps

Step 1:

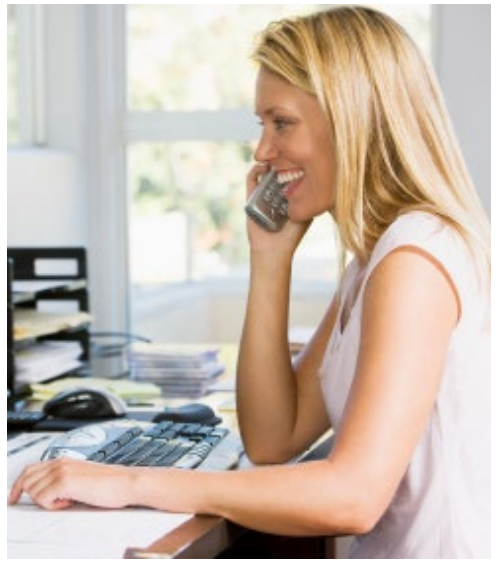
Identify and prioritize your rehabilitation scope of work

Step 2:

Set up a technical assistance appointment with POHP staff

Step 3:

Complete your narrative questions and all submittals



Step 4:

Submit all items by **noon, March 6** using the **Portal**

Thank You!

To schedule the Technical Assistance, contact:

Cheryl Rivinius
cheryl.rivinius@state.mn.us or 651.296.3705

Questions about the POHP Program, contact:

Janine Langsjoen
janine.langsjoen@state.mn.us or 651.296.6354

Susan Bergmann
susan.bergmann@state.mn.us or 651.296.3797

Question and Answer