# 2024 Single Family Request for Proposals Frequently Asked Questions (FAQ)

The 2024 Single Family Request for Proposals (RFP) is the method through which Minnesota Housing deploys funding to increase the supply of affordable, owner-occupied, single family housing, while maintaining the safety and habitability of existing owner-occupied, single family homes in communities throughout Minnesota.

The following are questions regarding the 2024 Single Family RFP that Minnesota Housing received following its release on April 10, 2024 and responses provided by Minnesota Housing. Questions are shown in bold and answers are provided in plain text.

Minnesota Housing will continue to update this FAQ as we receive additional questions. Questions may be submitted to Minnesota Housing at Impact.Fund.MHFA@state.mn.us. All questions must be submitted by June 20, 2024, and the final FAQ will be posted on or before June 25, 2024.

**Is modular home construction allowed when requesting value gap?**

Yes, applicants may request value gap for homes developed using modular and panelized home construction. Requirements for new construction and acquisition, rehabilitation, resale projects such as Green Communities criteria will apply in full to modular and panelized construction, including construction completed within the factory. If the project is subject to prevailing wage, prevailing wage compliance will be required for all work completed on the site of the home, such as site preparation and home installation, but not for activity completed in the factory.

**When using modular construction, would the modular home manufacturer need to complete Green Communities steps with the HERS rater? Would it be allowable for HERS raters to use the home specifications of the modular home manufacturer to make Green Communities determinations based on materials and building processes rather than periodic on-site assessments? If yes, what documentary evidence would be required? If the modular manufacturer builds units to meet Green Communities standards, what needs to be in our file?**

All awarded administrators receiving funding for new construction development must follow the standard Green Communities process on the Impact Fund webpage. Requirements could be managed by the modular home manufacturer or the selected awarded administrator. Regardless of who manages the process, the awarded administrator is responsible for ensuring compliance with Impact Fund program requirements, including Green Communities requirements. The roles of all partners should be clear in the contract or agreement between the selected applicant and contractor.

Evidence of compliance must be maintained in project files, or the selected applicant must have ready access to the documentation if the builder maintains it.

It is up to the HERS Rater you consult with to determine what you need to get an ENERGYSTAR for Homes certificate. The HERS Rater is the person responsible for creating the energy model at the design phase, and for following through with field verification then the final as-built energy model. If you are considering Volumetric Modular, whereas the entire unit is constructed in a plant including finishes, the plant may be able to do the ENERGYSTAR certification.

You will need to engage a HERS Rater to fully understand what's needed to comply.

**Can Impact Fund awards be used to purchase land for affordable home development, such as 6-20 acres?**

Interim loan funds may be used to purchase land for development, and housing infrastructure bond proceeds may be used to purchase land that will be placed in a community land trust.

Land acquired as a part of an Impact Fund award must be developed and the units sold within the 36-month contract term, which may be extended up to a maximum of five years. Impact Fund awards cannot be used for land banking.

**Can Impact Fund awards be used to provide infrastructure improvements such as sewer, water, curb, gutter, pavement, etc.?**

Impact Fund dollars cannot be used to fund public infrastructure improvements. Impact Fund dollars can be used to connect the private infrastructure of a funded unit, such as water and sewer lines, to public infrastructure.

**Is prevailing wage required on affordability gap only projects?**

No, prevailing wage only applies to certain awards that fund new construction development using value gap or interim loan funds.

**The Risk Assessment form for Political Subdivisions Question 1 asks us to list any state grants that our organization has administered. Would the history for the entire City need to be listed or just the Community Development Department?**

This will be based on the legal entity applying for funding and who Minnesota Housing will be contracting with if selected.

**How do Lead Safe standards apply to the write down for Minnesota Housing Community Fix Up loans? Most of those projects don't address lead issues.**

Lead safe standards to not apply to the write down of Community Fix Up loans.

**There was a stipulation stating projects over $200,000 in grant proceeds or $500,000 in loan proceeds trigger prevailing wage. Is this for Minnesota Housing financing only? Meaning only if grant or loans from Minnesota Housing exceed said amount?**

The funding that triggers prevailing wage is based on the amount of dollars committed in the grant or loan contract executed between the awarded administrator and Minnesota Housing.

**In the Single Family RFP under Funding Priorities in the Supporting Community and Economic Development section for Rural or Tribal Designation, what would be considered rural?**

Information on Rural/Tribal Designated Areas, along with the other Funding Priorities in the Supporting Community and Economic Development subset, is located on the Impact Fund webpage under Community Profiles and Methodology Documents. Those documents explain the priorities and provide maps and other tools to help in determining applicability of each Funding Priority.

**Will the slides from the presentation be available with notes from the presentation?**

Yes, the slides with notes from the 2024 Single Family RFP Information Session on April 30, 2024 are available, along with a recording of the session, on the Impact Fund webpage.

**Prevailing Wage has an exemption of "No more than 10 fully detached single-family affordable homeownership units." If you built 5 twin homes for a total of 10 units or 2 to 4 townhome units for a total of 8 units, would these projects be subject to prevailing wage?**

In both scenarios, prevailing wage would apply. The Department of Labor and Industry, the state agency that enforces prevailing wage, defines “fully detached single-family affordable homeownership units” as homes that do not have adjoining walls. Twin homes and townhomes are constructed with adjoining walls so do not meet the interpretation of fully detached single family units. They therefore do not meet the exemption for fully detached single family units.

**Can a home be sold for $100, for example, to a low-income individual or family or families experiencing homelessness?**

No, the units that are constructed would have to be sold to eligible owner-occupants and not as rental units or housing for homeless individuals.

The homes need to be sold at the appraised fair market value. If funding is needed to cover the difference between the appraised fair market value and the first mortgage the homebuyer can afford, that is what the affordability gap portion of the subsidy equation is for. Affordability gap is an eligible use that covers the difference between what a homebuyer can afford and the fair market appraised value.

**For a developer proposing a 2- to 4-unit property, at least one unit has to be owner occupied. Can one unit be sold to an owner-occupant and the other units be utilized for affordable housing rentals? If no, do all the units need to be sold to one owner, or can the units be sold to multiple owners?**

There are two potential scenarios for situations such as these. First, the whole structure could be sold to one homeowner who would own the whole structure and occupy one of the units. The owner may then rent out the adjacent units. Alternatively, each unit may be sold to a separate homeowner as in the case of a townhome, rowhome or condominium structure where each unit is owner-occupied separately.

It would not be an eligible use of funds to sell one unit to an owner-occupant and have the other units remain owned by the housing developer to be rented as affordable housing.

**With owner-occupied rehabilitation, would awarded administrators need to follow lead protocols and have lead certifications, or would the entire property need to be evaluated for lead mitigation?**

Awarded administrators must follow the Minnesota Housing Lead-Based Paint Guidebook. The lead protocols and certifications required will depend on the home being improved, where improvements are being made in the home, the total subsidy amount for the improvements, among other factors. Specific details about applicability are available in the Lead-Based Paint Guidebook.

**Are the interim controls outlined in Section 2.04 of the Lead Based Paint Guide applicable to all sites, specifically the last bullet for bare soil?**

The bulleted list includes examples of interim control measures. They are not required for all projects. Interim controls must be implemented for surfaces or areas that will be disturbed. For example, if you are not disturbing the soil, you are not required to adhere to the last bullet. If you are doing work that will disturb the soil, or if other factors related to lead-based paint remediation are met (e.g., funding >$5000, lead levels higher than HUD/EPA de minimis levels), you would need to implement interim controls, such as the last bullet.

**Could an application incorporate a regional approach versus a site in a specified community to leverage partnerships with several communities?**

Yes. Applicants must identify the target area in the application, but the target area does not have to be a specific property or location. The target area can cover a larger geographic region including one or more counties. If costs or subsidies for a proposed project differ by community, applicants may want to use separate sets of tabs in the activity workbooks to differentiate cost and subsidy needs by community.

**For owner-occupied rehabilitation, can the target area be citywide or does it have to be a specific area of a city?**

Yes, the intended target area can be an entire city. The target area does not need to be constrained to specific addresses or neighborhoods.

**How much is available for the Impact Fund pool in 2024?**

The funding amount is currently unknown. Available funds will be shared with the Multifamily division, and the outcome of a possible bonding bill is unknown. We anticipate that resources will be more in line with 2022 and previous years, not the record amount of funding that was available in 2023.

**Will Minnesota Housing be allocating General Contribution Pool funds from the State Housing Tax Credit program through the Single Family RFP? How will those funds be allocated?**

REVISED: Yes, State Housing Tax Credit General Contribution Pool funds for single-family projects will flow through the Single Family RFP. State Housing Tax Credit funds will be awarded as forgivable loans for interim construction financing or affordability gap. Applicants awarded State Housing Tax Credit funds will need to complete a Qualifications Attestation and a certification that they are eligible to receive State Housing Tax Credit funds.

**What is Criteria 2.3 Compact Development on the Single Family Green Communities Intended Methods Worksheet?**

This requirement is about residential density and provides two options for compliance, 1) the lesser of the residential density (dwelling units/acre) of the census block group in which the project is located, or 2) the density disclosed in the awarded administrator's application for funds. That means either the census block minimum or what you write into your application. The text provides a research tool.

To find the density of the census block group, type the project address into the Center for Neighborhood Technology "Residential Density of a Location" calculator found at http://apps.cnt.org/residential-density.

Single family projects in Rural/Tribal/Small Towns that do not have zoning requirements must be built to, at a minimum, the lesser of five units per acre or the density disclosed in the awarded administrator's application for funds. If no density is disclosed in the awarded administrator's application for funds, then each single family project must be built to, at a minimum, five units per acre.

**If the final actual value gap per unit decreases due to changes in the fair market sales price of a developed home and/or changes to the total development costs, how does this effect the grant award?**

If the actual value gap of a project ends up being less than the per unit value gap subsidy that was awarded in the grant contract due to a change in market conditions, awarded administrators may use the remaining funds towards an additional unit, or Minnesota Housing may deobligate unused funds.

**Related to Criterion 5.1a of the Minnesota Overlay and Guide to the 2020 Enterprise Green Communities Criteria, if there is no Residential Air Conditioning Contractors of America (ACCA) Certified heating, ventilating and air conditioning (HVAC) company within 100 miles of the project, will a waiver be needed and approved for this criterion?**

Awarded administrators should work with their Residential Energy Services Network certified individual (HERS Rater) to determine alternative pathways to meeting this requirement. If after working with the HERS Rater it is determined that alternative pathways will not work, awarded administrators may request a waiver to the certification but not to the requirements themselves. If a waiver to the certification were to be approved, all other applicable requirements with the Minnesota Overlay and Guide to the 2020 Enterprise Green Communities Criteria would still need to be followed and compliance with the requirements documented in the project file.

Minnesota Housing does not provide blanket waivers prior to executing a grant or loan contract with an awarded administrator or through the application process.

**As homes are completed, an appraisal establishing the Fair Market Sales Price is required. If the fair market sales price and our final construction costs are less than the grant award, how does this effect the award?**

If you are awarded more value gap funds than the typical unit requires due to a change in market conditions, the remaining grant funds must be put toward another unit or be deobligated.

**Are contract for deed arrangements allowable for land acquisition, or would MHFA prefer we have a Purchase Agreement with contingencies such as securing funding?**

There are no specific requirements around site control for the Single Family RFP so no one approach is valued over another. That said, identifying sites/site control is a factor considered when scoring the proposal under the Project Feasibility Selection Standard.

Explain your anticipated timing for gaining site control as part of the plan to develop the homes within the 3-year contract period. Projects have been funded without identified sites in the past. In those cases, a plan for identifying sites/gaining site control was important in meeting the Project Feasibility Selection Standard to move forward.

**The Owner-Occupied Rehabilitation workbook gives the error messages, "Please check figures; Contributions exceed Anticipated Rehab Costs." Please explain the cause of the message.**

The error message was incorrectly referencing total hard costs instead of total development costs, and has been fixed. The revised Activity Workbook for Owner-Occupied Rehabilitation has corrected cell references and will only provide the error message if the Impact Fund request amount and other leverage sources add up to a higher total than the anticipated rehabilitation costs for the project.

**The Owner-Occupied Rehabilitation Activity Application, Section F. "Project Fees" section asks about administrative fees for Affordability Gap funding. Is this a typo that is supposed to be asking about administrative fees for Owner-Occupied Rehabilitation?**

The Owner-Occupied Rehabilitation Activity Application referenced Affordability Gap instead of Owner-Occupied Rehabilitation funding in sections A, E and F. These references were made in error and were corrected in the revised Activity Application for Owner-Occupied Rehabilitation.

**Aside from the loan structure of Owner-Occupied Rehabilitation that went from 10 years at $25,000 and 20 years at $50,000 to 10 years at $50,000 and 20 years at $100,000, have there been significant changes to the RFP?**

Regarding loan structuring, the Single Family RFP was edited to reflect the Affordability Gap and Owner-Occupied Rehabilitation funding limits and loan terms as first announced via eNews. The changes identified were the extent of the changes related to loan structuring.

**Per Minnesota Statute 58.04, it appears municipal governments are exempt from Nationwide Multistate Licensing System (NMLS) licensing requirements. Does a city need to partner with a local lender to process loans?**

Minn. Stat. 58.04 cannot be read in isolation. It must be read within the context of the full chapter. Minn. Stat. 58.05, subd. 3, provides that entities that are exempt from the licensing requirements must obtain a certificate of exemption from the commissioner of the Department of Commerce to qualify. Additionally, Minn. Stat. 58.05, subd. 2, provides that exempt entities are still subject to all other provisions of Chapter 58.

The Impact Fund program requires administrators/selected applicants to have an NMLS number and certificate of exemption. Here are a few options:

- Municipal governments such as cities can contract with an NMLS-licensed lending partner to originate the loans.
- Municipal governments such as cities can get an NMLS number and certificate of exemption prior to the application deadline.

If a municipal government, such as a city would like to get an NMLS number but does not think the process will be complete before the application deadline, explain the pending status in the application. If awarded, the contract will include a contingency that the NMLS number and exemption be obtained prior to issuing loans.

**What kind of resources are available for New Construction through the Single Family RFP?**

Grants for value gap and affordability gap are available for new construction. Value gap is the difference between the total development cost to build a home and the appraised value/fair market sales price. Affordability gap is the difference between the first mortgage that a homebuyer qualifies for and the appraised value/fair market sales price, also known as downpayment and closing cost assistance. Interim loans are also available for construction financing. Grants are also available for certain direct costs for school districts, charter schools and eligible cooperative units.

**How do you decide how much of a project to fund, and what if a project isn't funded in full?**

Reviewers consider a number of things when making funding recommendations. The first consideration is how a proposal scores on the Competitive Criteria: Organizational Capacity, Project Feasibility, and Community Need. Once scores have been finalized, additional considerations include the balance of requests across the state and between rural and urban areas, and how many Funding Priorities each proposal meets. Funding amounts are right-sized based on these factors and the available resources.

**In the Acquisition Rehabilitation Resale Activity Workbook Project Info tab, Line 27 Land Acquisition (Actual Cost), would the applicant enter the purchase agreement amount for the improved platted lots? Currently the lots do not have improvements installed but improvements would be completed upon the project receiving funding.**

The land acquisition amount should be the actual cost of the land. The actual cost of the land may be determined by an appraisal to establish the upper limit of what your land acquisition costs would be. The land acquisition cost should not include costs associated with improving the land, such as site work.

Applicants often receive discounts, donations or subsidies from local municipalities or donors to decrease the cost of land acquisition. If there are discounts, donations or subsidies, applicants should take these into account when entering the land acquisition actual costs into the workbook.

**How does leverage work and how much leverage is required? Can I use my own funds for leverage, or do I need a bank or institutional backing?**

A number of Single Family RFP resources provide information about leverage.

- The Single Family RFP Application Instructions explains leverage on pages 13-14
- The Information Session recording covers leverage starting at minute 48:27
- The Information Session slides describe leverage starting at slide 41

No specific amount of leverage is required, but committed leverage strengthens proposals. Leverage may include an applicant's own resources or contributions from others.

**The City is currently applying for the MPCA Climate Pollution Reduction Grant and will provide energy audits, weatherization, and heat pump upgrades. Can this be included as a pending funding source on the leverage sources worksheet?**

If the funds are intended to be used for the same units that the funds requested through the Single Family RFP will be used for, yes the MPCA Climate Pollution Reduction Grant can be included as pending leverage in your workbook.

Applicants will have until September 1, 2024, to submit documentation confirming committed leverage, so if a decision on the MPCA grant is made prior to September 1, the applicant can submit documentation of that decision and we will consider it as committed leverage.

**Is radon testing required for new construction projects?**

Radon testing is not required to sell a new construction home. While, it is recommended by the Department of Health, Minnesota Housing does not require radon testing for new construction projects.

**We have CDBG funds that we will utilize for our homeowner rehabilitation program. We don't yet know the exact amount as that is determined in July. Do you recommend that we fill this out related to our annual CDBG allocation for homeowner rehabilitation?**

If your CDBG funds will be used for the same rehabilitation program over the 3-year contract period for funded projects (2025-2028), you can provide an estimate of how much you think will likely be allocated to the rehabilitation program and note that as pending leverage. You will then have until September 1, 2024, to provide documentation of the committed leverage.

**For leverage documentation, would a letter from the applicants' accounting department summarizing all the required information listed in the Single Family RFP for leverage (e.g., funder, cash committed, time period, terms and conditions, etc.) be sufficient to demonstrate committed leverage?**

Applicants will need to provide documentation such as an award letter from the grantor or a contract with the entity providing the dollars to document the leverage. Documentation provided by the applicant, such as a letter from the accounting department about non-applicant funds, would not be sufficient documentation.

**Is a Technical College eligible to receive funds for direct costs as a school?**

The [Economic Development and Housing Challenge] statute 462A.33 was updated to include school districts, educational cooperatives, and charter schools as eligible recipients, so technical colleges do not meet the definition of eligible recipients under the new language.

That said, there are a couple of other options for technical colleges to consider.

- If the technical college is organized as a nonprofit organization, then it would be an eligible recipient and could apply for value gap and affordability gap funds.

- The technical college could partner with an eligible organization that would serve as lead applicant, and then the technical college could provide construction services for the project. We have seen a number of these partnerships have successful applications and projects.

**Can a school apply for direct costs and a nonprofit developer apply for value gap or affordability gap for the same project or would this violate the prohibition against layering funds?**

Planned layering with the school awards is allowed. A school district, charter school or eligible cooperative unit could apply for direct costs. A developer partner could separately apply for value gap and/or affordability gap. The school district and developer could combine their awards in the same project with the school's funds being used for the direct costs of the project and the developer partner's funds being used for value gap and/or affordability gap. Applicants who intend to use this structure of partnership must clearly identify in each application that the separate applications are for the same project. Additionally, documentation of a partnership and the roles and responsibilities of each applicant in the project must be provided as a part of the application.

**Since our organization does not have an NMLS number, we will work with a bank. Do we have to identify said bank in the application?**

Yes, you will need to identify the entity that will be processing loans for the project and attest to their compliance with federal lending regulations at the time of application. A formal agreement will need to be in place before any loans can be processed.

**GMHF has provided us with a letter of interest for providing affordability gap funding. Is the leverage tab only for value gap leverage? Should I list it as an affordability gap source on the Affordability Gap tab, even though I am not requesting MN Housing affordability gap funding?**

- Only include leverage resources that will be used for the same project. If the affordability gap leverage from GMHF will be used for the purchase of the homes developed with the requested value gap funds, include that as leverage. If the affordability gap is <u>not</u> for the homes that will be developed with the requested value gap funds, do not include the affordability gap as leverage.
- If the organization has committed--or is considering committing—funding for your proposed project, you would complete the Leverage tab in the workbook and select "Affordability Gap" in the "Type of Activity Being Funded" column. If the funding has been committed, you would select "Committed" in the "Are these funds committed?" column; if a funding decision has not been made, you would select "Pending."
- If you are using this application to apply for funds from GMHF, then you would complete the Affordability Gap tab and indicate your GMHF request there.

**Is it acceptable to upload a letter of interest to the Minnesota Housing portal with the application?**

You would upload a leverage letter if the leverage has been committed. Details on committed financial leverage and what the letter would need to contain are in the [Single Family RFP Application Instructions](#) document on page 13.

**The applicant intends to provide 30-year, 0% interest, deferred loans from $50k-$150k for downpayment assistance. Should that be included in the affordability gap worksheet even though the applicant is not requesting Minnesota Housing affordability gap funding?**

The purpose of the affordability gap tab is to request funds. If you are not requesting affordability gap funding from Minnesota Housing or GMHF, you should not complete the affordability gap tab. You could describe your downpayment assistance plans in the application narrative if it is part of the larger program and the context would be useful.

**The applicant will partner with another entity to implement the project but it will not include a financial commitment between the two parties. Should the applicant upload a memorandum of understanding or similar instrument to substantiate this partnership?**

No, a memorandum of understanding does not need to be included with the application materials but the partnership and roles and responsibilities of each organization should be described in the activity narrative section. If the partnership is critical to the success of the project a memorandum of understanding may be required prior to funds being disbursed for the project.

**If a non-school applicant, such as a city or county and a school district are partnering on a project where direct cost funds will be layered with value gap funds, who would be the applicant and would this be one application submission? Would both applicant entities use the same project name?**

In the example of a layered approach where different applicants are applying independently for different elements of a project, both the non-school entity and the school district would be separate applicants submitting separate application documents. In the activity narrative of each applicant's proposal, clearly describe the partnership and that the funds will be used for the same project. Identify the project name of the correlating application so that it is clear to Agency staff that the separate funds will be used for the same project. Utilizing the same project name for both applications will help in identifying that the applications are connected. Both entities would be evaluated separately, and award decisions would be made separately. Any resulting contracts would be made separately and with the applicant entity.

**How will not having a community land trust as a part of the project impact an application?**

The Single Family RFP provides funding for both community land trust and fee simple homeownership models. There are some differences in eligible uses of funds related to the different ownership structures, which is why community land trusts have some targeted questions in the application materials. The project does not need to be a part of a community land trust to be eligible for funding consideration.

**Should an applicant apply as a City or would it be better to apply as an Economic Development Authority (EDA) for a City?**

This is an organizational choice for applicants to make. Both entity types are eligible applicants.

**For the Pre-Award Risk Assessment for Political Subdivisions, should the applicant include grants for parks, street and road projects, etc.?**

Yes, list all state grants that the applicant entity has received and administered during the last three years.

**For the Pre-Award Risk Assessment, should the applicant list state grants administered by a local nonprofit? Would we list these with an explanation?**

If the applicant was the entity that the state contracted with, include those grants in the list. If the nonprofit organization or a different organization was the entity that the state contracted with, then you would not include those grants in your list of past awards.

**What is the average value gap subsidy per unit?**

In 2023, the average value gap award was $122,410 per unit.

**Are the listed character limits in the applications with spaces or without?**

The character limit does include spaces.

**For Affordability Gap requests, do applicants have to indicate which of the two loan options (the 10-year $50,000 loan or the 20-year $100,000 loan) would be preferred in the application or would there be a choice after funding approval?**

Loan terms are determined based on the amount of the loan, which will be identified in the affordability gap application. If the per unit subsidy request in the application is $50,000 or less, the loan will have a 10-year loan term. If the per unity subsidy request in the application is between $50,001 and $100,000, the loan will have a 20-year loan term.

**If an applicant requests $300,000 for three to six loans, could an award fund a minimum of three $100,000 loans or a maximum of six $50,000 loans based on need?**

Applicants must identify a typical per unit subsidy amount and a minimum number of units to be completed. When implementing an award, administrators are expected to complete the minimum number of units but may complete more units if resources allow. In the example, an applicant may request $300,000 to complete three loans at a typical per unit subsidy of $100,000 per unit. When implementing, if the need is only $50,000 per loan, and therefore the administrator has remaining funds, the administrator may use these remaining funds to make more than three loans.

**Where can an applicant find requirements for partnerships with lenders?**

Requirements for lender partnerships are on page 6 of the Single Family RFP Application Instructions.

**When assessing area median income for the purposes of Single Family RFP income limits, should applicants use local median incomes or the Impact Fund Income Limit chart?**

Applicants should use the Impact Fund Income Limits. Please check the Impact Fund website for the most up to date income limits.

**An applicant is eligible for Tribal Indian Housing Program (TIHP) funds. Should the applicant use the TIHP application, the Owner-Occupied Rehabilitation Application or both?**

We recommend TIHP administrators apply for TIHP funds and allocate the funds amongst TIHP eligible uses according to the TIHP administrator's priorities. Additionally, using the TIHP application will allow the TIHP administrator to structure the funds to homeowners/homebuyers according to TIHP program design and to revolve the funds.

**Are projects that are for homes on tribal trust land structured as grants or loans?**

Non-TIHP Owner-Occupied Rehabilitation funds will be structured as forgivable loans and those loans will be assigned to Minnesota Housing. Repayments would come back to the Agency. TIHP loans may be structured according to the TIHP program design and funds revolved.

**Does a Tribal housing authority that is a nonprofit arm of tribal government, need to complete the Pre-Award Risk Assessment for Political Subdivisions?**

Tribal governments are exempt from completing Pre-Award Risk Assessment forms, but any other entity operating in cooperation with a tribal government or on tribal lands must complete the applicable form type. An HRA would complete the political subdivision form, a nonprofit operating on tribal land would complete the nonprofit form.

**The affordability gap sheet in the New Construction Application Workbook is not letting me populate the "TOTAL number of proposed units" field saying that my number cannot exceed the number on the "Project Info Fin Wksht." I'm not seeing a field in the Project Info tab to enter the number of units. What am I missing?**

This error is the result of the broken data validation error message that we fixed last week. Please use the New Construction Workbook revised 6/13/24 for your application. The correction was published in eNews. If you don't receive eNews communications and would like to, you can sign up for email updates on the Minnesota Housing website.

**In the new construction workbook under soft costs, what is a contingency and how do applicants determine that value?**

A contingency is a margin for error in the estimate of costs. If applicants choose to include a contingency, it is up to the applicant to decide what the amount of the contingency is. The Agency will assess project costs for reasonableness, including any contingency, as a part of the total development costs.

**Can applicants change the address of a project after submitting an application?**

Applicants do not need to limit projects to a specific address or project site. Many applicants indicate a city or county as their intended service area. Applicants can indicate potential sites if sites have been identified or already acquired.

**If an applicant proposes to build four homes and after the application submission can only build two, would the applicant still be eligible for the funds with an adjustment to two homes instead of four?**

If awarded funds, administrators are expected to complete the number of units specified in the contract. If an administrator is unable to complete the number of units specified in the contract, the administrator will only receive funds for the number of units actually completed and remaining funds will be deobligated.

**Should applicants include letters of community support as additional uploads or include them application details?**

Applicants do not need to include letters of community support. Letters of community support will not be reviewed or considered.

**The General Application says, "An unaffiliated entity is one that does not have a contractual or legal relationship with the Applicant." Would a paid architect that an applicant has a contract with be an affiliated entity?**

A paid architect with whom an applicant has a contract would not be considered an affiliated entity unless the applicant entity has an ownership interest in the architect's firm.

**Where should I look for more detailed information about Minnesota Green Communities?**

Guidance is available in the 2023-2024 Single Family Intended Methods Worksheet, Chapter 7 of the 2023-2024 Minnesota Overlay & Guide to the 2020 Green Communities Criteria, and the 2020 Green Communities Criteria themselves.

**Is an NMLS license required at the time of application, the time of administering funding to homebuyers, or may this requirement be waived? What are the circumstances under which an NMLS license can be waived?**

An NMLS number is required of the entity originating loans. It is not necessary to have an NMLS number at the time of application, but if the applicant were to be awarded funds without an NMLS number, the contract would come with a contingency: the awarded applicant would need to have an NMLS number before any loans could be made and before any funds could be disbursed.

Certain entities may be exempt from NMLS licensing. The Minnesota Department of Commerce oversees and enforces NMLS licensing. For more information about NMLS licensing and requirements for exemptions from licensing, visit the Department of Commerce website or email the Department of Commerce at mortgage.commerce@state.mn.us.

**Must the organization originating loans be registered through HUD's nonprofit organization register to receive a funding award?**

Applicants are not required under Minnesota Housing policy to be registered as a HUD-approved nonprofit or government entity. While Minnesota Housing does not enforce HUD policies, please note that certain secondary financing may require an entity be HUD-approved. Please visit the HUD-approved nonprofit or government entity website for more information.

**What is the role of an organization in administering affordability gap funding to homebuyers?**

Awarded applicants must have their own policies and procedures regarding loan origination and loan closing, including but not limited to application intake, qualifying applicants for their loan program(s), closing and recording loans, and assigning those loans to Minnesota Housing. Awarded applicants must comply with all state and federal lending regulations. Please see page 20 of the Single Family RFP Application Instructions for more information.

**Is there an application that each homebuyer will need to complete and submit to Minnesota Housing along with closing documents or another process?**

Each awarded applicant must have its own application process, including its own application form. Minnesota Housing will provide Notes, Mortgages, and Note and Manufactured Home Note and Security Agreement, which are required loan documents that awarded applicants must use.

**We know of a secondary organization that has a high level of experience working with Minnesota Housing programs, including processing paperwork for affordability gap forgivable loans and other downpayment assistance programs. Can an applicant incorporate an organization with a high level of experience administering Minnesota Housing programs as a partner in providing affordability gap loans?**

Partnerships can make an application stronger, and applicants are encouraged to form partnerships where those partnerships deepen experience. If a partner organization will originate and close loans on behalf of the applicant, there must be a contract between the applicant and the partner organization before any loans can be made or funds disbursed. If the partner organization will originate and close loans on behalf of the applicant, the applicant should provide the partner organization’s NMLS number and information in the application.