

2025 Publicly Owned Housing Program Construction Loan Financing Checklist (Appropriations)

March 2026

Owner and Development Information

Public Housing Authority Name	Development Name	D#	M#

You must not start rehabilitation work prior to the construction loan closing with Minnesota Housing.

Funding Process Overview

Once your development has been selected for funding, four phases need to be completed in order for you to receive the awarded loan amount. The following chart names these four phases.

Figure 1: Funding Process Phases



This checklist provides you with the necessary due diligence documentation Minnesota Housing requires for three of the four phases: underwriting, construction, and post-construction. Your assigned underwriter will review documentation during these three phases.

These documents must be submitted through the [Multifamily Customer Portal](#) (Portal); additional requirements for each document are outlined, along with the conditions in which each document is needed. For more information and training resources, visit the [Publicly Owned Housing Program \(POHP\)](#) webpage.

Phase One: Underwriting

The first phase is underwriting, where Minnesota Housing collects the due diligence documentation to prepare for the closing phase. There are four stages within the underwriting phase. Our checklist for due diligence documentation aligns with these four stages.

1. Preparation: Start getting tasks and documentation in order
 - Find an architect/engineer
 - Gather ownership documents
2. Perform Building Assessments: Gain a better understanding of the needs for the rehabilitation project
 - Perform environmental tests
 - Assess potential issues
3. Define Scope of Work: Define what is needed and who will do the work
 - Develop plans and specifications
 - Receive Minnesota Housing architect’s approval
 - Seek bid proposals
 - Select a contractor
4. Clean Up: Gather the final pieces of documentation to prepare for closing
 - Finalize due diligence
 - Move to closing

This is primarily a linear process, although some steps may overlap. It may be helpful to refer to this list as you work through the required due diligence documentation to understand how it falls within the overall underwriting process.

Stage One: Preparation

Procurement of architect/engineer and owner documentation.

Table 1: Architect/Engineer Procurement Documents

Document Name	Requirements
Owner-Architect Agreement (AIA Form)	<p>If an architect is not engaged, an Owner-Architect Agreement will not be applicable.</p> <p>If an architect is engaged, Minnesota Housing accepts the AIA B Series Owner-Architect Agreement or Model Form of Agreement Between Owner and Design Professional (HUD Form 51915). The contract must be approved by a Minnesota Housing staff architect.</p> <p>Minnesota Housing <i>does not</i> accept design-build contracts without prior approval.</p>
Evidence of Insurance – Architect	<p>If an architect is engaged, Evidence of Professional Liability Insurance must be submitted.</p> <p>Refer to Minnesota Housing’s Multifamily Insurance Requirements for more information.</p>
SWIFT Vendor ID	A SWIFT Vendor ID number is needed for processing construction draws.

Document Name	Requirements
	<p>If you <i>have</i> a SWIFT Vendor ID, number call the Minnesota Management and Budget (MMB) Helpline at 651.201.8106 to verify that your information (address, bank routing number, and account number) is correct.</p> <p>If you <i>do not have</i> or are <i>unsure</i> about your SWIFT Vendor ID, contact the MMB Helpline at 651.201.8106 or efthelpline.mmb@state.mn.us for assistance.</p>

Table 2: Ownership Organizational Documents

Document Name	Requirements
Authority's Enabling Resolution	<p>Enabling resolution and minutes from the government entity establishing the authority.</p> <p><i>This applies only for developments that are publicly owned.</i></p>
Authority's Bylaws	<p>Bylaws and any amendments must be submitted.</p> <p><i>This applies only for developments that are publicly owned.</i></p>
HUD Declaration of Trust	<p>HUD's Declaration of Trust showing the legal description of the subject property is required.</p> <p><i>This applies only for developments that are publicly owned.</i></p>
Evidence of Insurance – Owner	<p>Certificate of Insurance for General Liability is required.</p> <p>Certificate of Insurance for Property may be required.</p> <p>Refer to Minnesota Housing's Multifamily Insurance Requirements for more information.</p>
LLC Articles of Organization	<p>Submit this for developments that are not publicly owned.</p> <p><i>This does not apply for developments that are publicly owned.</i></p>
LLC Operating Agreement	<p>Submit this for developments that are not publicly owned and include any amendments.</p> <p><i>This does not apply for developments that are publicly owned.</i></p>
LLC Member Control Agreement	<p>Submit this for developments that are not publicly owned and include the Contribution Agreement.</p> <p><i>This does not apply for developments that are publicly owned.</i></p>

Stage Two: Perform Building Assessments

Environmental reports and design. Refer to Minnesota Housing’s [Environmental Standards](#) webpage for more information about the requirements during this stage.

Table 3: Environmental Reports

Document Name	Requirements
Environmental – Asbestos-Containing Materials	<p>An asbestos-containing materials survey is required for the entire property or, at minimum, the areas to be rehabilitated.</p> <p>An abatement plan is required for hazardous materials to be abated during rehabilitation. An operations and maintenance (O&M) plan is required for all hazardous materials that will remain after rehabilitation.</p> <p>If abatement is required, the Public Housing Authority (PHA) must procure an environmental services consultant to create the abatement scope of work and bid documents during the pre-construction phase.</p>
Environmental – Lead-Based Paint	<p>For buildings constructed prior to 1978, a visual assessment for deteriorated paint is required for the entire property.</p> <p>The lead hazard evaluation and lead hazard reduction methods used shall comply with all applicable regulations. When two or more standards govern the same condition, conformance to the most restrictive standard is required.</p> <p>If you have a lead-based paint inspection on file from a prior date, submit it to Minnesota Housing.</p> <p>If no lead-based paint inspection is available, lead-based paint testing is required for the rehabilitated areas and areas where deteriorated paint was discovered in the visual assessment.</p> <p>An abatement plan is required for hazardous materials to be abated during rehabilitation. An O&M plan is required for all hazardous materials that will remain after rehabilitation.</p> <p>If abatement is required, the PHA should procure an environmental services consultant to create the abatement scope of work and bid documents during the pre-construction phase.</p>
Environmental – Radon Evaluation	<p>Environmental reports may be requested based on the scope of work.</p> <p>If mitigation is required, the PHA should procure an environmental services consultant to create the abatement scope of work and bid documents during the pre-construction phase.</p>

Stage Three: Define Scope of Work

Bidding and contract awards.

Table 4: Bidding and Contract Documents

Document Name	Requirements
Design – 75%-90% Contract Documents	A draft of the contract documents must be submitted. A Minnesota Housing staff architect will provide comments and outline requirements during the review process; these must be incorporated in the 100% contract documents.
Design – 100% Contract Documents	<p>Approval is given by a Minnesota Housing staff architect when all comments and requirements noted during the draft review are incorporated in the 100% contract documents.</p> <p>A Minnesota Housing staff architect must also review and approve the scope of work for abatement of lead-based paint, asbestos, or radon that will be completed as part of the project.</p>
Architect’s Opinion Letter	If an architect is hired for the project, Minnesota Housing requires the architect to submit an opinion letter addressed to Minnesota Housing. The purpose of this letter is to certify that the architect is licensed to practice in the state of Minnesota and is prepared to perform architectural services under Minnesota Housing’s terms. Minnesota Housing’s form of Architect’s Opinion Letter must be completed.
Executed Construction Contract	<p>The PHA must supply either the AIA Construction Contract form, the HUD form of construction contract, or other form of contract. This must be a <i>fixed price contract</i> and must be approved by the Minnesota Housing staff architect. Minnesota Housing <i>does not</i> accept design-build contracts.</p> <p><i>At closing: The executed contract must be submitted to Minnesota Housing.</i></p>
Building Permits	<p>A draft copy of the building permit(s) accompanied by a letter from the building official stating: (1) the amount of the permit fees; and (2) that the only requirement to be complied with in regard to an issuance of the building permits is the payment of the permit fees. Minnesota Housing <i>does not</i> accept a draft permit that includes a list of deficiencies that must be corrected prior to issuance of the permit.</p> <p><i>At closing: A copy of the issued building permit(s) signed by the building official, including a copy of the permit fee paid receipt, is required.</i></p>
Evidence of Insurance – Contractor	<p>Certificate of Insurance for General Liability is required.</p> <p>Certificate of Insurance for Builder’s Risk may be required.</p> <p>Refer to Minnesota Housing’s Multifamily Insurance Requirements.</p>
Sworn Construction Statement	An itemized list of all individuals and companies who will provide improvements, materials, or labor toward the construction project. Minnesota Housing’s form or AIA G702/G703 must be completed and signed by the general contractor.

Document Name	Requirements
Payment Bond and Performance Bond (Dual Oblige) Forms	<p>For construction contract amounts exceeding \$175,000 (excluding construction contingency), the general contractor must submit the Minnesota Housing Payment Bond Form and Performance Bond Form (Dual Oblige) in draft form.</p> <p><i>At closing: Minnesota Housing requires original, fully executed Payment and Performance Bonds.</i></p>
Wage Theft Prevention Verification Form	<p>Provide a signed and dated certification and include all required documentation as noted on the form. The form must be submitted prior to closing on the project.</p>
Prevailing Wage Certification	<p>The Prevailing Wage Certification Form must be completed and signed by the borrower (not the sponsor or contractor). The financial assistance contract number should be the project's D number and M number as provided by Minnesota Housing. Please do the following with the completed certification:</p> <ul style="list-style-type: none"> • Upload a copy to the Portal. • Email a copy to Karen Bugar, State Program Administrator, at dli.prevwage@state.mn.us • Upload a copy of the email sent to Karen Bugar to the Portal. <p>For additional information and questions, please refer to Minnesota Housing's Prevailing Wage webpage.</p>
Owners and Encumbrance Report	<p>Report from a title company identifying the last recorded owner, legal descriptions, and open recorded liens and encumbrances of record. The report should be dated <i>within 120 days</i> of loan closing.</p> <p>For title companies that include a section in their Owners and Encumbrance Report that states, "this report is for the use of certain parties," request Minnesota Housing Finance Agency be included in this list.</p>
Authority's Certified Bylaws	<p>Certified bylaws and any and all amendments must be submitted. The certification must be dated <i>within 90 days</i> of loan closing, and they must be signed by the secretary of the authority. Minnesota Housing's Certification of Bylaws Template must be used.</p> <p><i>This applies only for developments that are publicly owned.</i></p>
Certification of Organizational Documents	<p>The Certification must state that the:</p> <ul style="list-style-type: none"> • Borrower's organizational documents and any and all amendments are true, complete, and correct copies, • Organizational documents have been adopted and are presently in full force and effect, and • Appropriate documents have been filed with the Secretary of State's office in the state they were formed. <p>For limited partnership or limited liability company borrowers, the certification must include general partner(s)/member(s).</p> <p>The Certification must be dated and signed <i>within 90 days</i> of closing. Minnesota Housing's form of Certification may be requested.</p>

Document Name	Requirements
	This <i>does not</i> apply for developments that are publicly owned. Submit this for developments that are not publicly owned.
Certificate of Good Standing	Certificates are issued by the Secretary of State and must be dated <i>within 30 days</i> of the closing date. This <i>does not</i> apply for developments that are publicly owned. Submit this for developments that are not publicly owned.
Authority's Borrowing Resolution	A copy of the resolution adopted by the authority's governing board authorizing the PHA to borrow funds from Minnesota Housing must be submitted. The resolution must be dated <i>within 90 days</i> of loan closing. Refer to Minnesota Housing's Borrowing Resolution Requirements for more information. <i>At closing: The original signed resolution (or a certified copy) must be delivered prior to or at closing.</i>
Draft documents from other sources of financing	Other sources of funding could include DEED Small Cities Development Program, insurance proceeds, other local grants or loans, weatherization program funds, energy rebates, Federal Home Loan Bank, etc. Draft documents will be reviewed for conflicting requirements that may need to be resolved prior to closing such as loan terms, rent and income requirements, use of loan proceeds, etc. <i>At closing: All signed documents must be delivered to Minnesota Housing.</i>
POHP Workbook	An updated project Workbook including a Sources and Uses Worksheet must be completed and resubmitted after a bid is selected and all sources of funding and final project costs have been determined.

Stage Four: Clean Up

Construction loan closing final preparation.

Table 5: Closing Preparation Documents

Document Name	Requirements
Invoices for Initial Draw	Minnesota Housing's closing team will contact you to collect all invoices for development costs/fees included in the Sources and Uses Worksheet that require payment at closing. You will work with your assigned Construction Compliance Officer to prepare your payee list and initial draw (Draw #1). The first draw will be completed and signed simultaneously with the construction loan closing and will be used as a basis for subsequent (monthly) draws.
Other supporting documentation	Minnesota Housing's closing team will contact you to collect any additional supporting documents for development costs/fees included in the Sources and Uses Worksheet that require payment at closing. You will work with your

Document Name	Requirements
	<p>assigned Construction Compliance Officer to prepare your payee list and initial draw (Draw #1).</p> <p>The first draw will be completed and signed simultaneously with the construction loan closing and will be used as a basis for subsequent (monthly) draws.</p>

Phase Two: Closing

During the closing phase, the assigned closer will provide you with a separate list of potential documentation needed once they have reviewed your file.

Phase Three: Construction

During the construction phase, borrowers will have regular communication with Minnesota Housing’s assigned closer/draw technician who will work through the process of confirming work performed, preparing draw documentation and distributing funds.

Table 6: Construction Documents

Document Name	Requirements
Borrower’s Draw Requisition and Payee Voucher (Draw) and Proof of Payment form	<p>The PHA must submit draws to the Minnesota Housing Construction Compliance Officer on a monthly basis to pay the costs of rehabilitation and any soft costs up to the amounts budgeted for the project.</p> <p>Contractor pay applications (which become a part of the monthly draw) will be reviewed on site once each month at a regularly scheduled draw meeting with the PHA, general contractor, and, if applicable, the architect in attendance. The Minnesota Housing staff architect may or may not attend the on-site draw meetings. The Minnesota Housing staff architect approves the monthly contractor pay application. Photos of rehabilitation progress must be included with the monthly contractor pay application.</p> <p>Funds are disbursed to the PHA (or title company, if used) after the Construction Compliance Officer’s approval of the draw, including proof of payment for costs paid to contractors/vendors the prior month and any additional documentation Minnesota Housing deems necessary.</p> <p>For a copy of the Proof of Payment form, refer to Minnesota Housing’s Due Diligence Forms and Resources.</p>
Change Orders	<p>Change orders, architectural supplemental instructions (ASIs), or any other change directive must be submitted to the Minnesota Housing staff architect for approval prior to the change order being accepted or signed by the applicable parties.</p>

Document Name	Requirements

Phase Four: Post-Construction

Construction complete/project closeout.

Table 7: Post-Construction Documents

Document Name	Requirements
Certificate(s) of Substantial Completion	Submitted by the architect, a qualified rehabilitation specialist, or other approved consultant. It must be on Form AIA G704 or equivalent. The completed punch list(s) must also be submitted.
100% Completion – written confirmation	Written confirmation from the architect, qualified rehabilitation specialist, or other approved consultant that all work, including punch list items, has been completed.
Building Permit – closeout	Evidence that all permits are closed out.
Environmental documentation	If mitigation was required, the appropriate report(s) need to be submitted. <ul style="list-style-type: none"> • Lead Clearance Reports • Asbestos Operations and Maintenance Plans • Minnesota Pollution Control Agency Closeout
Final Sworn Construction Statement	Completed AIA G703, Final General Contractor’s Pay Application, or other Minnesota Housing approved format.
Photos of completed work	Digital photos showing a typical sampling of work completed.