

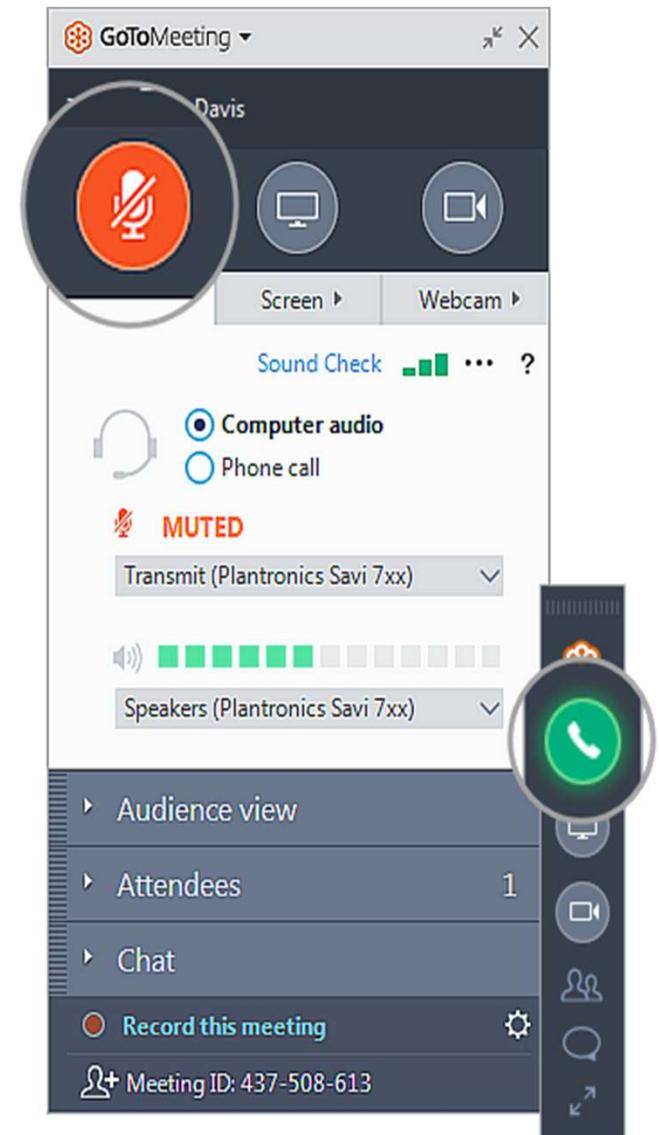


2023 Multifamily Consolidated RFP / 2024 HTC Round 1 TA Kickoff Event – RFP Updates

Wednesday, April 19, 2023

Meeting Logistics

- This session is being recorded and may be posted publicly.
- We will leave time at the end for questions.
- Please mute your line unless you are speaking. Webinar audio controls are **orange** when muted.
- Please do not put your line on hold, as this may trigger hold music.
- **NOTE:** Due to time constraints, questions will not be answered until the end of the entire presentation and after **all** topics have been introduced.



Technical Assistance

- Technical assistance provided by Minnesota Housing staff is only advisory and does not guarantee that a development will receive points under a particular category or be selected for funding.
- While every effort is made to ensure the accuracy of technical assistance, such assistance is subject to, and does not modify or override, the requirements of Minnesota Housing's Qualified Allocation Plan, the Self-Scoring Worksheet, Multifamily RFP Standards, Multifamily Underwriting Standards, Building Standards, or other documents related to applications for funding.
- Applicants are encouraged to review the materials available on Minnesota Housing's website and consult with legal counsel, and if applicable, a knowledgeable tax professional, to ensure compliance with all applicable application, submission and project requirements.

Agenda – Day 2

9:30 – 9:35	Orientation
9:35 – 9:45	Welcome
9:45 – 10:25	Multifamily Consolidated RFP Overview and Updates
10:25 – 10:35	HTC and QAP Updates
10:35 – 10:40	Housing Infrastructure Bonds Updates
10:40 – 10:45	Federal Updates
10:45 – 10:50	Preservation Updates
10:50 – 11:00	Underwriting Updates

Agenda – Day 2 (continued)

11:00 – 11:05	Architectural Updates
11:05 – 11:10	Asset Management Updates
11:10 – 11:25	Supportive Housing and HUD Section 811 PRA Updates
11:25 – 11:45	Q & A Session and Closing Remarks



Welcome

Commissioner Jennifer Ho



Welcome

Assistant Commissioner of Multifamily James Lehnhoff



Multifamily Consolidated RFP Overview

Summer Jefferson and Que Vang

Overview



- Annual process
- One application for multiple resources
 - Housing tax credits
 - Amortizing loans
 - Deferred loans
 - Funding partners
- Single scoring rubric

Funding Sources

Federal Sources

- 9% Low Income Housing Tax Credits (HTC); includes a nonprofit and Rural Development set-aside
- HOME Investment Partnerships (HOME)
- National Housing Trust Fund (NHTF)
- HUD Section 811 Project-Based Rental Assistance (PRA)

State Sources

- Amortizing first mortgages
 - Low and Moderate Income Rental (LMIR) first mortgage
- Bridge Loans
- Economic Development and Housing Challenge (EDHC); includes an American Indian set-aside
- Flexible Financing for Capital Costs (FFCC)
- Housing Infrastructure Bonds (HIB)
- Preservation Affordable Rental Investment Fund (PARIF)

Funding Partners

- Metropolitan Council
 - Local Housing Incentives Account (LHIA) Grant
 - \$2.5 million available
- Saint Paul Public Housing Agency
 - 125 project-based vouchers available + 25 HUD Veterans Affairs Supportive Housing (VASH) project-based vouchers

Project Types and Activities

Project Types

- Workforce Housing
- Permanent Supportive Housing
- Preservation
- Senior Housing

• Eligible Activities

- New construction; acquisition (land and structures); rehabilitation; adaptive reuse/conversion; preservation

• Eligible Financing Activities

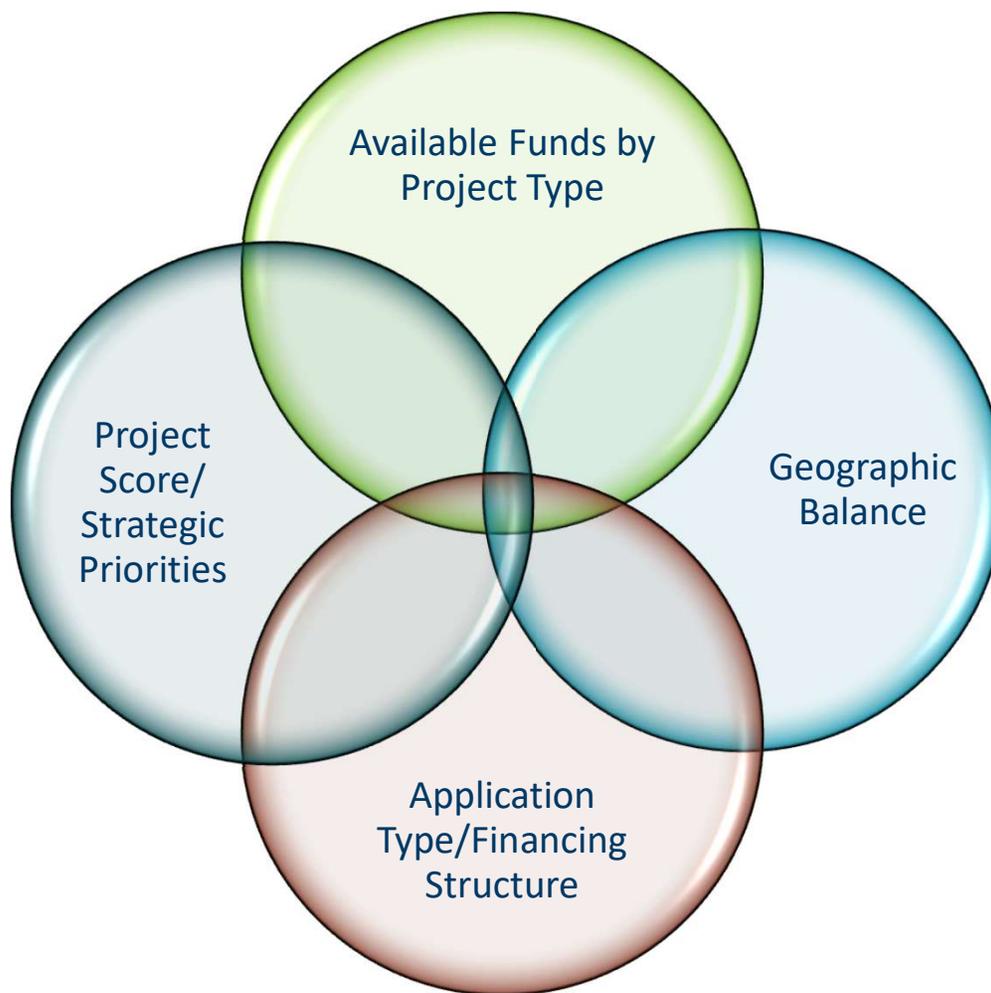
- Construction financing; permanent financing
- Rental assistance (when available through Minnesota Housing or funding partners)
- Operating assistance, if eligible for NHTF

Selection Framework

Selection Framework and Principles

Eligibility	Deferred Loan Funding Priorities
Project Feasibility	Underwriting and Building Standards
Organizational Capacity	Available Funding
Financial Capacity	Geographic Balance
Strategic and Selection Priorities/ Score	Project Type

Balance of Funding Factors



Multifamily Consolidated RFP Tips

- Understand the policy and guidance documents
- Multifamily RFP Standards
 - Dual applications
- Request technical assistance today
- Sign up for Multifamily Customer Portal access

General Timeline

March

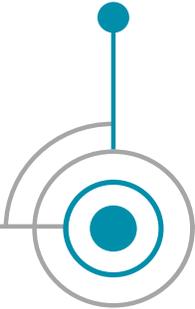
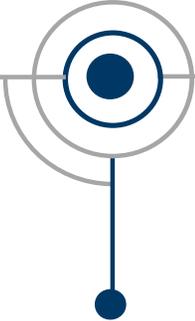
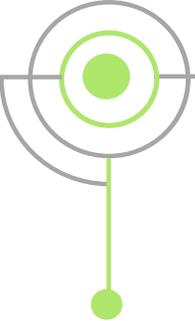
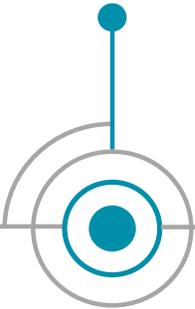
March 29: Release of Preapplication + Early Application Materials

May

May 11: Intent to Apply (ITA) Due into the Multifamily Customer Portal

December

Dec 14 (Date Tentative): Board selections



April

April 12: Publication of all Application Materials + Open for Applications

April 27: Preapplications Due

July

July 13: Applications due in the Multifamily Customer Portal

Evaluation Period

- Minnesota Housing does not communicate or permit clarifications specific to scoring documentation after the application deadline.
- Minnesota Housing may, at its sole discretion, communicate with an applicant related to the feasibility review of the project or for non-scoring application related items.
- Minnesota Housing may, at its sole discretion, provide an applicant with additional time to produce a required signature if incomplete or missing, provided Minnesota Housing determines this practice can be applied consistently and within a prudent timeline.

Live Trainings: REGISTER TODAY

- Self-Scoring Worksheet Training
 - Tuesday, May 2 from 10:00 – 11:30 a.m. Central Time
- Supportive Housing Technical Assistance
 - Wednesday, May 3 from 11:00 a.m. – 12:00 p.m. Central Time

Online Tutorials:

- What's New in 2023?
- Apply for Funding
- Intent to Apply
- Project Checklists
- Scoring Wizard



Improvement Efforts and Updates

Que Vang

Improvement Efforts and Updates

Application Materials Streamlined

- Biennial application materials (applicable to most guidance documents, forms and application materials)
- Removal and/or combination of application materials

Improvement Efforts and Updates

Multifamily Request for Proposals Standards

- Additional guidance on dual applications

Technology

- Portal tutorial series (pre-recorded, mini series)
- Renaming of checklist items/application materials

Improvement Efforts and Updates

Multifamily Consolidated RFP Survey

- Opportunity for applicants to provide constructive feedback on the Multifamily Consolidated RFP
 - Application materials
 - System/Portal
 - Technical assistance
 - Overall Multifamily Consolidated RFP experience



Technology Updates

Karin Wilbricht

Technology Updates

- 2023 Workbook version and release notes now available
- Reminder: Request a Portal user account
- Portal tutorial series:
 - What's new in 2023?
 - Apply for Funding
 - Intent to Apply
 - Project Checklists
 - Scoring Wizard



Geographic Scoring

Kody Thurnau



Funding Partner Updates

Ashleigh Johnson

Funding Partner: Metropolitan Council

Local Housing Incentives Account (LHIA)

- City/county must be the applicant
- Grant agreement will be between city/county and Metropolitan Council (not developer)
- City must be a participant in the Livable Communities Act (LCA) program
- County can be an applicant if project is located in an LCA participating city
- LHIA award requires a local match from applicant**

Funding Partner: Metropolitan Council

Local Housing Incentives Account (LHIA)

- Program priorities include:
 - Rental units affordable at 30% area median income (AMI) or below
 - Units with three or more bedrooms
 - Proposals that serve people experiencing long-term homelessness; and
 - Proposals that provide a housing type not currently available or serve a population not currently served in or near the project area
- LHIA awards announced after Minnesota Housing awards are announced



Funding Partner Updates

Corina Serrano

Project Based Vouchers (PBV)

- 125 Housing Choice Vouchers and 25 HUD-VASH available for project basing (become PBVs)
 - HUD-VASH are for Veterans and must obtain support from local VA
 - 125 include vouchers available for seniors, Family Unification Program (FUP), mixed income, supportive housing for those experiencing homelessness
- Assistance tied to the unit and remains with the unit for duration of the contract
- Tenants residing in PBV units pay 30% of their adjusted gross income towards their rent

- Goals of PBVs
 - Increase supply of affordable housing
 - Contribute to upgrading and long-term viability of Saint Paul's housing stock
 - Increase housing options for low-income households
 - Integrate housing and supportive services to achieve household stability
 - Promote the coordination and leveraging of resources of agencies with compatible missions
 - Support City of Saint Paul's affordable housing goals
 - Assist state and local goals of ending homelessness

- Up to 25 percent of the units in a building or 25 units, whichever is greater, can be PBVs
 - Exception for buildings for elderly and/or provide supportive services
 - Buildings meeting exception criteria can be 100% PBV
- Must apply for a minimum of 10 PBVs
- Must be willing to enter into a Housing Assistance Payment contract for up to 20 years
- Must apply through MN Housing Consolidated RFP even if not applying for additional funding sources
- More information can be found at www.stpha.org



Housing Tax Credits and Qualified Allocation Plan Updates

Nicola Viana

Housing Tax Credits Updates

2024 9% HTC Allocation

- State of Minnesota estimate: \$15.7 million
- Minnesota Housing estimate: \$11.8 million

9% HTC Suballocators

- Minneapolis
- St. Paul
- Dakota County
- Washington County

Housing Tax Credits Updates

2024-2025 Qualified Allocation Plan (QAP)

- Pools
 - Metro
 - Greater Minnesota
- Set-Asides
 - Nonprofit set-aside
 - Metro
 - Greater Minnesota
 - Rural Development – Increased to \$425,000

2024-2025 Self-Scoring Worksheet

- Permanent Supportive Housing for High Priority Homeless and People with Disabilities
 - Primarily Supportive Housing and Partially Supportive Housing
 - Removed Continuum of Care points
- Serves Lowest Income for Long Durations – Preservation
 - Streamlined and modified tiers
- Increasing Geographic Choice
 - **NEW:** Methodology Guide
 - Hold Harmless Provision

2024-2025 Self-Scoring Worksheet

- **Equitable Development**
 - Added language to help refine and clarify documentation requirements
 - Clarified definition of a Qualified Stakeholder Group and provided examples
 - Additional requirements for Meaningful Engagement with the identified Communities Most Impacted through the Qualified Stakeholder Group (minimum of two meetings)
- **Black, Indigenous, People of Color, and Women-Owned Business Enterprises**
 - Increased points
 - New tier: Ownership/Sponsorship
 - New tier under the existing Partnership

2024-2025 Self-Scoring Worksheet

- Building Characteristics – Enhanced Sustainability.
 - Added a tier for projects certified with Passive House (Passive House Institute Classic, Passive House Institute United States)
- QAP Updates:
 - HTC Development Limit: \$1,700,000
 - Rural Development (RD)/Small Project Set-Aside
 - Increased the set-aside from \$375,000 to \$425,000
 - Changed the minimum units from 12 to 24



Housing Infrastructure Bonds (HIB) Updates

William Price

Housing Infrastructure Bonds

Governor's Proposed 2023 Bonding Bill = \$250M for HIB

Current Multifamily eligible uses:

- Permanent supportive housing for homeless households
- Senior independent living
- Preservation of existing subsidized housing

Proposed new eligible use:

- New construction – affordable to households at or below 50% area median income (AMI)

Housing Infrastructure Bonds

Potential Funding Structures

- HIB with volume cap (4% w/ deferred)
 - HIB loan funded with volume-limited bonds qualifying the project for 4% HTC's
 - Preferred structure when syndication proceeds make up significant portion of capital sources
- HIB deferred-only (governmental or 501c3 Bonds)
 - Structure allows maximization of HIB resources, offsetting volume cap limitations
 - Potential for all HIB projects with a nonprofit or governmental entity as the sponsor to be evaluated under this structure
 - Loan may be repayable or forgivable

Housing Infrastructure Bonds

Bond Tests Analysis

- Required to be submitted at application for all HIB eligible projects
- Special attention should be paid to bond tests:
 - Helps ensure there are enough non-bond funded sources to cover “ineligible costs”
 - Evaluates if the project is meeting the 50% test for 4% HTC
- Strongly recommend technical assistance if project includes community service facilities

Housing Infrastructure Bonds

Senior Eligibility Requirements

- All units in project must serve at least one senior age 55+ and be independent living
- Submit a completed Senior Housing Narrative
- Provide access to services to residents and demonstrate the ability to increase physical supports and supportive services as residents age and experience increasing levels of disability
 - Minimum Threshold: At least a part-time tenant service coordinator

Senior Selection Priorities

- A project's ability to serve households that have a gross annual income that does not exceed \$35,190

Housing Infrastructure Bonds

Permanent Supportive Housing

- All units in a project must provide permanent supportive housing for homeless households

Preservation

- HIBs used to preserve existing federally assisted housing or other critical affordable units with rent restrictions
- Project must meet a risk of loss under the Preservation scoring criterion:
 - Critical Physical Needs
 - Market Conversion
 - Ownership Capacity



Federal Programs Updates

Summer Jefferson

Federal Programs

HOME and National Housing Trust Fund (NHTF) Eligible Uses:

- New construction, rehabilitation and acquisition
 - HOME targets low- and very low-income individuals and households at or below either 50% and 80% income limits
 - NHTF targets extremely low-income individuals and households at or below 30% income limits
- Property may contain one or more buildings on a single site, or may be located on more than one site if it meets all of the following:
 - Properties are under common ownership, common management and financing
 - All housing units are being built or rehabilitated as part of a single undertaking
- Projects selected for HOME and/or NHTF funds will be subject to federal cross-cutting requirements

Federal Programs

NHTF Operating Subsidy (NHTF OS)

- Project must also be eligible for NHTF capital funds
- Eligible operating costs include insurance, utilities, real property taxes, and maintenance and scheduled payments to a reserve for replacement of major systems for the NHTF assisted units
- The NHTF assisted units in the project must not already be utilizing rental assistance
- If applying for NHTF OS, certain forms must be submitted with application:
 - NHTF OS Narrative Questions
 - NHTF OS Calculation Tool
 - NHTF OS Funding Application Certification

Federal Programs

Project Information in Application

- Information provided in applications assists Minnesota Housing staff in determining suitable projects for federal funding
- Make sure to provide adequate detail in following application documents:
 - Applicant Certification of Known Environmental Issues
 - Multifamily Rental Housing Narrative Questions



Preservation Updates

Anne Heitlinger

Preservation Updates

Scoring Categories

- Threshold criteria: No change to the three Risks of Loss in 2024-25 QAP
 - Market Conversion
 - Critical Physical Needs/Poor Physical Condition
 - Diminished Owner Capacity/Program Commitment
- Points:
 - Tier 1: Preserving Federal project based rental assistance still a high priority
 - Tiers 2 and 3 now combined into a single Tier 2
 - 50% of units must have deed restriction that limits rents to 50% MTSP
 - Carefully review scoring dependencies with Rental Assistance and Serves Lowest Income
 - For example, a property that would qualify under Tier 1 cannot also take Rental Assistance points
 - Section 8 or Rural Development projects that are restricted to serving seniors and people with disabilities cannot claim points under the Senior Housing or People with Disabilities categories

Preservation Updates

Scoring Documentation

- Tier 1 and Tier 2 points:
 - Clearly document at least 15 years of project based rental assistance or rent restrictions
- Critical Physical Needs Risk of Loss:
 - Critical Needs form is now simplified to reflect only one year, not three
 - Make sure all documents consistently document critical needs: physical capital needs assessment, 20-year capital expenditure form, scope of work
 - Utilize building and site photographs to help tell the story
 - Review Chapter 8 of the Rental Housing Design/Construction Standards



Underwriting Updates

Erin Coons

Minnesota Housing Underwriting – Getting Started

- <https://www.mnhousing.gov/rental-housing/housing-development-and-capital-programs/rfps/consolidated-rfp-round-1.html>

Home / Rental Housing / Housing Development and Capital Programs / RFPs / Consolidated RFP Round 1



Multifamily Consolidated Request for Proposals/Housing Tax Credits Funding Round

The Multifamily Consolidated Request for Proposals (RFP) is a competitive funding round, offered once per year, which provides a means of "one stop shopping" by consolidating and coordinating multiple multifamily housing funding resources into one application process. It deploys significant capital funds and is the primary mechanism that Minnesota Housing uses to award and allocate federal and state resources. Applicants may request funding for a specific housing development and/or activities that meet a specific housing need. Applicants generally do not apply for specific funding sources. During the application review process, Minnesota Housing identifies which funding sources are eligible for a given application.

Housing Tax Credit (HTC) Round 1 is offered through the Multifamily Consolidated RFP and uses a forward selection process with selections taking place late in the calendar year preceding the allocation year of the HTCs. The HTC's Qualified Allocation Plan (QAP) and the Self-Scoring Worksheet set the policies and procedures used to score, evaluate, and select Multifamily applications for funding that are submitted to the Multifamily Consolidated RFP. Additional capital funding programs available through the Multifamily Consolidated RFP may have further eligibility and requirements.

Technical Assistance

If you would like technical assistance as you complete a funding application, fill out and submit a [Technical Assistance Request Form](#). A staff underwriter will contact you to set up a meeting to discuss proposal(s) options. Minnesota Housing receives many requests for technical assistance, so please complete this form as thoroughly and as early in the process as possible.

Menu

[Consolidated Request For Proposal \(RFP\)](#)

[Development Team Qualification Forms](#)

[Multifamily Customer Portal Resources](#)

[Rent and Income Limits](#)

[RFP and HTC Funding Selections](#)

[Supportive Housing Resources](#)

[Underwriting Standards \[PDF\]](#)

[Program Guides and Manuals](#)

[Request for Action and Change Notification](#)

Underwriting Standards and Sizing

Steps to Sizing Awards

1. Operating budget review – rents and expenses
2. Maximize the amortizing debt
 - Higher of proposed or Minnesota Housing mortgage sizing
3. Development budget review
4. Size low income housing tax credits
5. Size deferred funding

Technical Assistance

How to receive technical assistance for your application:

- Go to: <https://www.mnhousing.gov/rental-housing/housing-development-and-capital-programs/rfps/consolidated-rfp-round-1.html>

- Complete the Technical Assistance Request Form

- Requests will be directed to the appropriate staff;

possible topics include:

- General inquiry about Agency programs and financing
- Architecture/design standards/construction innovation
- Providing supportive housing to high priority homeless
- Providing supportive housing to people with disabilities
- Management and operating expenses
- Scoring
- Application submissions
- Financial structure
- Agency underwriting
- Portal
- Other

m MINNESOTA HOUSING
2022 Technical Assistance Request Form
0% Complete

Thank you for contacting Minnesota Housing. This form is used to collect information about how we can best provide you with information or technical assistance on available funding resources to create or preserve multifamily housing in Minnesota.

Applications for the annual Consolidated Request for Proposals will be due July 2022.

*1. Contact person for request:

*2. Contact email:

*3. Contact phone number:

4. Developer/Sponsor(s)/Parent Company (if applicable):

Underwriting – Navigating Industry Issues

Tell us your story:

- What is your current budget?
- Does your development budget reflect cost escalation?
- Are you building cushion into your interest rates?
 - Construction; permanent





Architectural Updates

Erika Arms

Building Standards Highlights



Building Standards eNews



Building Standards Highlights

Enhanced Sustainability – Added Tier 4 in the Multifamily Selection Scoring Points:

- **Tier 1:** 1 point for 2x the optional criteria points (70 or 80)
- **Tier 2:** 2 points for 3x the optional criteria points (105 or 120)
- **Tier 3:** 3 points for Alternative Building Performance Pathways
 - MN B3 Sustainable Buildings 2030 Standards (SB2030)- for new construction
 - 2020 Enterprise Green Communities Criteria (EGCC) Certification Plus/ Department of Energy (DOE) Zero Energy Ready Home (ZERH) – for new construction
 - Performance Pathway – for rehabilitation
- **Tier 4 (New):** 4 points for Passive House, Zero Energy Petal, Zero Carbon Petal or Living Building Challenge
- Other Enhanced: 5 points for: Tier 2 + Tier 3, or Tier 1 + Tier 4
- Other Enhanced: 6 points for: Tier 2 + Tier 4

Building Standards Highlights

Criteria 5.1a Building Performance Standard – New Construction

- **New:** ENERGY STAR (ES) certification for the applicable program, ES Multifamily New Construction, ES Manufactured Homes, and/ or ES Certified Homes as relevant, is required for compliance with Criteria 5.1a.
- **Note:** This ENERGY STAR certification is required for new construction projects regardless of whether Enhanced Sustainability Tier 3 or Tier 4 Consolidated RFP selection points were awarded.
- **Reminder:** Compliance with ES must be demonstrated through submittal of an “as-designed” energy model before an end loan commitment/ loan closing, and an “as-built” energy model at post construction.
- **Reminder:** All requirements and prerequisites regardless of pathway (ERI, Prescriptive, or ASHRAE), must be incorporated which includes underground garage ceiling insulation, exterior wall/ envelope continuous insulation, functional testing, field verification, etc. (Note there is an exception for continuous insulation for apartments three stories or fewer, with efficiency framing.)

Building Standards Highlights

Applications claiming Universal Design RFP Selection Points

- Indicate on Self-Scoring Worksheet
- Include at application the Universal Design Worksheet
- **New:** Universal Design is now required for all senior housing projects; refer to Chapter 5 Accessibility in the 2023 Rental Housing Design/Construction Standards

The image shows a screenshot of the 'Universal Design Worksheet Compliance Agreement and Certification' form from Minnesota Housing. The form is titled 'MINNESOTA HOUSING' and 'Universal Design Worksheet Compliance Agreement and Certification'. It is divided into several sections:

- Project Information:** Includes fields for 'Project Name and Location' and 'DW (if known)'.
- Universal Design Definition and Scoring:** Contains a definition of a Universal Design (UD) unit and a note that the project should receive three (3) selection priority points in the Low Income Housing Tax Credit (HTC) scoring for funding eligibility determination.
- Building Type:** Includes a section to 'Check the type of building that applies:' with two checkboxes: 'An elevator equipped building with 100 percent of assisted units meeting the definition of UD units.' and 'A non-elevator equipped building with at least 10 percent of assisted units meeting the definition of UD units.' Below this are fields for 'Indicate % of UD units: _____' and 'Indicate total number of dwelling units: _____'.
- Project Type and Universal Design (UD) Optional Features:** Includes a section to 'Check the project type that applies:' with two checkboxes: 'New construction or adaptive reuse project that includes at least eight (8) optional UD features' and 'Rehabilitation project that includes at least four (4) optional UD features'. Below this is a section for 'Type A Unit (which meets the Type A Unit requirements of the Minnesota Accessibility Code)' with a note that Type A Units are considered to meet the definition of a UD unit for scoring and compliance. It includes a 'Type A Accessible Confirmation' checkbox: 'Check this box if all units required to meet UD are designed as Type A Units, in which case the "Optional Universal Design Features" and "Minimum Essential UD Features" requirements below can be disregarded, and no further information is necessary.' At the bottom of this section, it states: 'Scattered site projects may use one UD Worksheet, and calculate the overall percentage of UD units required based on total dwelling units, provided all properties are the same building type (elevator equipped or non-elevator equipped). Projects with different building types (apartments, townhomes, etc.) must complete a separate UD Worksheet for each building type. Number of UD units must be provided for each building type.'

At the bottom of the form, it says 'Universal Design Worksheet', '1 of 4', and 'April 2020'.

Building Standards Highlights

Updates to the Architect's Guide:

- **Chapter 2** – Architecture and Engineering Services: Design/Build delivery method for Mechanical, Electrical & Plumbing (MEP) is now allowed if pre-approved by Minnesota Housing. Approval is based on the experience of the development team (refer also to the Contractor's Guide).
- **Chapter 3** – Architecture Compensation: The previous fee schedule has been updated. The compensation schedule now includes high and low fee ranges based on building class and construction cost. Three building classes were created to recognize typical projects and the range of complexity.

Building Standards Highlights

Construction Cost Material Volatility

- Include current material costs in the construction cost estimate RFP submittal requirement. It is acceptable to include and itemize cost escalations for materials as well as labor.
- Consult with a Minnesota Housing staff architect directly for any further questions or guidance on construction costs for application materials.
- Current supply chain issues are still impacting electrical switch gear, electrical panels and appliances.



Asset Management Updates

Caryn Polito

Asset Management

Asset Management reviews three components of the application:

1. Rents
2. Management and operating (M&O) expenses
3. Vacancy rates

Asset Management

Management and Operating Expense Analysis

- Agency portfolio
 - Includes over 311 properties statewide
- New Construction Comparable Property Form
- Request technical assistance (TA) for a preliminary estimate on M&O expenses

Asset Management

Tools to Determine Comparable Rents and Vacancy Rates

- Agency portfolio
 - Includes over 311 properties statewide
- Property Online Reporting Tool (PORT)
- CoStar
- Marquette Apartment Trends
- Quarterly Report
- Market Study

Asset Management

Market Study

- Required for all housing tax credits (HTC) applications
- Used to determine achievable rents at multifamily tax subsidy projects (MTSP) and market levels
- Average income – check to see if the market study supports higher rents if proposing rents greater than 60% MTSP
- Only use a market analyst from our approved vendor list



Supportive Housing Updates

Vicki Farden and Ellie Miller

Supportive Housing Changes for the 2023-2024 RFP/HTC Round 1

- Goals:
 - Simplify application process for applicants and community partners
 - Create supportive housing units to better meet community needs
 - Created two categories for applications with supportive housing:
 - Partially Supportive Housing: Fewer than 50% of total units will serve High Priority Homeless (HPH), People with Disabilities (PWD), or *Other Homeless Households
 - Primarily Supportive Housing: 50% or more of total units will serve HPH, PWD, or *Other Homeless Households
- *Other Homeless Households include (i) individuals leaving institutions that do not have a permanent residence or (ii) other homeless populations not referred by the Coordinated Entry System.*

Supportive Housing – Self-Scoring Worksheet Changes

- **HPH changes:**

- Eliminated CoC Household Type priority points
- For selected projects, added option to consider alternative to coordinated entry (CE) for referral and prioritization process for populations not included in CE
- Eliminated the Supportive Housing threshold criteria documentation requirements
- Application requirements dependent on project type: Partially or primarily supportive housing
- Added market need determination during feasibility review: Units could convert to 30% MTSP income limits with a priority to serve households experiencing homelessness

- **PWD units:**

- Eliminated the threshold criteria documentation requirements
- Added market review if homelessness required for LTH Housing Support

Partially Supportive Housing Application

- Applicants with a project that will be Partially Supportive Housing with HPH and/or PWD units are not required to have a plan or secured resources for the HPH and PWD Tier 1 units
 - **Exception:** Applicants applying for Section 811 PRA under PWD Tier 2 are required to submit the pre-application and application materials for HUD Section 811 PRA
 - All applicants are encouraged to secure project-based rental assistance from the local PHA/HRA for supportive housing units whenever possible
- **Required Application Forms:**
 - Partially Supportive Housing Certification Form
 - Notification to the CoC and County or Tribal Human Services Form
- **Follow the Underwriting Assumptions outlined in the Certification Form**

Partially Supportive Housing Application

- **Optional Forms and Submissions:**

- Service Provider Qualification Form: Applicants may choose to submit if needed for points under Black, Indigenous, people of color and women-owned business category
- Housing Support Commitment Form: May choose to submit under the Rental Assistance checklist item if needed for rental assistance points

- **Underwriting Assumptions:**

- If project-based rental assistance is not secured, assume Housing Support can be secured post-selection and set the rents following the Underwriting Standards for Housing Support
- Unique Operating Expenses for Tenant Service Coordination
 - \$100/unit/month if likely to have Housing Support LTH service rate or other reliable source
 - \$400/unit/month if not likely to have Housing Support LTH service rate or other reliable source

Partially Supportive Housing – Feasibility Review

- Minnesota Housing staff consult with the local CoC and county or Tribal human services to determine market need for HPH units for each project
 - If there is not a demonstrated market need, the HPH units will convert to 30% MTSP rent restricted units with a priority to serve households experiencing homelessness
 - Application does not lose HPH points
- Market review for PWD units with a plan to use Housing Support that requires Long-Term Homelessness (LTH)
 - If there is not a demonstrated market need or the county or Tribe would prefer a different population to be served, the units will have Housing Support that does not require LTH
- The project Workbook may be adjusted to change rent levels and/or unique operating expenses for the HPH and/or PWD units

Partially Supportive Housing – Post Selection Planning Process

- Minnesota Housing will work with the applicant and community partners to plan the supportive housing units which may include:
 - Determining the population(s) to be served
 - Adjusting the unit size types if needed to serve the population
 - Selecting a service partner(s)
 - Determining referral sources and process to select eligible households
 - Determining and securing resources for rental assistance and services
 - Adjusting the Workbook as needed
- The selected applicant completes all due diligence materials

Primarily Supportive Housing Application

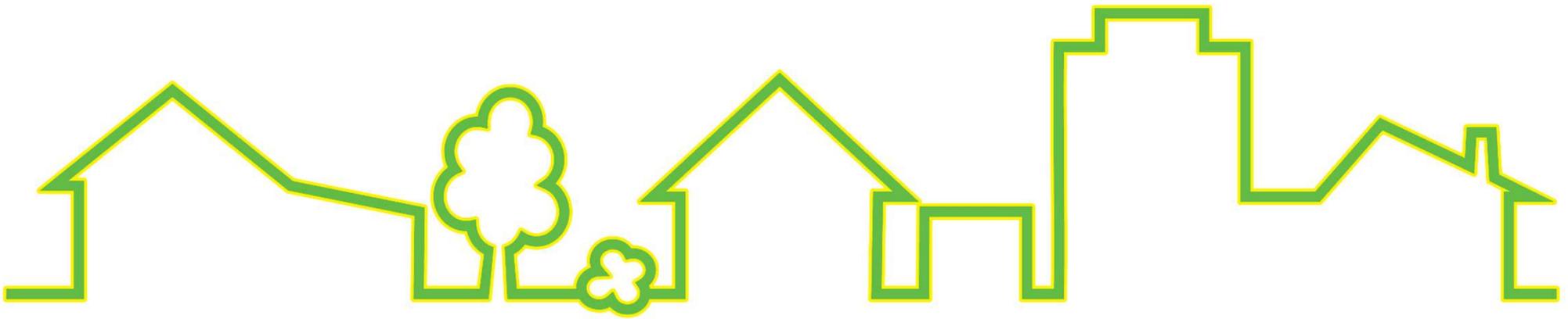
- Applicants still need to have a well-developed supportive housing plan at the time of application
- Similar application process and materials as previous years
 - CoC Confirmation Form: Applicants still meet with the CoC to present proposal for feedback prior to application submission
 - Supportive Housing Narrative: Now combined with the PWD narrative. Service provider and county or Tribal human services complete and sign the narrative
 - Service Provider Qualification Form
 - Funding commitments for service funding and rental assistance
 - Indicate HPH and PWD units on Workbook; note rental assistance sources
- HIB for supportive housing – homeless eligibility for all units

Supportive Housing – Other Considerations

- Tenant Selection Plan Guidelines
 - Management agent awareness of content
 - TSP review checklist and help text
 - Training tutorial
- Supportive Housing Standards
 - Adopted by the Supportive Housing Alliance
 - Recommended best practices for Minnesota Housing funding

HUD Section 811 Project-Based Rental Assistance

- HUD Section 811 PRA available for people with disabilities (PWD) units:
 - PWD Tier 2 category
 - Limit on number of units and total permanent supportive housing (PSH) units
 - Pre-application for HUD Section 811 PRA
 - Eligibility notification
 - HUD Section 811 PRA PWD narrative – Work with Minnesota Department of Human Services (DHS) to complete
 - Selection is contingent on project selection for capital funding and Minnesota Housing signed agreement with HUD

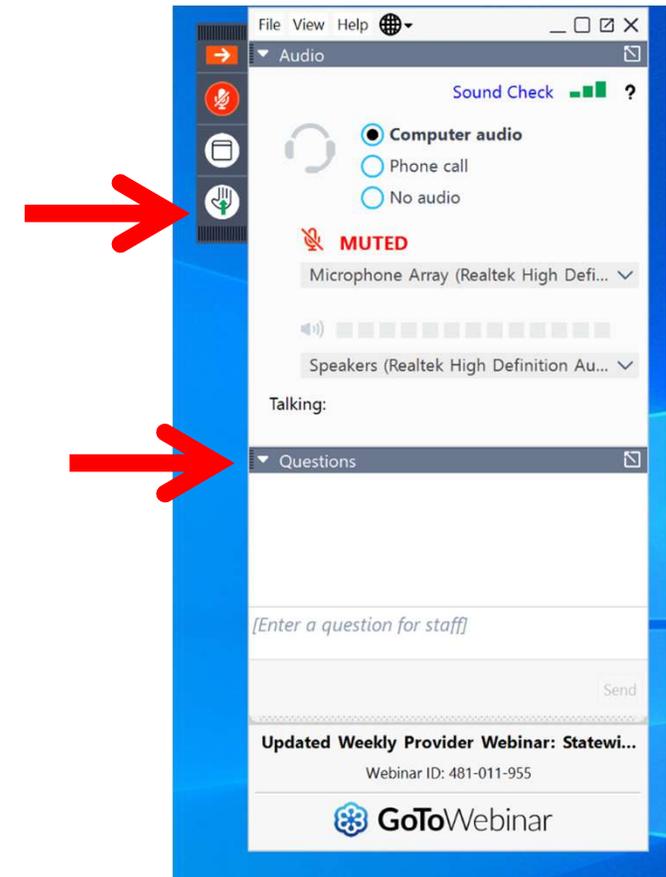


Q & A

Assistant Commissioner of Multifamily James Lehnhoff

Q&A Protocol

- Click the raise your hand button of the GoToWebinar toolbar. This will allow us to call on you and unmute your line to ask your question.
- Type your question in the Question/Chat Box of the GoToWebinar toolbar





Closing

Assistant Commissioner of Multifamily James Lehnhoff

Thank You!

