



Multifamily Request for Proposals Standards

Applicable for the 2024 Multifamily Consolidated Request for Proposals and
2025 Housing Tax Credits Funding Rounds

April 2024

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A. Purpose

This Multifamily Request for Proposals Standards provides an overview of the Minnesota Housing Finance Agency's (Minnesota Housing's) 2024 Multifamily Consolidated Request for Proposals (RFP) and 2025 Federal Housing Tax Credits (HTC) Rounds 1 and 2 (funding rounds) processes, general instructions, requirements and important application information regarding Minnesota Housing's application and selection process.

Minnesota thrives because of its diversity of race, ethnicity, sexual orientation, gender identity, (dis)abilities, ages, families, and geographies. Discrimination, lack of access to resources, and other barriers have led to disparities that inhibit Minnesotans from achieving their fullest potential. Minnesota Housing and the Multifamily Consolidated RFP/HTC funding rounds processes are designed to prioritize projects that center on Communities Most Impacted (CMI) by housing instability and disparities in its work to advance equity. This is a core value in all of Minnesota Housing's actions, including resources administered through the annual Multifamily Consolidated RFP/HTC funding rounds processes, which includes the awarding and allocating of housing tax credits and other deferred funding resources to affordable¹ multifamily rental housing developments.

Each funding source is subject to specific program requirements and limitations that are not set out in detail, or modified by, this document. The allocation and award of HTCs is governed by Minnesota Housing's [Qualified Allocation Plan \(QAP\)](#) including the [Self-Scoring Worksheet](#), which is informed by the [Scoring Guide](#). Applicants who are applying for 9% HTCs, deferred loans with 4% HTCs or deferred loans only should refer to those guiding documents.

Sign Up for the Multifamily eNews

Interested applicants should sign up for Minnesota Housing's [Multifamily Consolidated RFP eNews](#) list to receive important information and training opportunities throughout the Multifamily Consolidated RFP/HTC funding round application period.

¹ Housing with rent or income restrictions.

B. Overview of the Multifamily Consolidated RFP and HTC Funding Rounds

This document applies to the following Multifamily RFP processes:

- The Multifamily Consolidated RFP
- HTC Round 1
- HTC Round 2

The Multifamily Consolidated RFP and HTC funding rounds are highly competitive. A typical funding round will result in requests equal to four to five times the amount of resources available. For more information on the HTC funding rounds and eligibilities, refer to the current [2024-2025 QAP, Chapter 2](#).

The Multifamily Consolidated RFP

The Multifamily Consolidated RFP is offered once per year and provides a means of "one stop shopping" by consolidating and coordinating multiple federal and state multifamily housing capital funding resources into one application process. This includes, but is not limited to, deferred loan programs, amortizing mortgages and project based rental assistance. Applicants request funding for a specific housing development. Applicants generally do not apply for specific deferred loan funding sources. During the application review process, Minnesota Housing identifies the funding sources that are the best fit for a given application.

HTC Round 1

HTC Round 1 is offered through the Multifamily Consolidated RFP and uses a forward selection process for 9% HTCs, with selections taking place late in the calendar year preceding the allocation year of the HTCs.

During Round 1, for-profit applicants must apply directly to the suballocator for an HTC allocation if the project falls within a suballocator's jurisdiction, which includes the city of St. Paul, city of Minneapolis, Washington County and Dakota County. Minnesota Housing cannot accept applications for developments located in a suballocator jurisdiction in Round 1 unless the suballocator has returned all of their HTCs to Minnesota Housing, or the applicant is a nonprofit applying for Minnesota Housing's nonprofit set aside. Minnesota Housing administers the HTCs for all areas outside the jurisdiction of suballocators. Nonprofit applicants may apply concurrently to both Minnesota Housing for the nonprofit set aside and to the suballocator. Any HTCs unused by a suballocator are returned to Minnesota Housing to be used in Round 2.

HTC Round 2

HTC Round 2 includes any remaining, returned or additional 9% HTCs received by Minnesota Housing after HTC Round 1. HTC Round 2 establishes a waiting list for HTCs that may be returned over time. In HTC Round 2, all projects located in suballocator jurisdictions may apply directly to Minnesota Housing.

C. The Multifamily RFP Process

The Multifamily RFP process includes the solicitation and evaluation period. The solicitation period is effectively the time period from when applications materials are released to when the application materials are due. The evaluation period is effectively from the application due date to when the Minnesota Housing board of directors approves funding selections.

The Solicitation Period

The solicitation period formally starts once the application is available to the public. This includes all application materials, the [Multifamily Customer Portal](#)² (Portal), application trainings and technical assistance to help applicants submit a competitive application(s). Refer to the [Steps to Get Started](#) section for additional details. Within the solicitation period, potential applicants submit a complete Intent to Apply, Pre-Application(s) (if applicable) and full application to be considered for a funding selection.

Intent To Apply

All potential applicants for the Multifamily Consolidated RFP and HTC Round 1 must complete the Intent to Apply (ITA). There is not an application fee to submit an ITA. The ITA is not applicable for HTC Round 2.

The ITA provides Minnesota Housing with the application(s)' intended characteristics³ including, but not limited to, the following:

- Intended project name, location and contact(s)
- Intended [financial structure and application proposal type](#)
- Estimated [project type](#)
- Estimated # of units and population(s) served
- Estimated Total Development Cost

² Portal facilitates the application and post-selection process for developers seeking funding from Minnesota Housing for affordable rental housing. Portal is a web-based application built on the Salesforce Platform.

³ Characteristics generally includes proposal type, housing type, construction type, and population(s) served.

- Estimated Score from the Self-Scoring Worksheet

The ITA does not require application materials or checklist⁴ items to be submitted by the applicant. The ITA must be completed in Portal. Refer to [Step 5: Create a Portal Account](#) for more information.

Once the applicant inputs the project characteristics at ITA, the application checklist will automatically generate and will vary on the specific characteristics indicated in Portal by the applicant. Some checklist items may be opted out if they are not applicable to the application.

Applicants can change project information in their final application even after the ITA is submitted. The purpose of the ITA is to help Minnesota Housing plan for the potential scope and scale of applications and needed resources. The number of ITAs and the estimated self-reported scores by project type and geographic area will be shared with applicants.

Pre-Application

A Pre-Application may be required for specific selection preferences or selection criteria. The applicant must provide the required pre-application prior to the application. Failure to submit required pre-application materials may result in rejection of the pre-application.

The Multifamily RFPs Pre-Applications are:

- **United States Housing and Urban Development (HUD) Section 811 Project- Based Rental Assistance (HUD Section 811 PRA)**

Applicants must submit a HUD Section 811 PRA Pre-Application to determine eligibility for the program prior to submitting a full Multifamily Consolidated RFP/HTC funding rounds application. Applicants will be notified about eligibility for the program prior to the application due date. Applicants cannot only apply for HUD Section 811 PRA funding in the Multifamily Consolidated RFP/HTC Round 1 or HTC Round 2 funding round. Applicants must also apply for capital funding, and awards are contingent on Minnesota Housing funding.

- **Innovative Construction Techniques (ICT) Preference**

Applicants must submit an Innovative Construction Technique Pre-Application in order to determine eligibility for this selection preference. ICT is only available for the Multifamily Consolidated RFP/HTC Round 1.

⁴ Designated area in Portal to upload required application materials.

Pre-application(s) must be completed, submitted and accepted by Minnesota Housing on or before the [pre-application deadline](#) to be considered in the evaluation period. Pre-application includes, but is not limited to, the following:

- All pre-application required materials, includes forms created by the Minnesota Housing and non-Minnesota Housing forms to support the pre-application. Required pre-application materials not completed, submitted and accepted may be considered ineligible.
- Completed, pre-application checklist item(s) uploaded and submitted in Portal.

Full Application

A full application must be completed, submitted and accepted by Minnesota Housing on or before the [application deadline](#) to move forward to the evaluation period. A full application includes, but is not limited to, the following:

- All required application materials, including forms created by the Minnesota Housing and non-Minnesota Housing forms to support the application. Required application materials not completed, submitted and accepted may be considered ineligible.
- Completed application checklist item(s) uploaded and submitted in Portal.
- Submission of the Self-Scoring Worksheet on the Scoring Wizard in Portal.
- Qualification Forms and complete financial information. Additional information is on [Development Team Qualification Forms](#) webpage.
- The required application fee(s) as listed in the Multifamily Fee Remittance Form

Additional information is in [Application Requirements](#).

The Evaluation Period

The evaluation period has multiple phases and begins after the application deadline. The evaluation period generally extends over a four-month period and ends when recommendations are made to Minnesota Housing's board of directors. The phases include:

- **Eligibility and Data Validation:** applications go through an initial review to ensure a full application was submitted and is [eligible](#). Application materials submitted are cross-referenced with Portal to ensure consistency. If inconsistency exist, characteristics or documentation will be reconciled to match the application materials submitted. Applicants may be notified by Minnesota Housing staff should characteristics be reconciled.
- **Scoring:** applications are scored based on self-score or Minnesota Housing score in accordance with the Self-Scoring Worksheet and Scoring Guide. Projects are then ranked based on the score and categorized by [Project Type](#), [geographic area](#) and [deferred funding priorities](#).

- **Early selection determination:** applicants are notified if their application is not moving forward in the process. The early selection determination is not applicable to HTC Round 2.
- **Feasibility:** applications are further processed and reviewed in accordance with the [application selection and funding requirements](#).
- **Board:** final recommendations are subject to approval by the board of directors, which concludes the application evaluation period.

Applicants will be notified by Minnesota Housing if any project characteristics were reconciled. Reconciliation may include, but is not limited to, aligning the Multifamily Workbook(s) with the proposal type, determination of the project type(s), geographic area, and/or unit-mix.

Minnesota Housing in its sole discretion, may request additional information or to deem an application error as nonmaterial. Minnesota Housing reserves the right to withdraw any Multifamily RFP, not make selections, adjust dates and/or modify submission material requirements as it deems necessary. Minnesota Housing will post notice of any such changes on its website and is not able to reimburse any applicant for costs incurred in the preparation or submittal of proposals.

Communication During the 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 non-scoring application items, such as a selection determination or the feasibility review. 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.

Multifamily RFP information may be requested through Minnesota Housing's [data request](#) process. However, most information will not be publicly available until after the [evaluation period](#). Once applicant responses are due and opened the names of applicants will be public but other data contained in applications will not. Pursuant to Minnesota Statutes, sections 13.591 and 13.599, additional Multifamily RFP information, including, but not limited to, selection determination for all applications, project type, geographic region and score will become public after the evaluation period. This information will be posted on the [Board of Directors](#) webpage when recommendations are made, and on the [Funding Selections](#) webpage following the board of directors approval of the selection.

D. Steps to Get Started

To submit an application, interested applicants should follow the below six steps. Each step includes requirements and considerations for submitting an application.

1. [Review available resources and request technical assistance](#)
2. [Review application eligibility, determine project type\(s\) and review application requirements](#)
3. [Review application selection and funding requirements](#)
4. [Determine the financial structure and application proposal type\(s\) to submit](#)
5. [Create a Multifamily Customer Portal \(Portal\) account](#)
6. [Gather materials and apply by the deadlines](#)

Step 1: Review Available Resources and Request Technical Assistance

Most funding sources depend on the availability of those resources. The amount of state resources available for deferred loans is generally not known until after Minnesota's legislative session concludes. State or federal actions may affect the resources, preferences, eligible uses and other requirements after the Multifamily Consolidated RFP process is published. The guidance in this Multifamily RFP Standards may be modified accordingly. If that occurs, notification will be sent via eNews and posted on Minnesota Housing's [Multifamily Consolidated Request for Proposals/Housing Tax Credits Funding Rounds](#) webpage.

Multifamily Consolidated RFP/HTC Round 1 Resources

The resources included in the Multifamily Consolidated RFP/HTC Round 1 are subject to change based on availability, but often include:

- 9% HTCs, including nonprofit set aside and rural development set aside
- Deferred loans programs, which may include but are not limited to:
 - Economic Development and Housing Challenge (EDHC), including the American Indian set aside
 - Flexible Financing for Capital Costs (FFCC)
 - Housing Infrastructure includes Housing Infrastructure Appropriations (HIA) and Housing Infrastructure Bonds (HIB)
 - Preservation Affordable Rental Investment Fund (PARIF)
 - HOME Investment Partnerships (HOME)
 - National Housing Trust Fund (NHTF)
- Low and Moderate Income Rental (LMIR) Program amortizing mortgages
- Bridge Loans

- HUD Section 811 PRA

Minnesota Housing also reviews competitive applications requesting deferred loans that are structured with 4% HTC during the Multifamily Consolidated RFP/HTC Round 1 funding round. Projects selected for deferred loans with 4% HTCs in the Multifamily Consolidated RFP/HTC Round 1 must undergo the preliminary determination process before 4% HTCs can be awarded.

Section 42 of the Internal Revenue Code (IRC) establishes procedures for obtaining HTCs through the issuance of tax-exempt volume limited bonds (Section 42(m)(1)(D) and 42(m)(2)(D)). As part of the process to obtain approvals for using 4% HTCs in a proposal, applicants must submit a separate application to Minnesota Housing for review and issuance of the required 42(m)(1)(D) and, as appropriate, 42(m)(2)(D), preliminary determination(s) for 4% HTCs. The 42M application is submitted later in the project timeline when all of the sources and uses are finalized. This is generally when the applicant is preparing for the issuer to issue the tax-exempt volume limited bonds and for the project to close. See Chapter 7 of the QAP for additional details.

Minnesota Housing does not consider requests solely for tax-exempt volume limited bonding authority in the Multifamily Consolidated RFP/HTC Round 1 funding round.

Funding Partners Resources

Applicants may also be considered for funding by other public entities that choose to select projects that are within their jurisdictions and who have submitted applications to the Multifamily Consolidated RFP/HTC funding rounds. The public entities may include, but are not limited to, the Metropolitan Council and the Saint Paul Public Housing Agency. This list of public entities is subject to change.

Information submitted through the Multifamily Consolidated RFP/HTC funding rounds may be shared with Minnesota Housing RFP partners that provide resources and/or expertise to create or preserve affordable multifamily rental housing in Minnesota. Any private or nonpublic data that is shared with Minnesota Housing RFP partners remains private or nonpublic and may not be shared by those entities except as authorized by relevant data practices statutes.

HTC Round 2 Resources and Priorities

Deferred loan resources are generally not available in HTC Round 2.

- 9% HTCs, including the nonprofit set aside and rural development set aside. Set asides are available if the credits were not allocated in HTC Round 1.
- LMIR Program amortizing mortgages
- HUD Section 811 PRA

Projects that meet the following qualifications will have priority in HTC Round 2, in accordance with the 2024-2025 QAP, Chapter 2:

- Previously received HTCs from Minnesota Housing or a suballocator
- Have an annual HTC shortfall of at least 5% but not more than 33.33% of the total qualified annual HTC amount

Projects that previously received a full allocation cannot request supplemental HTCs unless there has been a justifiable increase in eligible basis.

Request Technical Assistance

Given the highly competitive nature of the Multifamily RFPs, technical assistance is *strongly* recommended for all applicants, particularly those who are new to Minnesota Housing's Multifamily RFPs. Technical assistance is a consultation session with Minnesota Housing staff to review project concepts, project workbooks and financial structures, preliminary building design or scopes of work and Minnesota Housing's scoring process.

Applicants can submit a [Technical Assistance Request Form](#), and there is no cost. Projects with certain characteristics including, but not limited to, community facilities, unique design features, intended tenant preferences or other unique project attributes are also encouraged to request 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 the technical assistance, such assistance is subject to, and does not modify or override, the requirements of Minnesota Housing's QAP, the Self-Scoring Worksheet, this document, Multifamily Underwriting 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.

Step 2: Review Application Eligibility, Determine Project Type(s) and Review Application Requirements

Projects must meet the categories listed to be eligible for funding⁵. Certain activities listed may not be eligible under some funding sources.

Eligible Housing Types

- Permanent general occupancy rental housing
- Permanent Supportive Housing
- Senior Housing

Eligible Buildings/Projects

- Minimum of four units⁶
- Single/multiple building(s) on a parcel of land
- Scattered site buildings on different tracts of land if the project is 100% rent and income restricted

Eligible Construction Types

- New construction
- Acquisition/rehabilitation of existing housing
- Adaptive reuse/conversion to housing from another use

Eligible Activities

- New construction
- Acquisition of land or existing structures
- Rehabilitation of housing
- Adaptive reuse/conversion to housing from another use
- Preservation
- Demolition

⁵ HTC eligibility is governed by the HTC QAP, including the Self-Scoring Worksheet.

⁶ HTC projects with buildings having four or fewer residential units must comply with Section 42 (i)(3)(c) of the Internal Revenue Code.

- Construction financing
- Permanent financing
- Rental assistance, when available, either through Minnesota Housing or other public partners
- Operating assistance, if eligible for NHTF capital funding

Ineligible Uses

Any residential rental unit that is part of a hospital, nursing home, sanitarium, life care facility, trailer park or intermediate care facility for the mentally and physically handicapped is not considered for use by the general public; therefore, it is not eligible for HTC's under Section 42 of the IRC.

Transitional housing and shelter housing are ineligible uses.

Determining Project Type(s)

Applicants will initially identify their project type during the [solicitation period](#). Minnesota Housing reserves the right to determine the application's final project type(s). Applicants will be notified of the final project type during the selection determination. The project type(s) help determine funding sources that may be eligible for the project.

Project types are determined by project characteristics, which are comprised of the [proposal type](#), [housing type](#), [construction type](#), [activities](#) and population served. Applications will be assigned one or more of the following project types:

- **Workforce Housing:** have rent or income restricted units. Each resource may have further rent or income restrictions, generally between 30% MTSP and 60% MTSP. Workforce Housing project type generally target a number of different populations including, but not limited to, the following:
 - Single occupancy
 - Families
 - Individual(s) experiencing homelessness or who are high priority homeless and/or people with disability(ies), this includes projects that are partially and primarily supportive housing (less than 100%)
- **Preservation:** existing projects in need of rehabilitation. These projects generally meet the requirements of the Preservation Selection criterion per the Self-Scoring Worksheet and meet a risk of loss, have existing project-based rental assistance, or have rent or income restricted units. The Preservation project type may also meet the definition to be a Workforce Housing, Supportive Housing or Senior Housing project type.
- **Supportive Housing:** 100% of the units support High Priority Homeless (HPH) or other homeless households

- **Senior Housing:** all units are intended to be age restricted to ages 55 years and older

Application Requirements

Applications that do not complete and submit the following information by the [Application Deadline\(s\)](#), when applicable, may be considered ineligible for further processing:

- Evidence of [site control](#) and a site map
- Multifamily Workbook(s)⁷
 - To be considered for a 9% HTC project or a deferred loan with 4% HTCs, the *HTC Info* and *Determination of Credit* tabs in the Multifamily Workbook must be completed.
- [General Certification Form for Project Owner/Sponsor](#)
- Architectural submissions that meet Minnesota Housing's [Rental Housing Design and Construction Standards](#)
- [Pre-Application\(s\)](#) eligibility determination, if applicable, for:
 - HUD Section 811 PRA
 - Innovative Construction Techniques (ICT) preference
- All application materials and checklist items that are applicable to the project. The most current version of application forms can be found in [Portal](#). Current versions are indicated in the instructions of the document or with footer dates consistent with the current funding round.
- Submission of the Self-Scoring Worksheet on the Scoring Wizard in [Portal](#)
- [Development Team Qualification Forms](#) and complete financial information. This includes the Qualifications of Sponsor and Qualification of Service Provider for applications that are primarily supportive housing.
- Required application fee(s) as listed in the [Multifamily Fee Remittance Form](#)

Signatures

All application materials with a signature block must be signed, including the General Certification Form. Minnesota Housing will accept the following signatures:

- Scanned wet signatures
- DocuSign, if the applicant has an active DocuSign account

⁷ A required application material which provides details about the project's financial structure and funding request, project descriptions and information, incomes and expenses, cash flow, and more.

- Adobe Sign signatures
- A photo of the signed document(s)
- Mailed original copies; if mailing original copies, they must be received in accordance with all deadlines and requirements outlined above.

Minnesota Housing may 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.

Step 3: Review Application Selection and Funding Considerations

Minnesota Housing determines if the application meets the selection and funding requirements. The application review requirements for selection and funding include, but are not limited to, the following:

- [Geographic distribution](#)
- [Strategic priorities and selection criteria](#)
- [Deferred loan funding priorities](#)
- [Amount of funding requested](#)
- [Financial and organizational capacity](#)
- [Site control](#)
- [Project feasibility](#)
 - [Multifamily Underwriting Standards](#)
 - [Multifamily Rental Housing Design/Construction Standards](#)
 - [Payment Standards](#)
 - [Rent and income limits](#)
 - [Prevailing wage](#)
- [Prohibited Tenant Preference Policy](#)
- [Tenant Displacement Prior to Selection](#)

Geographic Distribution

Minnesota Housing considers geographic distribution of resources and the resulting amount and type of anticipated housing production throughout the state when making Multifamily Consolidated RFP/HTC funding rounds selection decisions. Minnesota Statute 462A.222 prescribes how 9% HTCs are allocated by region in HTC Round 1 and HTC Round 2.

Strategic Priorities and Selection Criteria

When scoring and determining funding awards, Minnesota Housing prioritizes proposals that best meet the greatest number of selection criteria, as outlined in the current [QAP](#), which reflect Minnesota Housing’s policy goals for the current funding round. Proposals must meet at least one strategic priority to be eligible for funding from Minnesota Housing, as demonstrated in the Multifamily Rental Housing Narrative.

Among comparable applications, Minnesota Housing considers how the proposed project aligns with the goals and objectives outlined in [Minnesota Housing’s Strategic Plan](#) and attempts to balance project types (for example, permanent supportive housing, seniors housing, etc.).

An award and/or allocation is based on the information provided in the application. The project is required to comply with all selection criteria that are claimed and awarded. This includes any due diligence/reporting requirements after selection and for the term of the declaration. Failure to comply could result in the loss of the award and/or allocation as well as the assessment of penalty points in future rounds.

Deferred Loan Funding Priorities

Minnesota Housing offers different sources of deferred funding through the Multifamily Consolidated RFP/HTC Round 1, which are typically comprised of federally appropriated funds, state appropriated funds, bond proceeds and Minnesota Housing allocated funds. Because the Multifamily Consolidated RFP includes several deferred funding resources, Minnesota Housing evaluates each proposal to determine which deferred loan funding source is the best fit for the project. Refer to Minnesota Housing program guides and manuals for specific funding sources and requirements. Guides and Manuals can be found on Minnesota Housing’s [Deferred Loan and Grant Programs](#) webpage.

Amount of funding requested

Minnesota Housing considers the amount of funding requested in comparison to available resources in order to fully fund or nearly fully fund as many projects as reasonably feasible, which may result in not selecting higher scoring projects, including in instances where insufficient resources are available to fully fund or nearly fully fund a project.

Financial and Organizational Capacity

Applicants must submit the required qualification forms. The qualification forms, along with additional information and instructions for submittal, can be accessed on Minnesota Housing’s [Development Team Qualification Forms](#) webpage.

The applicant's financial and organizational capacity will be reviewed to assess:

- The applicant's related housing or other real estate development experience
- The number of proposed projects
- Whether the applicant has successfully completed similar projects or is partnering with other organizations that have successfully completed similar projects
- Whether the applicant has strong current and expected ongoing capacity to complete the proposed housing project(s) and other proposals being developed by the organization, including proposals being considered for selection in the current funding round and those previously selected by Minnesota Housing that have not yet been completed
- Whether the applicant has the capacity to operate and maintain the rental housing long-term
- Whether the applicant is active, in [good standing](#) and not [suspended](#)
- Whether the applicant has successfully managed projects in its portfolio and in compliance with Minnesota Housing's compliance policies, procedures or requirements

Site Control

Applicants must demonstrate acceptable evidence of title/site control during scoring, which includes a purchase agreement, purchase option or letter of intent from a governmental body for a sole developer. If there is no transfer of ownership, then the warranty deed or contract for deed is acceptable. Additional federal requirements, such as an environmental review, may apply post-selection.

The evidence of site control must:

- Be current – not expired
- Be fully executed by both buyer and seller
- Include the legal description of the property
- Have the purchase price clearly indicated
- Extend at least through the calendar year of the funding round, including automatic extensions; If the purchase agreement does not contain a specific date of expiration, but rather a series of phases with timeframes, the applicant must document how long the agreement extends, given the allowable timeframes

Project Feasibility

Projects must demonstrate and satisfy the following feasibility requirements in their application:

- The housing is economically viable and sustainable when the Multifamily Underwriting Standards are applied

- The proposed site is appropriate for the proposed housing and the target population including, but not limited to, environmental conditions and neighboring property uses such as fuel tank storage, high noise producing activities, floodplains, etc.
- The costs of developing the housing are reasonable and/or justifiable
- The proposed housing is needed in the intended market based on population, job growth and low housing vacancy rates; this includes the need for supportive housing units
- For permanent supportive housing, the rents must be affordable for the population to be served and must have a feasible plan for securing resources for adequate staffing and services to address the needs of the population to be served
- For projects that are to be developed in tandem with another project (for example, shared underground parking), the application must demonstrate that each individual project can be financed and built independently; the Multifamily Workbook(s) must reflect all costs associated with the submitted project
- For projects that include a commercial component, the application must demonstrate that the housing and commercial elements will be financed separately, and that the sustainability of the housing component does not rely upon commercial income

Multifamily Underwriting Standards

The Underwriting Standards are used by Minnesota Housing for underwriting and sizing of all funding awards, including HTCs. Refer to the [Multifamily Underwriting Standards](#), which can be found on Minnesota Housing's [Multifamily Consolidated Request for Proposals/Housing Tax Credits Funding Rounds](#) webpage.

Multifamily Rental Housing Design/Construction Standards

Minnesota Housing is committed to constructing or rehabilitating multifamily housing to a standard that, when properly maintained, remains decent, safe, sanitary and affordable for a long-term duration.

Minnesota Housing has established minimum design standards that are applicable to the construction or rehabilitation project being proposed. Minnesota Housing's Rental Housing Design/Construction Standards incorporate requirements from a variety of sources to further Minnesota Housing's charge to facilitate the provision of decent, safe, sanitary, and affordable housing in the state. Overall, Minnesota Housing's standards help ensure that financed affordable housing is sustainable, cost-effective, healthy and energy efficient. The type of housing and funding program often dictates which standards apply. Refer to the Minnesota Housing [Building Standards](#) webpage for the Rental Housing Design/Construction Standards and other design information.

Payment Standards

Public Housing Agencies (PHAs) adopt payment standard schedules that establish the Housing Choice Voucher (HCV) and HUD Veterans Affairs Supportive Housing (HUD VASH) voucher payment standards amounts for unit sizes in the PHA jurisdiction. Minnesota Housing encourages developers to be aware of the payment standards in the project area so that projects seeking Minnesota Housing financing are accessible to voucher holders.

All applicants must meet the minimum deeper rent targeting unit requirements outlined in the [Self-Scoring Worksheet](#) with rents restricted at or below the Housing Assistance Payment (HAP) payment standard, as determined by the responsible entity in the jurisdiction.

Rent and Income Limits

Minnesota Housing requires rent and income limits consistent with those specified in the owner's application, and as underwritten by Minnesota Housing for selected projects, provided they are not higher than applicable program statutory [rent and income limits](#).

All applicants must meet the minimum deeper rent targeting unit requirements outlined in the [Self-Scoring Worksheet](#) with rents restricted at or below the county 30% MTSP rent limit.

Prevailing Wage

Under certain circumstances, awards of Minnesota Housing funds may trigger state prevailing wage requirements under Minnesota Statutes Chapter 177 or Minnesota Statutes Section 116J.871. In broad terms, Minnesota Statutes Chapter 177 applies to an award of \$25,000 or greater for housing that is publicly owned. Minnesota Statutes Section 116J.871 applies to awards for non-publicly owned housing that meet the following conditions: (1) new housing construction (not rehabilitation); (2) a single entity receives from Minnesota Housing \$200,000 or more of grant proceeds or \$500,000 of loan proceeds.

Minnesota Statutes Section 116J.871 sets out several exceptions to the applicability of prevailing wage including (1) rehabilitation of existing housing; (2) new housing construction in which total financial assistance at a single project site is less than \$100,000; and (3) financial assistance for the new construction of fully detached single-family affordable homeownership units for which the financial assistance covers no more than ten fully detached single-family affordable homeownership units.

All determinations regarding prevailing wage are made by the Minnesota Department of Labor and Industry. All questions regarding state prevailing wages and compliance requirements should be directed to that Minnesota Housing as follows:

Division of Labor Standards and Apprenticeship
State Program Administrator
443 Lafayette Road N, St. Paul, MN 55155
651.284.5091 or dli.prevwage@state.mn.us

If, after a determination by the Minnesota Department of Labor that prevailing wage does apply, a contractor or subcontractor fails to adhere to prevailing wage laws, then that contractor or subcontractor could face civil and/or criminal liability.

Prohibited Tenant Preference Policy

[Minnesota Rule 4900.0340](#) prohibits a preference for occupancy in multi-unit developments financed by Minnesota Housing to persons or families by virtue of their prior residence in the community in which the development is located. In limited circumstances, exceptions may be considered for households displaced by public action or natural disaster or for previous residents of a rehabilitated multi-unit development financed by Minnesota Housing.

Tenant Displacement Prior to Selection

If a project will involve the demolition, rehabilitation and/or conversion of an existing residential or commercial building currently occupied by tenants who are not the building owner, the applicant or owner cannot attempt to involuntarily vacate or displace current tenants from the building as a direct result of acquisition, rehabilitation or demolition for the project from the time of application submission through selection. Notices to vacate given to tenants or refusals to renew an expiring lease in order to evade responsibilities to provide relocation assistance or sell the property as “vacant” after the date of application submission is not allowed. Building occupancy must also be tracked from application submission through selection.

If the project requires temporary relocation of tenants during demolition, rehabilitation and/or conversion, a plan must be submitted and accepted. Review Minnesota Housing’s [Temporary Relocation Principles](#) for more information.

Step 4: Determine the Financial Structure and Application Proposal Type(s) to Submit

During the application evaluation period, Minnesota Housing identifies which funding sources are eligible for a given application. To maximize the available funding resources, the funding proposal type, amount and financial structure will be determined by Minnesota Housing, at its sole discretion. Financial structuring is not limited to the funding structure requested in the workbook(s) submitted in the application.

Dual Application

A dual application is an application submitted with two different proposal types or financial structures, which result in a primary, and secondary application. Applicants can submit two or more Multifamily Workbooks, which result in a primary, secondary or a tertiary Multifamily Workbook. The project can be financed and structured with any of the following:

- 9% HTC only
- 9% HTCs with a deferred loan(s)
- Deferred loan(s) with 4% HTCs
- Deferred loan(s) only

Dual applications allow Minnesota Housing to maximize the available funding resources as well as the number of applications funded through the Multifamily Consolidated RFP/HTC Round 1. Minnesota Housing will review and score the dual application per the respective criteria and priorities as outlined in Minnesota Housing's QAP and the Self-Scoring Worksheet.

Guidance for Dual Applications

- To be considered as a dual application, the applicant must submit the required dual application checklist items in Portal.
- If applicants are applying for 9% HTC, the 9% application must be submitted as the primary application in Portal. All other financial structure requests will be submitted as the secondary application/workbook or tertiary workbook. Refer to the [Property and Project Numbers](#) section for additional details and guidance.
- Applicants must submit one Self-Scoring Worksheet in Portal's Scoring Wizard and a Multifamily Workbook for each financial structure. Each Multifamily Workbook submission must have the same unit mix, tenant population, design/scope of work, management and operating expenses, rent structure, etc. Only minor variations in the project budget are allowed to account for the financial structure.
- Minnesota Housing will generally not issue short-term tax-exempt volume limited bonds where the amount necessary to meet the required percentage of tax-exempt volume limited bonds to qualify the project for 4% HTCs is less than \$2 million.

Guidance for Tax-exempt Volume Limited Bonds

- Generally, Minnesota Housing will not issue tax-exempt volume limited bonds for projects located in Minneapolis, St. Paul or Dakota County unless the project receives an award of HIA or HIB.

- Minnesota Housing generally only issues its general obligation tax-exempt volume limited bonds to finance both short-term and amortizing long-term first mortgage loans.

Guidance for Housing Infrastructure Eligible Projects at the Time of Application

In accordance with Minnesota Statute 462A.37, the eligible multifamily uses for Housing Infrastructure funds at the time of Multifamily Consolidated RFP/HTC Round 1 publication is independent housing for seniors 55 years of age or older, supportive housing, preservation of federally assisted rental housing, foreclosed properties used for affordable rental housing and rent restricted properties with units affordable to households at 50% AMI. Refer to the [Housing Infrastructure Guide](#) for specific eligibility as well as rent and income requirements.

Generally, projects with Housing Infrastructure funds may be structured in the following ways:

- 9% HTC structure with Housing Infrastructure Appropriations
- 4% HTC structure with Housing Infrastructure loan: the HIBs or Rental Housing Bonds are issued as tax-exempt volume limited bonds to help the project qualify for 4% HTCs.
- Housing Infrastructure loan-only: Minnesota Housing awards HIA or issues the HIB's as 501(c)3 bonds or governmental bonds, which does not help a project qualify for 4% HTCs. The HIB option is generally only available to projects whose sponsors are nonprofits or governmental organizations.

Having the flexibility to structure Housing Infrastructure loans without 4% HTCs allows Minnesota Housing to maximize funding during the Multifamily Consolidated RFP/HTC Round 1. These structures are utilized at Minnesota Housing's sole discretion and will be informed by the availability of Housing Infrastructure funds and eligibility requirements.

Minnesota Housing strongly encourages sponsors to submit an additional Multifamily Workbook and Bond Tests Analysis Form as part of the application with a Housing Infrastructure loan only structure.

These materials may be uploaded to the tertiary Multifamily Workbook and Housing Infrastructure Loan-Only Bond Tests Analysis checklist items in the Application Checklist.

There can be complexities with an HIB loan-only structure if other non-HIB sources of funding are limited. In particular:

- If the land or building is acquired prior to selection by Minnesota Housing
- If the land or building buyer and seller are related parties
- If reserves are required
- If an identify of interest exists between the sponsor and the developer, architect and/or general contractor

Any sponsor with a project meeting any of the criteria above should seek technical assistance and consult with legal counsel.

Step 5: Create a Multifamily Customer Portal (Portal) Account

Applicants must apply for funding through Minnesota Housing’s online Portal. Portal allows applicants to log in, custom build an application checklist based on the type of proposal to be submitted and upload all application materials. Most items have descriptive help text that provides important information on submission. Review instructions on how to navigate Portal and submit an application, which can be found on Minnesota Housing’s [Multifamily Customer Portal Resources](#) webpage.

To apply through Portal, applicants will need to request a Portal user account. To request an account, complete the [online form](#). Refer to the Multifamily Customer Portal User Guides on Minnesota Housing’s [Multifamily Customer Portal Resources](#) webpage for more information.

Property and Project Numbers

On many Minnesota Housing application forms, applicants are asked to provide a property number (D#) and a project number (M#). A D# is a four-digit number assigned by Minnesota Housing to represent the property. Portal will automatically assign a primary M#, and a secondary M# will be assigned when applicants submit a dual application.

Applicants need to list the primary M# in their Multifamily Workbook. Enter the secondary M# in the dual application Multifamily Workbook. If you are submitting a third financing structure, re-use the secondary M# in the tertiary Multifamily Workbook. The D#, M#, and secondary M# can be found in the project information details section of an applicant’s project. Refer to the tables below for examples.

See [Guidance for Dual Applications](#).

If applicants are applying for 9% HTC, the 9% application must be submitted as the primary application/Multifamily Workbook in the Portal. All other financial structure requests will be the secondary application/Multifamily Workbook or tertiary Multifamily Workbook.

Table 1 – Scenario: Three financing structures, including 9% HTCs, deferred loan(s) with 4% HTCs and deferred loan(s) only

Checklist Item Name	Action to Take	M# Assigned
WKBK: Primary Application Workbook	Upload 9% HTC workbook to this checklist item	Primary M#

Checklist Item Name	Action to Take	M# Assigned
WKBK: Secondary Application Workbook	Upload deferred loan(s) with 4% HTCs workbook to this checklist item	Secondary M#
WKBK: Tertiary Workbook	Upload the deferred loan(s) only workbook to this checklist item	Reuse Secondary M#

Table 2 – Scenario: Two application structures, including 9% HTCs and deferred loan(s) with 4% HTCs

Checklist Item Name	Action to Take	M# Assigned
WKBK: Primary Application Workbook	Upload 9% HTC workbook to this checklist item	Primary M#
WKBK: Secondary Application Workbook	Upload deferred loan(s) with 4% HTCs workbook to this checklist item	Secondary M#
WKBK: Tertiary Workbook	Opt out of this checklist item. It is only needed when submitting three financing structures	N/A

Table 3– Scenario: Two application structures, including deferred loan(s) with 4% HTCs and deferred loan(s) only

Checklist Item Name	Action to Take	M# Assigned
WKBK: Primary Application Workbook	Upload deferred loan(s) with 4% HTCs workbook to this checklist item	Primary M#
WKBK: Secondary Application Workbook	Upload the deferred loan(s) only workbook to this checklist item	Secondary M#
WKBK: Tertiary Workbook	Opt out of this checklist item. It is only needed when submitting three financing structures	N/A

Step 6: Gather Materials and Apply by the Deadlines

Applicants are responsible to know all requirements that are needed to submit a complete application based on the specific [financial structure and proposal type](#) and/or [project type](#).

Multifamily Consolidated RFP/HTC Funding Round 1

Table 2 – Multifamily Consolidated RFP/HTC Funding Round 1 Materials and Deadlines

Required Submission Items	How to Submit	Application Deadlines
Intent to Apply (ITA)	Multifamily Customer Portal	Tuesday, May 7, 2024 by noon Central Time
Pre-Application(s): HUD Section 811 PRA and Innovative Construction Techniques	Multifamily Customer Portal	Thursday, May 30, 2024 by noon Central Time
Application Package This includes, but is not limited to: <ul style="list-style-type: none"> All application materials uploaded as an application checklists in Portal Self-Scoring Worksheet on the Scoring Wizard in Portal Qualification forms* 	Multifamily Customer Portal *All qualification forms and sponsor financials must be submitted via the Multifamily Secure Upload Tool	Thursday, July 11, 2024 by noon Central Time
Multifamily Fee Remittance Form <ul style="list-style-type: none"> This includes the payment <i>NOTE: All fees are non-refundable</i>	U.S. Mail: Minnesota Housing Attention: Multifamily Division 400 Wabasha St. N, Suite 400 St. Paul, MN 55102	Thursday, July 11, 2024 NOTE: If hand delivering, the deadline is 4:00 p.m. Central Time. If mailing, postmark must be as of July 11, 2024

HTC Round 2

Table 3 – HTC Round 2 Materials and Deadlines

Required Submission Items	How to Submit	Application Deadlines
Intent to Apply (ITA): <i>There is not ITA for HTC Round 2</i>	N/A	N/A
Pre-Application: HUD Section 811 PRA <i>There is no ICT for HTC Round 2</i>	Multifamily Customer Portal	<i>Tentative early 2025, date will be posted on Minnesota Housing website</i>

Required Submission Items	How to Submit	Application Deadlines
<p>HTC Round 2 Application Package <i>There is no ITA for HTC Round 2</i></p> <p>This includes, but is not limited to:</p> <ul style="list-style-type: none"> • Site control • Qualification forms* • Financial information 	<p>Multifamily Customer Portal</p> <p>*All Qualification forms and sponsor financials must be submitted via the Multifamily Secure Upload Tool</p>	<p><i>Tentative early 2025, date will be posted on Minnesota Housing website</i></p>
<p>Multifamily Fee Remittance Form</p> <ul style="list-style-type: none"> • This includes the payment <p><i>NOTE: All fees are non-refundable</i></p> <p>Resubmittal or Full Application Fee Guidance</p> <p>Applicants who are resubmitting an application from HTC Round 1 of the same allocation year only need to pay the supplemental fee. New applications must pay the full application fee.</p> <p>Applicants must submit the Application Resubmittal Checklist or the full application in Portal. Refer to the Application Requirements section for more information.</p>	<p>U.S. Mail: Minnesota Housing Attention: Multifamily Division 400 Wabasha St. N, Suite 400 St. Paul, MN 55102</p>	<p><i>Tentative early 2025, date will be posted on Minnesota Housing website</i></p>

E. What to Expect After Selection

If an application is selected for further processing, Minnesota Housing will send a selection determination letter to the applicant detailing the terms and conditions of funding along with next steps. Being selected for further processing is not a commitment or guarantee of funding.

All selected proposals may be subject to scoring criteria and conditions of selection for the term of the deferred loan Declaration and/or the Declaration of Land Use Restrictive Covenants (LURA). All selected projects are required to follow Minnesota Housing's [Tenant Selection Plan \(TSP\) Guidelines](#). Minnesota Housing will review TSPs prior to loan closing to confirm that the plan complies with the TSP Guidelines.

F. Contact

- Multifamily Consolidated RFP: mhfa.consolidated.rfp@state.mn.us or visit the [Multifamily Consolidated Request for Proposals/Housing Tax Credits Funding Rounds](#) webpage
- Housing Tax Credits: htc.mhfa@state.mn.us or visit the [Housing Tax Credits](#) webpage
- Technical Assistance: Complete and submit the [Technical Assistance Request Form](#)
Portal Questions: mhfa.app@state.mn.us