



# Constructing a Competitive POHP Application

Minnesota Housing POHP Staff

September 12, 2023

# Minnesota Housing Staff

## Multifamily Housing Division Publicly Owned Housing Program

Dani Salus

Preservation Supervisor

Janine Langsjoen

Preservation Program Manager

Susan Bergmann

Preservation Underwriter

# Agenda

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

# Our Mission

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



# POHP Program Purpose and Background

# Program Background

## Publicly Owned Housing Program (POHP)

First established by the Minnesota Legislature in 2005

to offer financial assistance

to housing and redevelopment authorities (HRAs)  
and public housing authorities (PHAs)

that provide public housing to individuals and  
families

# Program Purpose

## Rehabilitate and Preserve Public Housing Units

Specifically to address:

- health and life safety
- critical needs
- accessibility
- energy and water efficiency





# Upcoming POHP Rounds



# Upcoming POHP RFPs

- First RFP: late 2023/early 2024
  - Traditional POHP RFP
  - critical health & life safety needs and accessibility
  - energy related upgrades and/or climate resiliency upgrades (NEW)
  - Application similar to prior RFPs
  - GO BIG – Biggest Round ever!!
- Next RFP: late summer/early fall 2024
- Third RFP – Climate Resiliency focus

# Funding Requested

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



POHP funding is **competitive.**

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





# Eligibility

# Eligibility Criteria

## Developments must:

- Be public housing
- Be an existing building(s)
- Owned and operated by an HRA, PHA, or Community Development Agency (CDA)
- Have a minimum of four units
- Must have 100% project-based federal subsidy

# Eligible Projects

1. Health and Life Safety
2. Critical Needs
3. Accessibility
4. Energy and Water Efficiency – Climate Resiliency



# Health and Life Safety

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



# Critical Needs

- Repair or replacement of mechanical equipment and/or other items that have outlived their expected useful life
- Conditions determined to be a critical deficiency per HUD UPCS or REAC inspection report
- Any work described in Minnesota Housing's [2023 Rental Housing Design/Construction Standards \(RHD/CS\)](#)
  - See Chapter 8 – Critical Physical Needs and Preservation Funded Projects Section 8.03 A. for examples





# Accessibility

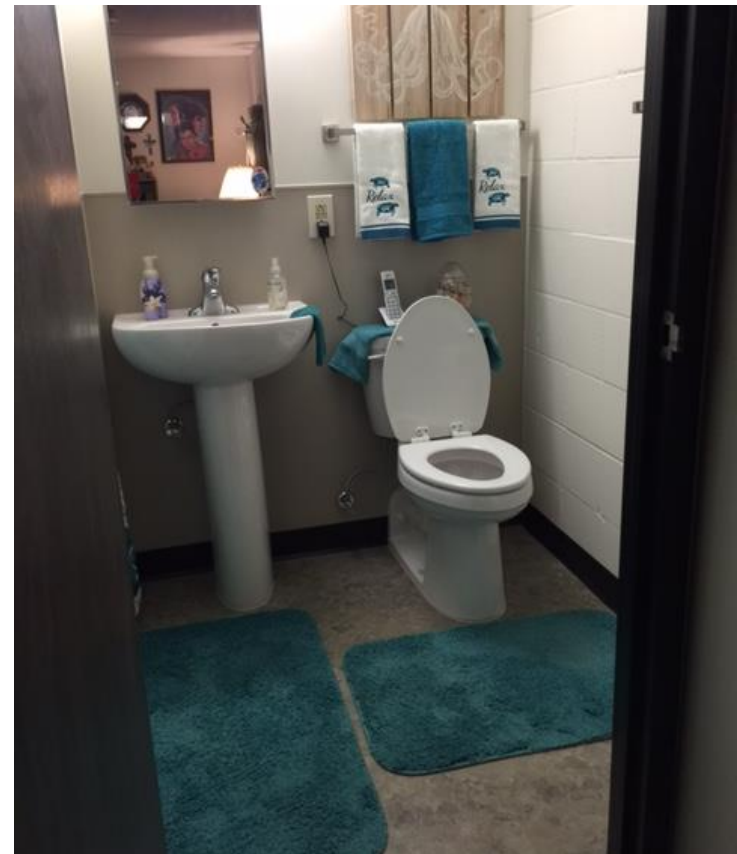
- Lack of compliance with Section 504 of the Rehabilitation Act of 1973
- Lack of compliance with the Architectural Barriers Act, the Fair Housing Act, and/or the American with Disabilities Act (ADA)
- Improvements such as Universal Design and/or demonstrated need for aging-in-place features



# Energy and Water Efficiency - Climate Resiliency

- Replacement of inefficient plumbing fixtures with water conserving fixtures
- Replacement of inefficient/antiquated heating ventilating and air conditioning (HVAC)
- Lighting controls
- Weatherization improvements such as additional insulation, air-bypass sealing, exterior window/door upgrades, or other energy improvement strategies
- Renewable energy systems may be considered if supported by a third-party analysis with a simple 10-year payback
- Replacing building components with more climate resilient materials will be encouraged (ex: using higher standard windows)
- Consider improvements for future by making building components upgrade ready (ex: if replacing the roof, ensure that it is “solar panel ready” for a future rehabilitation project)

# Energy and Water Efficiency





# Application Process

# Streamlined Application Process

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



# Concept-Based Application

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

# Telling the Story: The Narrative

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

# Telling the Story: Descriptive Photos



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



# Telling the Story: Descriptive Photos



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

# Telling the Story: Supporting Documentation

- Other information to help explain or support the proposed project
  - Recent energy audit
  - Letters of support from local officials and/or residents
  - Cited code violations
  - Elevator inspections and/or maintenance records



# Partnerships – Leveraging Funding

# Examples of Partnership

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

# POHP Loan Terms

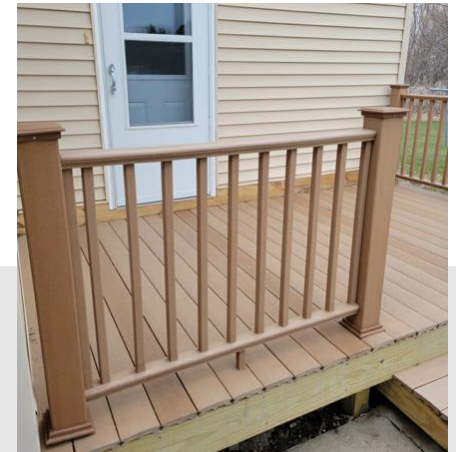
POHP funds are provided as:

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





# Success Stories



A high-rise development built in 1969

Totals 60 one- and two-bedroom units

Scope of work included:

- restoration of deteriorating exterior walkways
- repairing concrete balconies
- painting corroded steel
- recoating balconies
- tuckpointing, brick replacement, and sealant work

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

# Before



Corrosion



Structural Deterioration



Falling Bricks







Repaired  
Brick and Beams



Restored  
Walkways and  
Balconies



# Lincoln County HRA

A scattered site of 7 duplexes built in 1983

Totals 14-unit townhomes

Scope of work included:

- mitigation of radon
- installing smoke alarm systems
- upgrading windows, water heaters, furnaces, and air conditioners
- replacing doors
- replacing decks and railings

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

# Before



Drafty Windows



Structural Deterioration of Decks and Railings



Rusting/Damaged Air Conditioning Units



# After



New Windows



Decks and Railings Replaced



New Energy Efficient Air Conditioning Units



# Next Steps



## Step 1:

Start Now

Identify and prioritize  
your rehabilitation  
scope of work



## Step 2:

Mid-to-Late Fall

Contact POHP staff

- to ask questions
- schedule/attend your TA session



## Step 3:

Late 2023/Early 2024

Watch for  
notifications of the  
release of the RFP

# Thank you!

To schedule the Technical Assistance, contact:

Cheryl Rivinius  
[cheryl.rivinius@state.mn.us](mailto:cheryl.rivinius@state.mn.us) or 651.296.3705

Questions about the POHP Program, contact:

Janine Langsjoen  
[janine.langsjoen@state.mn.us](mailto:janine.langsjoen@state.mn.us) or 651.296.6354

Susan Bergmann  
[susan.bergmann@state.mn.us](mailto:susan.bergmann@state.mn.us) or 651.296.3797

# Question and Answer

