



# POHP Loans: From Application to Closing

## What You Need to Know

Minnesota Housing POHP Staff

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## Multifamily Housing Division Publicly Owned Housing Program

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- Our Mission
- POHP Program Background
- Overview of POHP Process
- Application to Selection Process
- Underwriting Process
- POHP Funding Rounds
- POHP Online Resources
- Question and Answer

# Our Mission: The Core Purpose

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

## Publicly Owned Housing Program (POHP)

- First established by the Minnesota Legislature in 2005
- Offer financial assistance to **Rehabilitate** and **Preserve** Public Housing Units
- Scope of work specifically addresses:
  - health and life safety
  - critical needs
  - energy and water efficiency / climate resiliency and sustainability
  - accessibility



# Loan Structure

- No minimum or maximum loan amounts
- All or part of a proposed project may be funded
- Leverage from other non-Agency funding sources is required
- POHP funds are provided as
  - 20-year
  - 0% interest
  - deferred, forgivable loan
  - 35-year compliance period



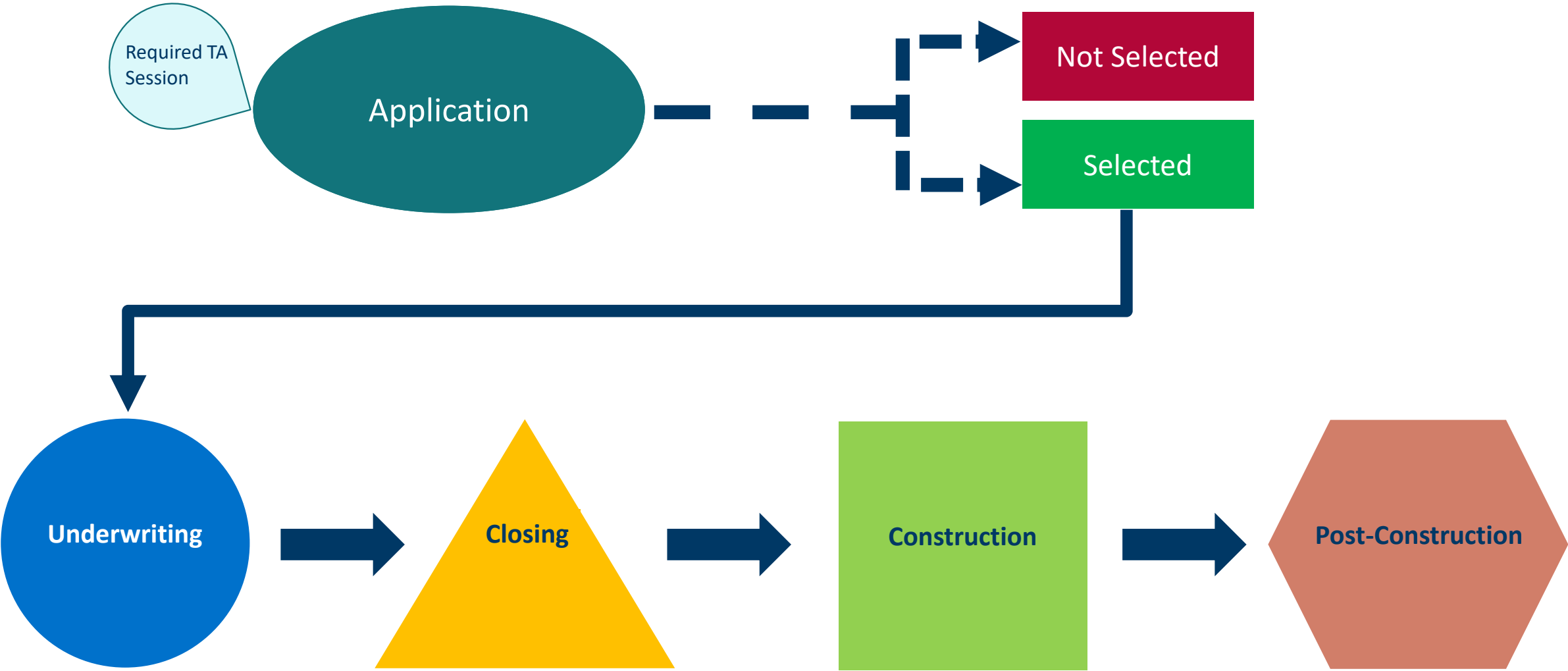




# Overview of POHP Process



# Overall Process from Start to Finish





# Who is going to help me?

During each phase, certain agency staff will be assigned to your project.  
Once assigned, the same person will work with you throughout the entire project.



Underwriting      Underwriter and Agency Architect



Closing      Closer and Underwriter



Construction      Loan Processor, Underwriter and Agency Architect



Post-Construction      Draw Technician, Loan Processor, Underwriter and Agency Architect

# How long does each phase take?

Timing for each phase varies upon multiple factors, especially:

- the type of work
- what is found during the rehabilitation process.

Here is a visual indicating how long each phase could be in relation to other phases.





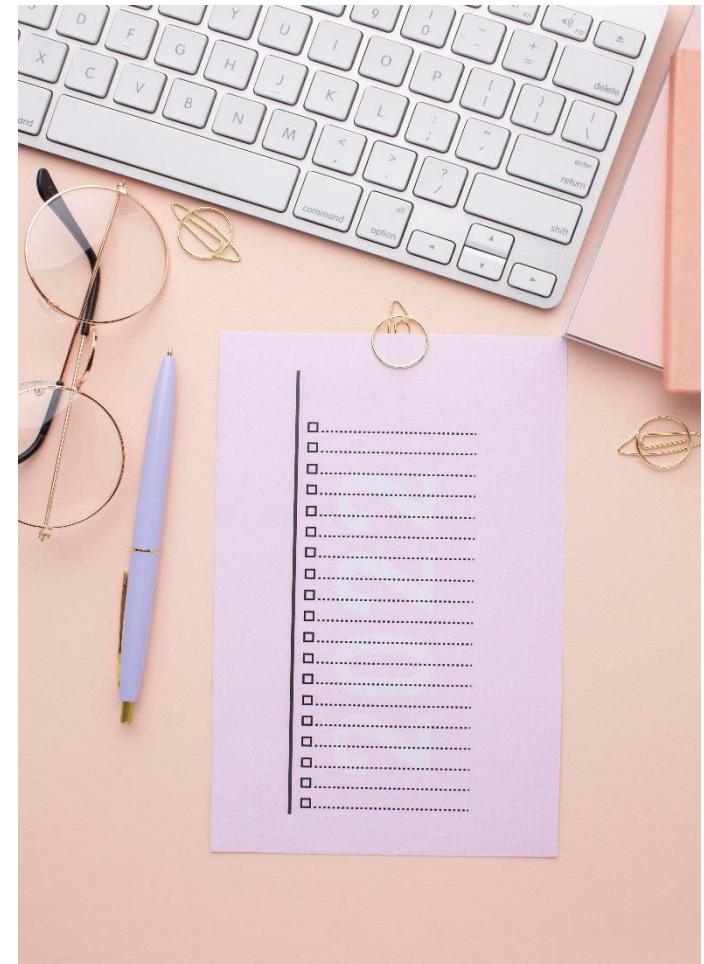


# Application to Selection Process



# POHP Application

- Streamlined
  - Fewer items to gather for application submission
- Concept-based
  - Full scope of work details not required
  - Estimates allowed for each rehabilitation item



# Streamlined Application Process

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

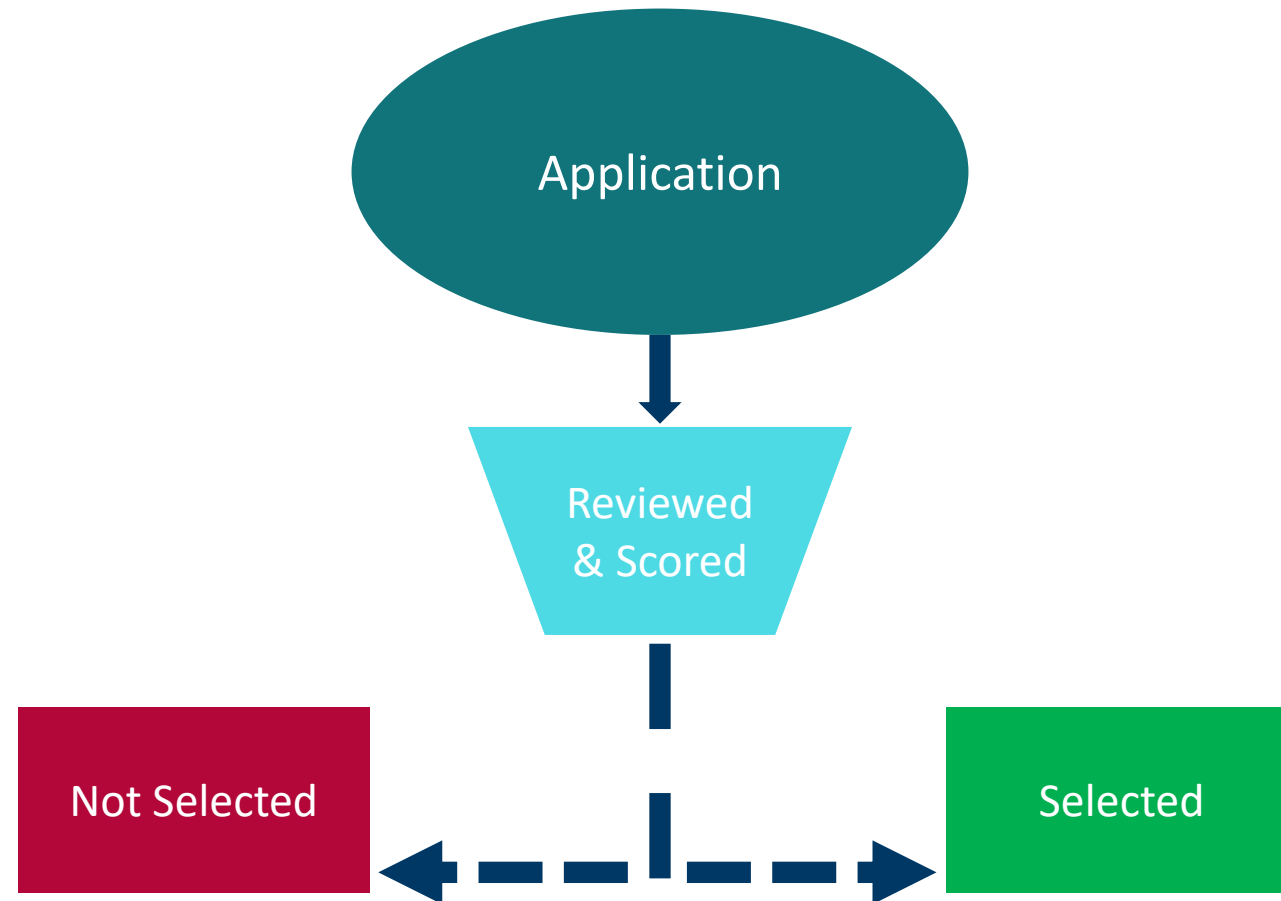


# Concept-based Application

1. POHP Application Narrative
2. POHP Workbook
3. Most current five-year Capital Fund Program Action Plan
4. Most recent capital needs assessment and any updates
5. One or two year, most current audited financial statements
6. Annual Operating Budget
7. Most recent HUD inspection report
8. Applicant certification of Known Environmental Conditions (Minnesota 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)



# Application Submitted



# Review and Scoring

- Scope of Work
  - Program Priorities
    - health/life safety, critical needs, energy and water efficiency/climate resiliency and sustainability, accessibility
  - Impact
    - From minimal impact (not in imminent failure) to major impact (imminent risk)
- Leveraging of other non-state resources
- Organizational capacity
- Market and Community review
- Geography



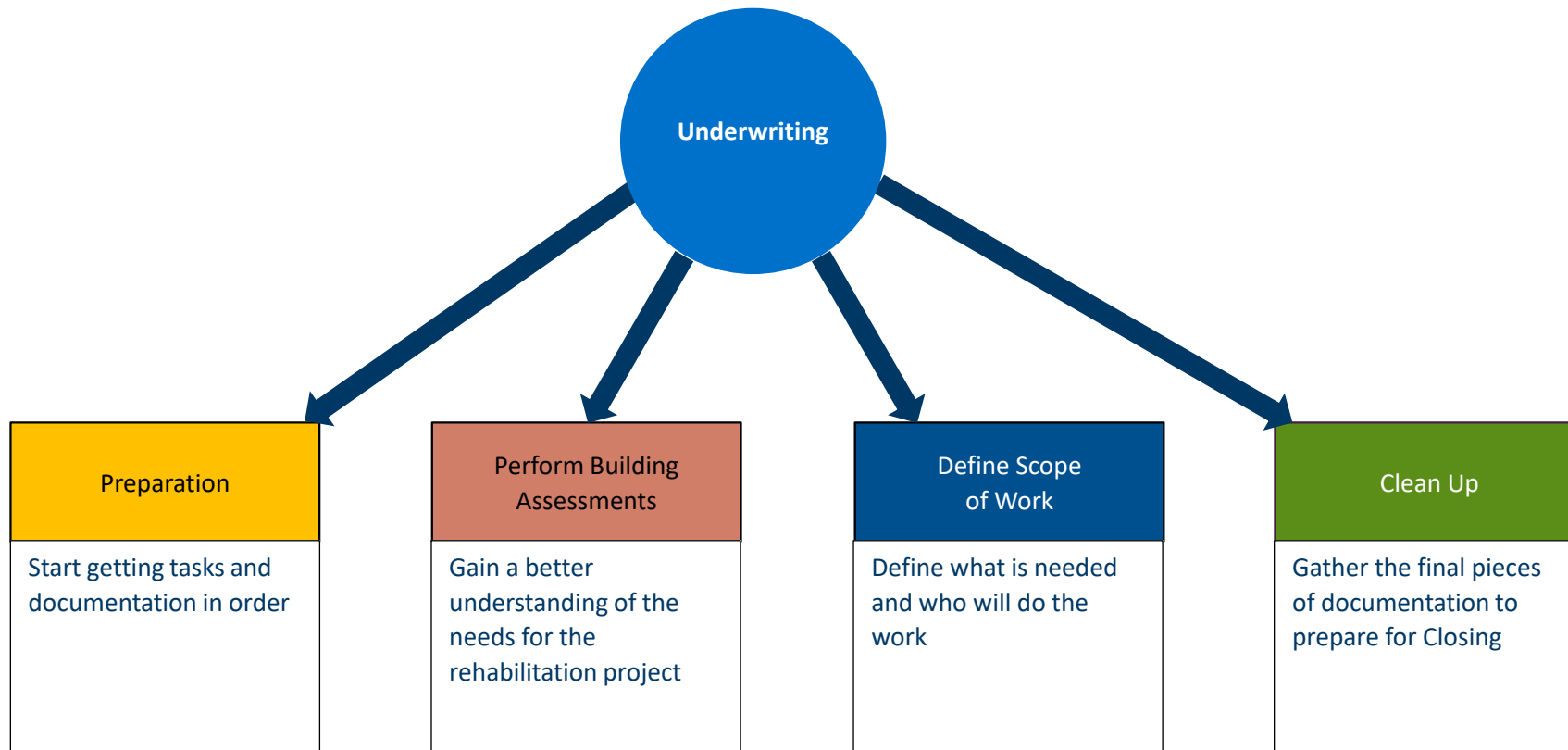
# Underwriting Process



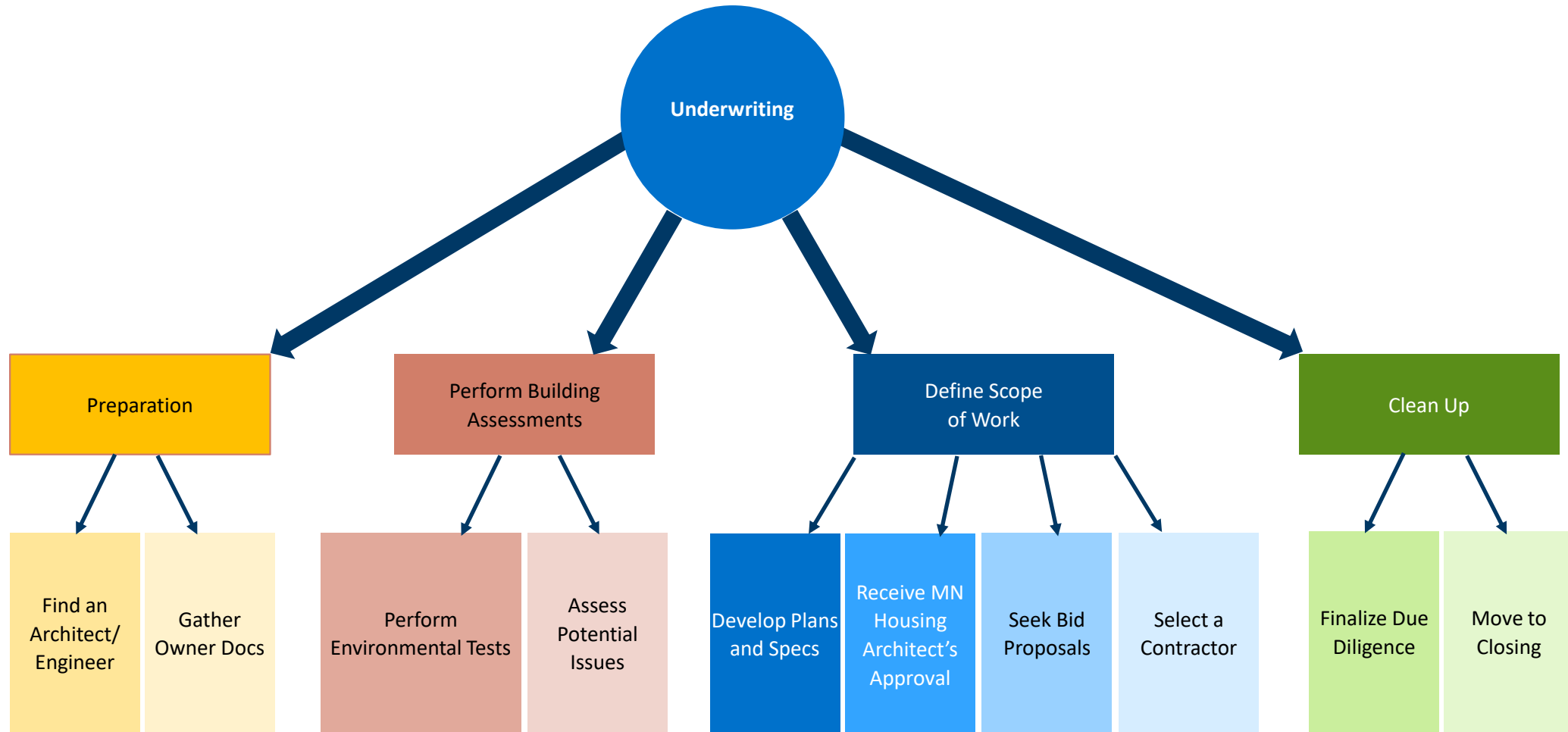
# Once Selected, Move through Four Phases



# Four Stages within Underwriting



# Steps within each Underwriting Stage







# POHP Funding Rounds



POHP funding is  
**very competitive**



# Early 2024 POHP Funding Round

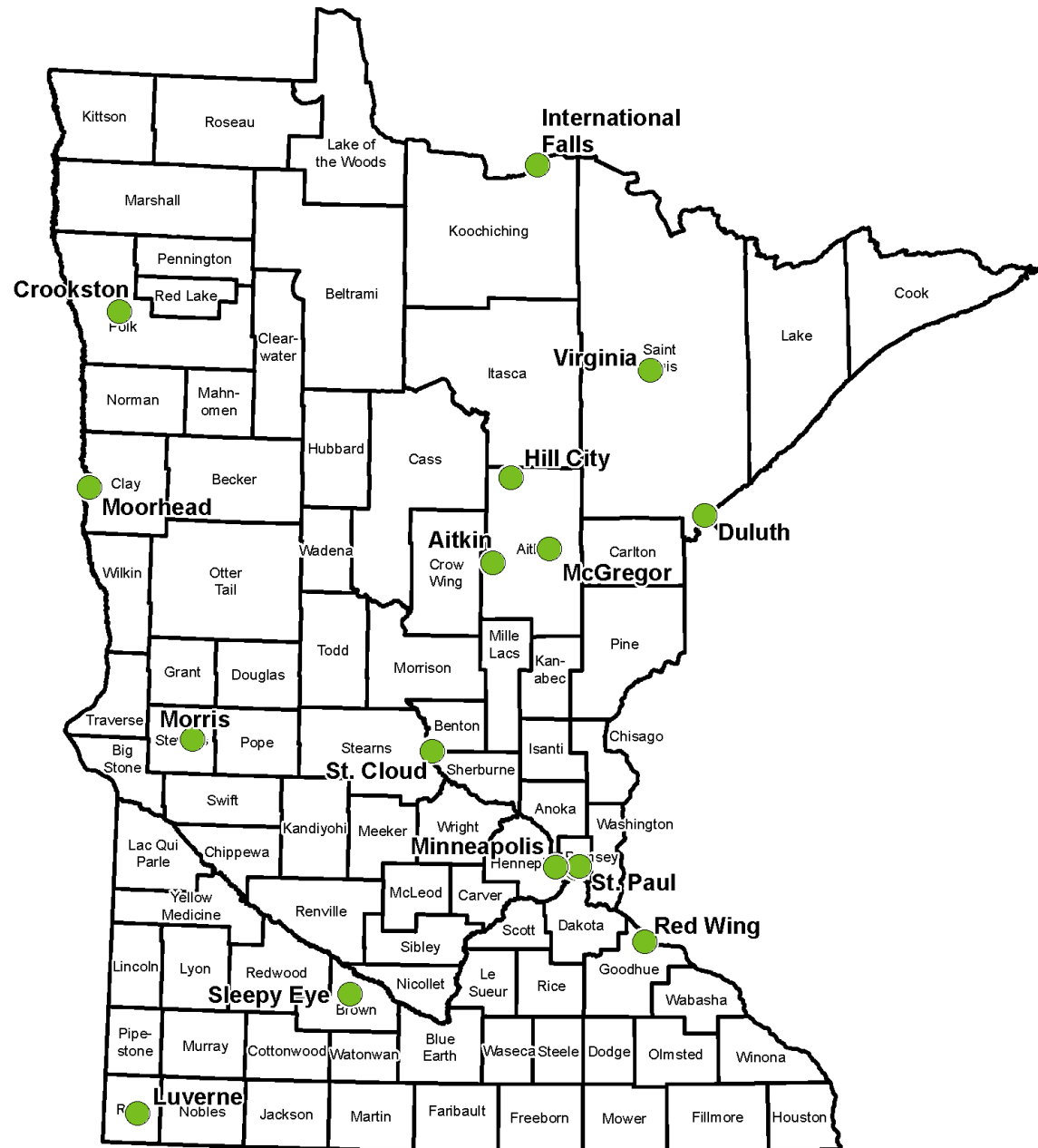
## APPLICATION

- \$41 Million in Available Funding
  - Traditional POHP RFP
  - Health & life safety, critical needs, accessibility, energy/water efficiency
- 42 applications received
- 27 different public housing agencies

## AWARDED

- **Awarded All \$41 Million in Funding!**
  - Health & life safety, critical needs, accessibility, energy/water efficiency
  - High needs: Plumbing, Windows, Boilers
- 18 projects selected
- 13 different public housing agencies
  - 1 new to the POHP program!

# 2024 POHP Selection Recommendations

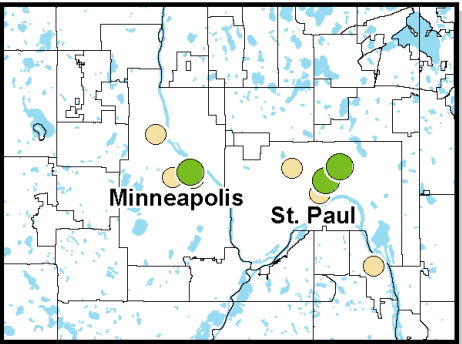
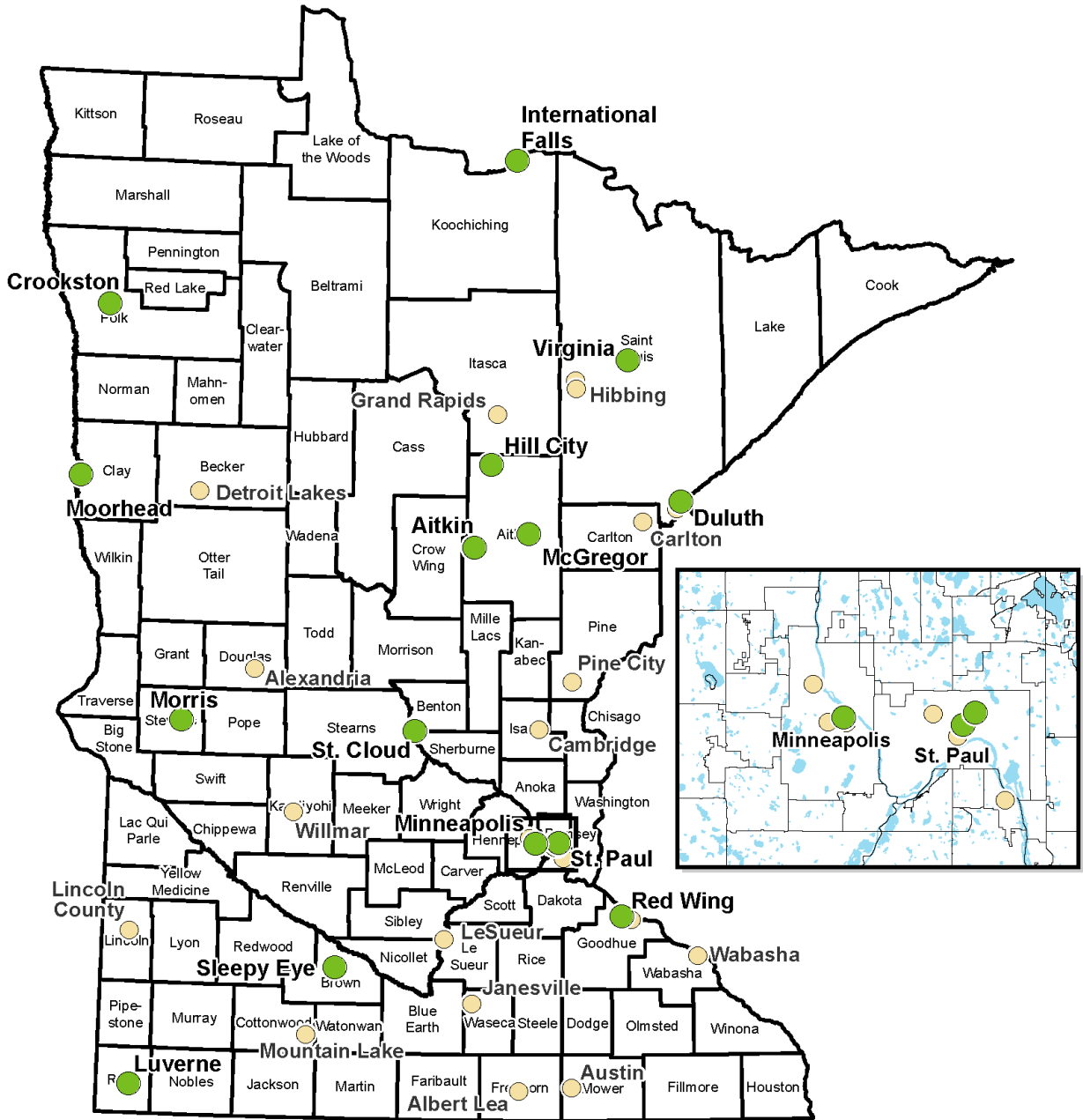


● Selection Recommendation

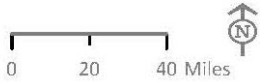


Source: Minnesota Housing; 5/29/2024

# 2018-2024 POHP Selections



- 2024 Selection Recommendation
- 2018 and 2020 Publicly Owned Housing Program (POHP) Selections



Source: Minnesota Housing; 5/29/2024





# Upcoming POHP RFPs

- The last round highlighted how overwhelmingly funding is needed.
- Next RFP: Target Release Winter 2024-2025 - **\$40 Million in Funding!**
  - Funds from Legislative appropriations
    - Not General Obligation bonds as with traditional funding rounds
  - Health & life safety, critical needs and accessibility
  - Energy related upgrades and /or climate resiliency upgrades (NEW)
  - Application process similar to prior RFPs

## Developments must:

- Be publicly owned housing

OR

Housing that has been repositioned under the federal Rental Assistance Demonstration program or similar program

- Have a minimum of four units
- If repositioned, project must have project-based federal subsidy, not tenant vouchers

# Your Application Should Tell the Story

- 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
- Include pictures showing the details of the issues

# The Blue Mound Tower, Luverne Plumbing

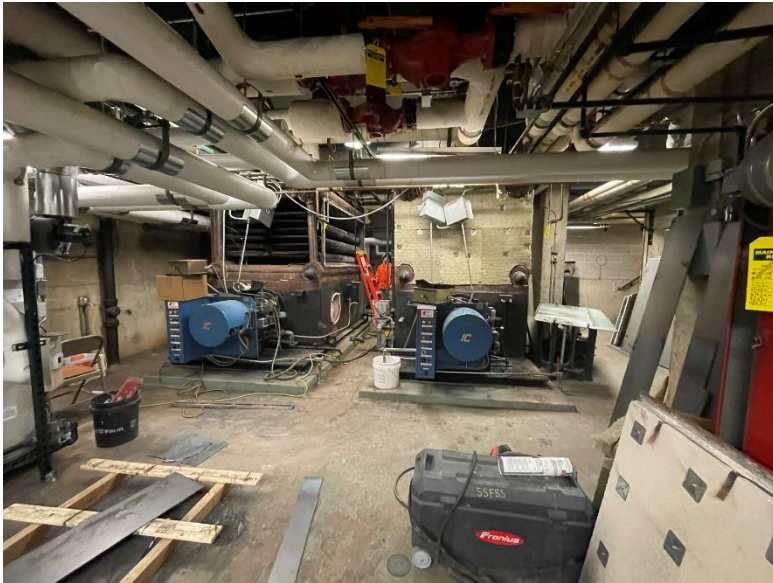


Rusting and occluded pipes...

...have led to pipes breaking and mold.



# Edgerton Hi-Rise, St. Paul Boilers



Boiler Room



Rusting boilers



# Woodland Park, International Falls Windows



Rotting Windows

# Review and Scoring this Round

- Appropriations allows eligibility for certain types of repositioned projects that were unable to access GO Bonds.
- Self-Scoring worksheet – NEW for POHP applicants
- Amount of leverage of other non-state resources improves the score
- May be Points for energy efficiency measures

# Non-Selected 2024 POHP Applicants

**For those who did not receive funding in the last round, we will:**

- Make it easy to apply this round by allowing much of the same application materials to be reused
- Provide TA sessions which will specifically address the strengths/weaknesses of your previous application



# POHP Application Tips

- Limit the scope of work items to no more than four of the most critical needs
- Ensure that each work item is specifically listed within the workbook
- Prioritize each scope of work item by how critical it is
  - **Clearly state** these priorities within the application
- Identify 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

# POHP Online Resources





# POHP Webpage

mn MINNESOTA HOUSING

mnhousing.gov/rental-housing/housing-development-and-capital-programs/deferred-loans-and-grant-programs/pohp.html

Home / Rental Housing / Housing Development and Capital Programs / Deferred Loans and Grant Programs / **POHP**

## Publicly Owned Housing Program (POHP)

Minnesota Housing is pleased to announce the availability of up to \$41 million in General Obligation (GO) bond proceeds to help finance public housing rehabilitation costs. These funds will be administered through a one-time Publicly Owned Housing Program (POHP) Request for Proposals (RFP), and application materials are now available.

**Applications are due Wednesday, March 6, 2024, by noon Central time.**

POHP is a competitive funding program that uses the proceeds of General Obligation (GO) Bonds to provide financing in the form of a 20-year deferred, forgivable loan for the rehabilitation and preservation of public housing.

### Funding Priorities

Preference will be given to projects that address:

- Health and life safety issues
- Accessibility
- Energy and water efficiency/climate resiliency and sustainability
- Critical physical needs

### Eligible Applicants

Applicants must be local units of government, such as a city, county, housing redevelopment authority (HRA) or public housing authority (PHA).

### Eligible Projects and Activities

Funds are available for capital activities of a non-recurring nature and add value or life to a building. Examples of eligible expenses include construction, pre-design, architectural or engineering costs.

### Required Technical Assistance

All potential 2024 POHP applicants are required to arrange a technical assistance meeting with POHP program staff. To schedule a meeting please contact Cheryl Rivinius at 651.296.3705.

Menu

- [Deferred Loans and Grant Programs](#)
- [RRDL](#)
- [POHP](#)**
- [State Housing Tax Credit \(SHTC\)](#)
- [Stable Housing Organization Relief Program \(SHORP\)](#)
- [HOME ARP](#)

## Quick Links

- [Supportive Housing Resources](#)
- [Development Team Qualification Forms](#)
- [Rent and Income Limits](#)

# POHP Webpage Selection Bars

## Quick Links

- [Supportive Housing Resources](#) >
- [Development Team Qualification Forms](#) >
- [Rent and Income Limits](#) >
- [Underwriting Standards](#) >
- [Request for Action and Change Notifications](#) >
- [MF Consolidated Request For Proposals \(RFP\)](#) >
- [MF Consolidated RFP & HTC Funding Selections](#) >
- [Preservation Resources](#) >

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[Webinar & Technical Assistance](#) >

[Application Forms](#) >

[Current Program Guides](#) >

[Due Diligence Forms](#) >

[Post Loan Closing](#) >

[Previous Program Guides](#) >

## Contact

The POHP team is available to answer any questions or provide technical assistance.

✉ [mhfa.pohp@state.mn.us](mailto:mhfa.pohp@state.mn.us)

# Portal Information



Partner Login



Home/Rental Housing/Housing Development and Capital Programs/Portal



## Multifamily Customer Portal Resources

The Multifamily Customer Portal (Portal)\* facilitates the application and post-selection process for developers seeking funding from Minnesota Housing for affordable rental housing. It is also used by HUD Section 8 and Section 811 Project-Based Rental Assistance owners and management agents to submit [Special Claims](#) packets.

The Portal is a web-based application built on the Salesforce platform. The recommended browser is Google Chrome. [Download Google Chrome for free.](#)

Portal Login

\*NOTE: This is a different system than the Property Online Reporting Tool (PORT) that is used to certify to Minnesota Housing that property owners have complied with the income, rent, and other restrictions of the financing it received from HOME, National Housing Trust Fund, housing tax credits, or Minnesota Housing deferred loan programs.

### Quick Links

- [Request for Proposals](#) >
- [Post-Selection Materials & Forms](#) >
- [Development Team Qualification Forms](#) >
- [Special Claims](#) >

Expand All

How do I access the Portal?

When do I use the Portal?

How do I use the Portal?

### Contact

[mhfa.app@state.mn.us](mailto:mhfa.app@state.mn.us)

# POHP Training Videos

## How do I use the Portal?

### User Guides

Topic specific user guides are linked throughout the Portal so you can access them when you need them. They are also available on the Portal home page and linked below.

- [Setting Up or Changing User Accounts](#)
- [How to Log In](#)
- [How to Customize Your User Profile and Settings](#)
- [How to Navigate](#)
- [How to Use Chatter](#)
- [How to Apply for Funding](#)
- [How to Setup and Change Project Characteristics](#)
- [Managing Files](#)
- [Project Workbooks](#)
- [Project Documents](#)
- [Project Teams](#)
- [Project Checklists](#)
- [Scoring Wizard](#)
- [Special Claims](#)
- [Terms and Conditions](#)

### Training

#### Publicly Owned Housing Program (POHP)

- [Getting Started](#) – Learn how to get started in the Portal including how to request a user account and log in.
- [Apply for Funding](#) – Learn how to find open funding rounds, create a project using the Apply for Funding Wizard and request project team access.
- [Project Checklists](#) – Learn how to select project characteristics, manage checklist items, and submit a checklist.



# Thank You!

Questions about the POHP Program, contact:

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Susan Bergmann

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# Question and Answer

