POHP Loans: You've been selected!

Now What??

Minnesota Housing POHP Staff

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MINNESOTA HOUSING

mnhousing.gov

Multifamily Housing Division

Publicly Owned Housing Program

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- Our Mission

- POHP Program Background

- Overview of POHP Process

- Underwriting Process - Due Diligence Documentation

- Next Steps

- POHP Post Selection Online Training Resources

- Question and Answer

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

Publicly Owned Housing Program (POHP)

- First established by the Minnesota Legislature in 2005

- POHP has evolved since 2005 and has looked similar since the 2012 RFP

- 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

Since 2012

- Seven rounds of funding (including this one)

- Awarded over $150M for 163 rehabilitation projects*

Note some developments received multiple awards over time

Minnesota Housing GO BIG Funding Rounds in 2024 & 2025

Awarded over $92M for 50 rehabilitation projects

2025 Round Only

- Awarded over $53M for 32 projects

- Largest POHP round we have ever funded!

- How did that happen?

  During our review and selection process, 2025 Legislature approved $26M in GO Bonds for POHP.

  We were able to allocate both 2024 Appropriations and 2025 GO Bond funds!

- Welcome: 5 HRAs are new to POHP!

Comparison

	Appropriations	GO Bonds
Department of Administration Predesign required	No	Yes
Buildings, Benchmarks, & Beyond (B3) required	No	Yes
Compliance Term	20 years	35 years
Projects that have undergone Rental Assistance Demonstration (RAD) or similar conversion resulting in private ownership	Eligible	Not eligible
Tribal Entities	Eligible	Not eligible

All loans, regardless of funding source

- 20-year

- 0% interest

- deferred, forgivable loan

Overview of POHP Process

Once Selected, Move through Four Phases

Underwriting → **Closing** → **Construction** → **Post-Construction**

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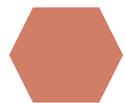Once assigned, the same person will work with you throughout the entire project.

	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
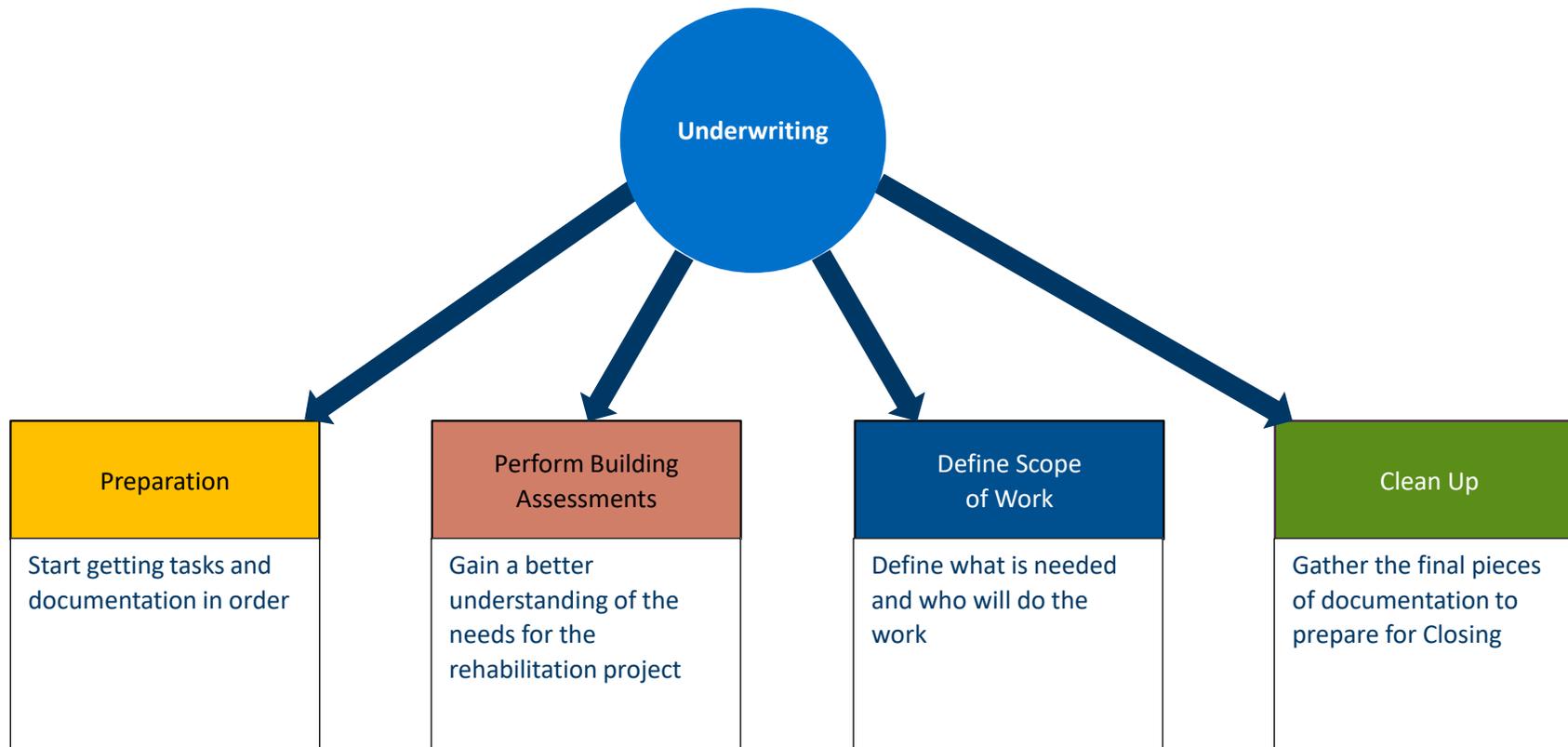- what is found during the rehabilitation process.

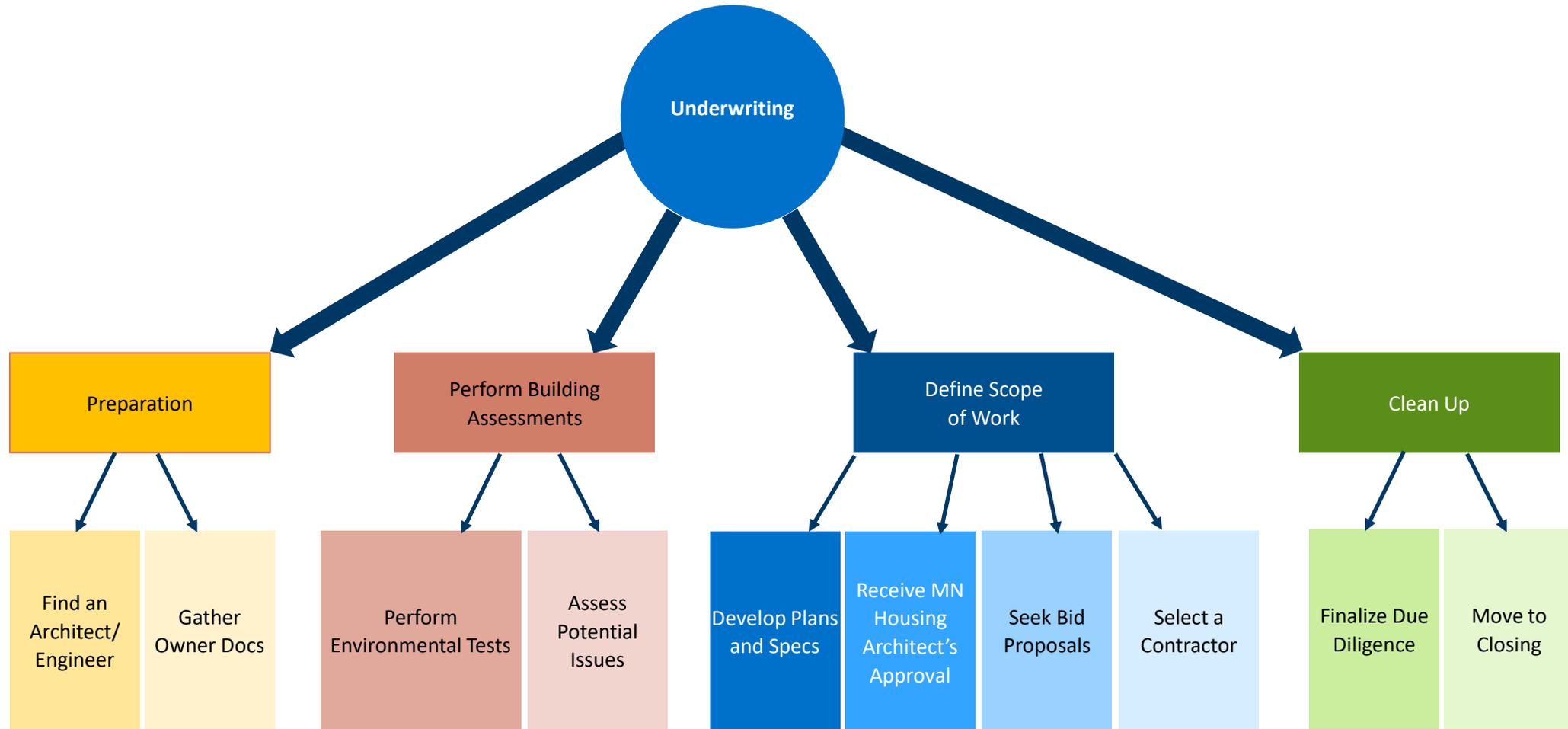Here is a visual indicating how long each phase could be in relation to other phases.

Underwriting　　　Closing　　　Construction　　　Post-Construction

(Expect 90-120 days)

Underwriting Process

Underwriting

Preparation

Start getting tasks and documentation in order

Perform Building Assessments

Gain a better understanding of the needs for the rehabilitation project

Define Scope of Work

Define what is needed and who will do the work

Clean Up

Gather the final pieces of documentation to prepare for Closing

Steps within each Underwriting Stage

Find an Architect/ Engineer

- Owner / Architect Agreement (AIA form)

- Architect's Evidence of Insurance

Gather Owner Docs

- Authority's Enabling Resolution

- Authority's Bylaws (and any amendments)

- HUD Declaration of Trust

- Owner's Evidence of Insurance
  - General Liability is required
  - Property / Builder's Risk is required if not provided by Contractor

- SWIFT Vendor ID

Perform Environmental Tests

- Environmental Testing

  - Asbestos

  - Radon

  - Lead-based Paint (buildings built before 1978)

- B3 or Limited Scope Sustainability Form*

Assess Potential Issues

* - B3 is not required for Appropriations funding

Develop Plans and Specs

- Design – 75% - 90% Contract Documents

Receive MN Housing Architect's Approval

- Design – 100% Contract Documents

Seek Bid Proposals

Select a Contractor

- Draft Construction Contract   Execute contract when file moves to closing team

- Contractor's Evidence of Insurance

  - General Liability is required

  - Builder's Risk is required if not provided by Owner

- Sworn Construction Statement (a.k.a Schedule of Values, AIA G702/G703)

- Building Permits – draft copies

- Payment and Performance Bonds   If construction contract >$175,000

- Workforce and Equal Pay Declaration Form*

- Wage Theft Prevention Verification

* - *Workforce and Equal Pay is not required for Appropriations funding*

Finalize Due Diligence

- Architect's Opinion Letter

- Owners and Encumbrance Report – dated within 120 days of closing

- Authority's Certified Bylaws – dated within 90 days of closing

- Authority's Borrowing Resolution – dated within 90 days of closing

Move to Closing

Next Steps

Step 1

Schedule your
Launch Session.

Contact Cheryl
to arrange a time.

Step 2

Start the due diligence
documentation.

Secure an architect.

POHP Online Resources

Housing is foundational to a full life.

Read our plans to Go Big so everyone can go home

Post Selection Training ⌃

The following training videos apply to projects that have been selected for funding. These videos describe how to manage your project's documentation through the Multifamily Customer Portal (Portal):

- Work on a Selected Project – How to work on projects after selection. This tutorial includes an overview of features available on a project.
- Due Diligence Checklists – How to access due diligence checklists, upload files, and communicate using chatter.
- Project Documents – How to locate letters and agreements shared by Minnesota Housing, download files, and communicate using chatter.
- Training for Selected POHP Applicants – How to navigate Portal as it relates to the POHP due diligence process. (Webinar recording, August 1, 2024)

For questions or additional assistance, contact Cheryl Rivinius at 651.296.3705 or cheryl.rivinius@state.mn.us.

Thank You!

To schedule the Launch Session, contact:

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Questions about the POHP Program, contact:

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