

CITY OF MINNEAPOLIS

Minneapolis Homes: Financing

Developer Technical Assistance
Spring 2025 NOFA
Tuesday, March 25, 2025

Minneapolis Homes: Financing

Spring 2025 NOFA

Agenda

- Welcome and Introductions
- Program Goals
- Timeline
- Priorities
- Eligible Applicants
- Eligible Activities
 - Recapture
- Development Requirements
- Proposal Requirements
- Criteria for Selection
- Revisit Timeline
- Q &A
- Thank you!

What is Minneapolis Homes?

Umbrella name for City of Minneapolis-sponsored scattered site housing products.

Access: Homebuyer Support

- Homebuyer education and capacity building
- Homeownership Opportunity Minneapolis (HOM) down payment assistance
- Stabilization
- 9000 equities first mortgages

Create: Affordable homeownership units

- City-owned development Property Purchase
- Minneapolis Homes: Financing

Sustain: Preserving homeownership

- Foreclosure prevention counseling
- Hennepin Homeownership Preservation Program
- Home improvement loans



Minneapolis Homes: Financing Program Goals

The goal of the Minneapolis Homes:
Financing Program **Spring 2025** is to
eliminate racial disparities in
homeownership and develop **one- to
three- unit** ownership housing affordable
projects and accessible to low- to
moderate-income households throughout
North Minneapolis

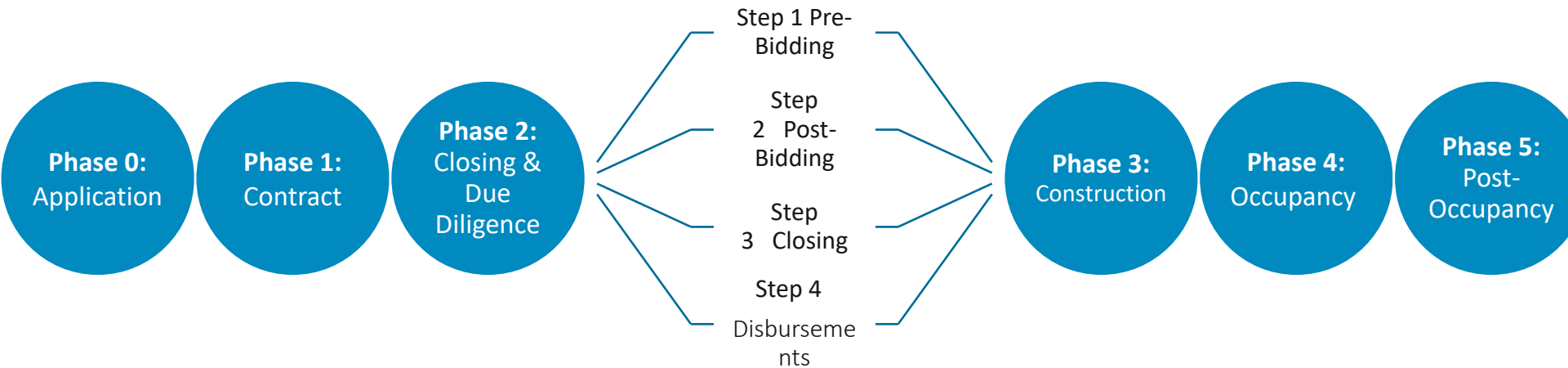
Minneapolis Homes: Financing Timeline

MONTH	DATE	ACTION
MAR	3/14	Release NOFA
MAR	3/25	NOFA Technical Assistance
APR	4/4	NOFA Due
MAY	5/1	NOFA Offer to Purchase and Appraisal Due
MAY	5/20	Land Sales Public Hearing Notice BHZ
JUN	6/5	City Council Land Sale Public Hearing
JUN	6/10	BHZ
JUN	6/18	City Council
JUN	6/19	Mayor Early Signature
JUN		Developer 1:1 Meeting
SUMMER		Bidding Process
SEP		Developer Pre-Closing Meeting
SEP/OCT		Funding and Land Sale Contracts to Developer
OCT/NOV		Closing and Construction Start
APR/MAY		Construction Complete
JUN		Sale to Homebuyer

Minneapolis Homes: Financing

- The next annual Minneapolis Homes: Financing NOFA is expected to be released in Fall 2025
- City Council funding approvals would occur in January 2026
- Acquisition closing and construction start would be anticipated
 - Summer to Fall 2026
 - Spring 2027 for certain types of projects

Minneapolis Homes: Financing Process from Application to Project Completion



Minneapolis Homes: Financing Priorities and Eligible Applicants

- Capacity and ability to **start construction in 2025** within three months of City Council funding award (June 18).
- Development team that includes a developer and general contractor with experience performing a comparable scale of real estate development within the past two years.
- Experience completing City funded developments under the Minneapolis Homes Program.
 - Applicants must provide all approved Minneapolis Homes projects addresses and completion status as well as **addresses and completion status of their total current development pipeline** (City- and NON-City-funded projects).

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Eligible Activities

- Funding is limited to the development of one- to three-unit ownership housing on vacant lots in the Near North and Camden Communities
 - **Recapture financing** (Perpetually Affordable Housing not included)
 - Serving households at or below 80% of area median income (AMI)
 - Applicants may apply to
 - purchase a City-owned lot
 - build on a privately-owned parcel
- **NOTE: Two- to three-unit projects will require prevailing wage**
 - However, a waiver may be obtained at funding award based on funding source.

Homebuyer Assistance Model

Affordability Requirements

Recapture

(down payment assistance/ affordability gap)

- Unit is sold for fair market value, down payment assistance (DPA) is advertised in listing
- DPA of 15% of fair market value or less
- Secured as a 30-year, 0% interest mortgage and note that is repaid upon property sale
- Available for City-owned or privately owned properties in North Minneapolis
- The minimum DPA that must be provided is \$1,000
- Affordable to households at or below 80% AMI

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Development Requirements

- All projects must meet the 2023-24 MN overlay to the 2020 Enterprise [Green Communities criteria](#).
- New construction one- to three-unit projects also require compliance with the [Department of Energy Zero Energy Ready Homes program](#) (new this year) Version 2 Compliance and will collect documentation after funding awards are made. Where inconsistency exists between the two standards, the higher standard will apply.
- Projects must meet [visitability design](#) requirements or request a waiver.
- NOTE: Two- to three-unit projects will require [MN State prevailing or living wage](#); however, the City may waive this requirement at funding award based on the funding source.

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Proposal Requirements

- Be **cost reasonable** and reflect industry standards for construction cost, market value and soft costs. Developer fee is limited to 10% of total development cost per project.
- Provide a **project budget** showing sources and uses, including documentation of committed financing.
- Provide a **conceptual design** showing building elevations and a site plan; preferably a design that has already been developed under the Minneapolis Homes Program.
- Include an **offer to purchase** (if proposal is on City-owned land) and feasibility of the proposed development; closing will be dependent on demonstration of financing along with other program requirements.

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Proposal Application Requirements

Application Due April 4

- Program [Application](#) or RFP response
- [Proforma](#) filled out in “Application Budget” column
- [Elevation/Site/and Floor Plans](#)
- [Documentation of financing](#) dated within last 90 days
- Evidence of [Affirmative Action Plan](#) approved by Minneapolis Department of Civil Rights or documentation it has been submitted for approval. (Only for project awards of \$100,000 or more)
- All approved Minneapolis Homes projects addresses and completion status as well as **addresses and completion status of their total current development pipeline** (City- and NON-City-funded projects).

Due May 1

- [Offer to Purchase, if purchasing a City-owned property](#)
- [Broker’s Price Opinion \(BPO\) or appraisal](#) to establish after rehab or completed new construction estimated sales price

Minneapolis Homes: Financing

Complete the Minneapolis Homes Financing NOFA intake form

To apply, you must submit the following documents.

- Application
- Address preference list
- Proforma specific to homeownership
- Documentation of financing, including:
 - Pre-approval letter from lender on letterhead dated within 90 days
 - Bank statements within 30 days
 - Pending listing with amount of net sales proceeds expected
- Construction plans, including
 - Floor plans
 - Elevations
 - Proposed layout
- Affirmative Action Plan

Minneapolis Homes Financing NOFA Intake Form

Applicant Organization *

Contact Name *

Contact Phone *

Contact Email *

Files Uploaded *

Select the files that you are uploading. (Check all that apply)

Application Address Preference List Proforma

Documentation of Financing Construction Plans

Affirmative Action Plan Brokers Price Opinion or Appraisal

Offer to Purchase

File Upload *

Submit Documents by noon April 4:
Application
Address Preference List
Proforma
Documentation of Financing
Construction Plans
Affirmative Action Plan

Submit Documents by noon May 1 (subject to change):
Brokers Price Opinion or Appraisal
Offer to Purchase

Drag and drop files here or [browse files](#)

Send me a copy of my responses

Submit

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Minneapolis Homes: Financing

[View a list of City-owned properties](#)

Address	Neighborhood	Ward	Price	Lot Width	Lot Depth	Lot Size	Property Type	Soil Report
3514 RUSSELL AVE N	Cleveland	4	\$15,800	60	127	7620	Vacant Land	No
3334 JAMES AVE N	Folwell	4	\$10,100	42	127	5374	Vacant Land	Yes
3427 MORGAN AVE N	Folwell	4	\$10,000	40	127	5052	Vacant Land	Yes
3515 DUPONT AVE N	Folwell	4	\$10,000	40	125	5030	Vacant Land	Yes
413 26TH AVE N	Hawthorne	5	\$5,000	39	129	5031	Vacant Land	Yes
616 23RD AVE N	Hawthorne	5	\$5,500	66	161	10280	Vacant Land	Yes & shoring
1315 26TH AVE N	Jordan	5	\$5,000	89	56	4984	Vacant Land	No
1600 22ND AVE N	Jordan	5	\$5,100	46	132	5830	Vacant Land	Yes
4530 BRYANT AVE N	Lind - Bohanon	4	\$20,000	40	128	5123	Vacant Land	No
901 45TH AVE N	Lind - Bohanon	4	\$30,000	300	100	30060	Vacant Land	No
3442 6TH ST N	McKinley	4	\$10,300	40	157	6280	Vacant Land	No
3518 4TH ST N	McKinley	4	\$10,300	40	157	6280	Vacant Land	No
3658 6TH ST N	McKinley	4	\$10,100	35	157	5495	Vacant Land	No
900 34TH AVE N	McKinley	4	\$7,900	43	92	3956	Vacant Land	No
1204 KNOX AVE N	Near - North	5	\$10,600	126.5	63.42	7975	Vacant Land	No
1413 GOLDEN VALLEY RD	Near - North	5	\$10,500	40	193	7720	Vacant Land	Yes
3950 THOMAS AVE N	Victory	4	\$20,000	40	126	5062	Vacant Land	Yes
3943 6TH ST N	Webber - Camden	4	\$10,200	41	153	6072	Vacant Land	Yes
4114 FREMONT AVE N	Webber - Camden	4	\$10,300	50	128	6400	Vacant Land	No
1400 MORGAN AVE N	Willard - Hay	5	\$20,500	50	125	6250	Vacant Land	Yes
1410 MORGAN AVE N	Willard - Hay	5	\$20,000	40	125	5000	Vacant Land	Yes
1414 MORGAN AVE N	Willard - Hay	5	\$20,000	40	125	5000	Vacant Land	Yes
1719 SHERIDAN AVE N	Willard - Hay	5	\$21,400	65	129	8385	Vacant Land	Yes
2214 RUSSELL AVE N	Willard - Hay	5	\$20,200	43	129	5547	Vacant Land	Yes
2320 SHERIDAN AVE N	Willard - Hay	5	\$20,000	37	136	5020	Vacant Land	No
2327 GOLDEN VALLEY RD	Willard - Hay	5	\$19,200	38	126	4788	Vacant Land	Yes
2332 MCNAIR AVE	Willard - Hay	5	\$19,200	40	120	4800	Vacant Land	No

Minneapolis Homes: Financing

Criteria for Selection

All proposals that meet eligibility, affordability, and submission requirements stated above will be considered. In reviewing and selecting proposals, the City will consider the extent to which the project demonstrates the following additional criteria:

- Cost-Effectiveness
- Meets Community Needs and Community Engagement
- Equitable Wealth-Building Opportunities
- Incorporates Unique Design Features that achieve City Goals
- Priority for capacity and ability to **start construction in 2025**

Minneapolis Homes: Financing Timeline

Staff recommendations to developer the week of April 14

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Thank You!
Questions about
Minneapolis Homes:
Financing Spring 2025?

Contact

MplsHomes@minneapolismn.gov