

CITY OF MINNEAPOLIS

# Question and Answer Session

## Minneapolis Homes: Financing NOFA & City-owned Property Sale

# What we're discussing today

- Program Goals
- Application Options
  - Minneapolis Homes: City-owned vacant structure sale without financing
  - Minneapolis Homes: Financing - NOFA of vacant structures for homeownership only
- What you need to apply
- Property Options
- City-owned Property Sale Program
- Minneapolis Homes: Financing Program

# Goals

- Cost-Effectiveness
- Meets Local Affordable Housing Needs
- Equitable Wealth-Building Opportunities
- Incorporates Unique Design Features

# Minimum Qualifications to Apply

- **Capacity:** Demonstrate financial capacity for the project
- **Experience:** Applicant or a member of applicant's team must have experience completing a similar project in the last two years
- **Responsible:** Must have a restoration agreement or similar solution for registered vacant buildings, rental license violations, or tax delinquent property
- **In Good Standing:** Must not have an uncured default on a City of Minneapolis restoration agreement or redevelopment contract

# Two Different Application Options

## 1. City-owned Property Sale

- Property Sale for Ownership or Rental Housing Development

## 2. Minneapolis Homes: Financing

- Vacant Structure 1-20 Unit Homeownership (Only)



# What your application needs

- **Application Document**
- **Documentation of Financing**
- **Offer to Purchase or Documentation of Site Control (if privately owned property)**
- **Proforma**
- **Construction Plans (for substantial rehab)**
- **BPO/Appraisal/CMA**

# Available City-owned Property

Address	Sale	Thursday, November 30	Saturday, December 2
818 44th Ave N	\$75,000	8 a.m. – 8:25 a.m.	9 a.m. – 9:25 a.m.
3246 Oliver Ave N	\$60,000	8:30 a.m. – 8:55 a.m.	9:30 a.m. – 9:55 a.m.
2756 Queen Ave N *	\$1	9 a.m. – 9:55 a.m.	10 a.m. – 10:55 a.m.
2919 Penn Ave N	\$50,000	9 a.m. – 9:55 a.m.	10 a.m. – 10:55 a.m.
3414 Emerson Ave N (duplex)	\$100,000	10 a.m. – 11:25 a.m.	11 a.m. – 12:25 p.m.
2223 Emerson Ave N	\$50,000	10 a.m. – 11:25 a.m.	11 a.m. – 12:25 p.m.
2714 Emerson Ave N (duplex)	\$120,000	10 a.m. – 11:25 a.m.	11 a.m. – 12:25 p.m.
1614 22nd Ave N	\$80,000	12 p.m. – 1:25 p.m.	1 p.m. - 2:25 p.m.
1621 22nd Ave N	\$50,000	12:00 p.m. – 1:25 p.m.	1 p.m. - 2:25 p.m.
2122 Ilion Ave N	\$30,000	12:00 p.m. – 1:25 p.m.	1 p.m. - 2:25 p.m.
2401 Ilion Ave N	\$85,000	12:00 p.m. – 1:25 p.m.	1 p.m. - 2:25 p.m.
2818 Girard Ave N *	\$20,000	1:30 p.m. – 1:55 p.m.	2:30 p.m. – 2:55 p.m.
2319 3rd St N (duplex)	\$65,000	2 p.m. – 2:25 p.m.	3 p.m. – 3:25 p.m.
2007 Russell Ave N	\$85,000	2:30 p.m. – 3 p.m.	3:30 p.m. – 4 p.m.

## City-owned property for sale:

- Vacant Structures
- Must submit offer to purchase along with application documents
- Program requirements apply including [Unified Housing Policy](#)
- Sales prices:
  - Based upon City-appraisal
  - Priced as listed

## Privately-owned Structures:

- Provide documentation of site-control

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# The Minneapolis Homes: City-owned Property Sale

Matthew Ramadan, Senior Project Coordinator



# What this Program Does?

- Offers a pathway for acquisition of City-owned vacant property
- Gap funding subsidy can be provided from City sources (homeownership only)
- Applicants have fewer City compliance requirements to maximize access
- Ownership: requires certification of household income for homebuyer
- Rental: requires affordable rents for 20% of units

# Minneapolis Homes: Project Examples

4236 Snelling Ave (Before)



4236 Snelling Ave (After)



# Minneapolis Homes: Project Examples

1131 James Ave N (Before)

1131 James Ave N (After)



# Minneapolis Homes: Project Examples

3245 Fremont Ave N (Before)



3245 Fremont Ave N (After)



# Minneapolis Homes: Project Examples

4640 Portland Ave (Before)



4640 Portland Ave (After)



# Minneapolis Homes: Project Examples

2732 4th St N (Before)

2732 4th St N (After)



# Requirements of Minneapolis Homes: City-owned Property Sale

- Applicants must:
  - Comply with all applicable ordinances.
  - Comply with the [Unified Housing Policy](#)
    - Ownership: 10% of units are affordable to 80% AMI
    - Rental: 20% of units are affordable to 60% AMI
  - Must collect certification documentation of household income of occupants

# How to Apply for Minneapolis Homes: City-owned Property Sale

- Applicants must describe the end use of the property that details:
  - Owner-occupancy by purchaser, or
  - A strategy for marketing exclusively to owner-occupants, or
  - A leasing strategy for rental units to ensure long-term affordability
- Attending an open house inspection is mandatory in order to submit an application.



# Rental Income Limits

2023 ADJUSTED HOME PROGRAM INCOME LIMITS

INCOME LIMITS	1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
30% AMI	26100	29800	33550	37250	40250	43250	46200	49200
50% AMI	43500	49700	55900	62100	67100	72050	77050	82000
60% AMI	52200	59640	67080	74520	80520	86460	92460	98400
80% AMI	66300	75750	85200	94650	102250	109800	117400	124950

2023 HOME PROGRAM RENTS

PROGRAM	EFFICIENCY	1BR	2BR	3BR	4BR	5BR	6BR
20% AMI	1007	1149	1397	1615	1801	1988	2173
30% AMI	1007	1149	1410	1916	2209	2502	2720
FMR	1007	1149	1410	1916	2209	2540	2872
50% AMI	1087	1165	1397	1615	1801	1988	2173
65%	1394	1494	1796	2066	2285	2502	2720

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# The Minneapolis Homes: Financing Program

Tara Thompson, Senior Project Coordinator

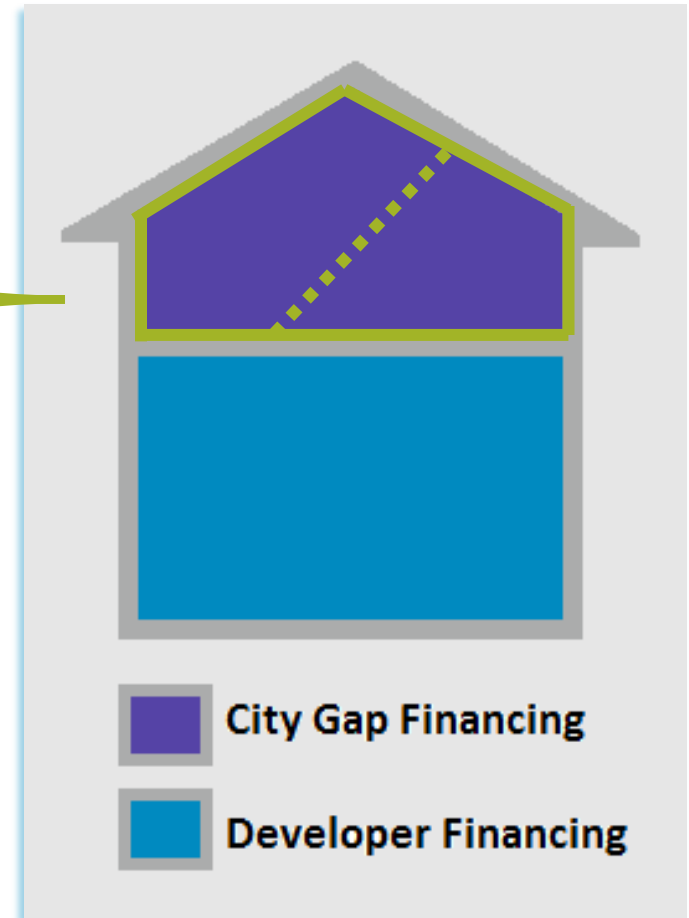
# Ownership Subsidy and Income Limits

## Project Gap

- Funds cover the gap between total development cost and the fair market value

## Affordability Gap

- Funds cover the gap between the fair market value and an affordable homebuyer first mortgage



# Ownership and Subsidy Limits

<b>80% AMI</b>	<b>Studio</b>	<b>1 Bedroom</b>	<b>2 bedrooms</b>	<b>3 bedrooms</b>	<b>4+ bedrooms</b>
Maximum Affordable Price* (set at 70% AMI)	\$177,500	\$202,000	\$228,000	\$253,500	\$271,500
Maximum Combined Subsidy^	\$120,000	\$165,000	\$185,000	\$205,000	\$280,000
<b>60% of AMI</b>	<b>Studio</b>	<b>1 Bedroom</b>	<b>2 bedrooms</b>	<b>3 bedrooms</b>	<b>4+ bedrooms</b>
Maximum Affordable Price* (set at 50% AMI)	\$121,500	\$138,000	\$156,000	\$173,500	\$185,500
Maximum Combined Subsidy^	\$180,000	\$230,000	\$260,000	\$285,000	\$365,000
<b>40% of AMI</b>	<b>Studio</b>	<b>1 Bedroom</b>	<b>2 bedrooms</b>	<b>3 bedrooms</b>	<b>4+ bedrooms</b>
Maximum Affordable Price* (set at 30% AMI)	\$65,500	\$74,000	\$84,000	\$93,500	\$98,500
Maximum Combined Subsidy^	\$235,000	\$295,000	\$330,000	\$365,000	\$455,000

## Income Limits\*

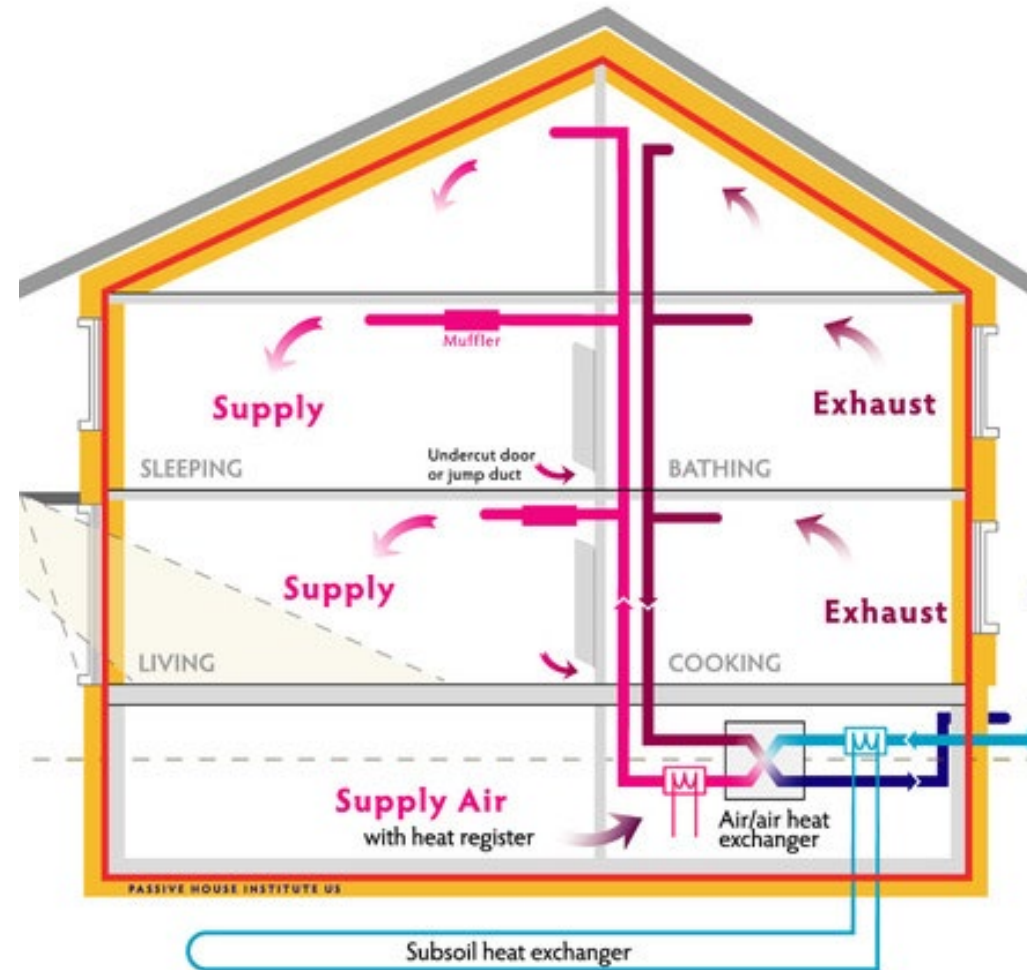
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
<b>80% of AMI</b>	\$66,300	\$75,750	\$85,200	\$94,650	\$102,250	\$109,800	\$117,400	\$124,950
<b>60% of AMI</b>	\$52,450	\$59,950	\$67,450	\$74,950	\$80,950	\$86,950	\$92,950	\$98,900
<b>40% of AMI</b>	\$34,950	\$39,950	\$42,950	\$49,950	\$57,950	\$57,950	\$61,950	\$65,950

# Development Requirements

- Green Communities [Criteria](#)
  - All projects must comply regardless of funding
- DOE Net Zero Energy Ready Homes [Requirements](#)
  - 1-3 unit new construction
- Prevailing Wage
  - Funded projects 8-units or more
- Additional compliance requirements may apply depending on funding amounts requested

# Sustainability Certification Incentive

- Incentive of up to 20% of total development costs, not to exceed \$90K per unit
- Actual subsidy based on demonstrated need
- Certify home as one of the three ultra-efficient building types
  - Passive House Institute
  - Passive House Institute US
  - Install solar array to achieve Net Zero Energy on ZERH Home
- Meet all program requirements



# CHDO and CBDO certification

- Eligible applicants are encouraged to apply for Community Housing Development Organization (CHDO) or Community Based Development Organization (CBDO) certification.
- CBDOs can be non or for-profit organizations
- CHDOs can only be non-profit organizations
- Certification may provide access to funding restricted only for certified entities.

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# Homebuyer and Homeowner support Models

Ryan Nestingen, Senior Project  
Coordinator



# General Qualifications for Homebuyer/s

- Any prospective homebuyer needs to be at or below 80% Area Median Income (AMI)
- Applicant's income needs to meet [HUD Part 5](#) requirements
- There is a minimum investment for a homebuyer of \$1,000.

# Setting Sales Price

- Recapture: The sales price for this model is determined by the Appraised Value
- Perpetually Affordable Housing models: The sales price must be at minimum 20% below the appraised value and cannot exceed the price determined by type of funding provided:
- This price is determined by per this chart:  
<https://www2.minneapolismn.gov/media/content-assets/www2-documents/government/MHF-Ownership-Subsidy-Limits-Sale-Prices.pdf>

# The models for homebuyers

- Recapture
  - Only on City-owned property located in North Minneapolis
- Perpetually Affordable Housing (PAH)
  - Available on City-owned and privately owned property throughout Minneapolis
  - Projects must enroll in a City approved PAH model
  - Can submit alternative model for review

# Recapture Model

- Provides down payment and closing cost assistance to the homebuyer up to 15% of the home's sales price
- The minimum to be provided to a homebuyer is \$1,000
- Developers must request recapture funding in the permanent sources section of the proforma
- The amount that is provided to the homebuyer is needs-based and provided in a 0% deferred note and mortgage that is due on sale of the property from net sale proceeds

# Perpetually Affordable Housing (PAH)

- Discounts home price to an affordable value
  - The discount is 20% or more
- In exchange for the Value discount the property is enrolled in one of two equity sharing models selected by the developer at application:
  - City of Lakes Community Land Trust model
    - Secured with a 99-year ground lease.
    - 25% of value increase to homebuyer upon sale
  - City of Minneapolis Model
    - Limits the value increase to 2% Annually
    - Secured with a Declaration of Restrictive Covenants
  - New Model such as: Cooperative
  - The affordability is renewed upon each home sale

# Perpetually Affordable Housing (PAH) Continued

- The City of Minneapolis Model requires a Qualified Administer (QA) to be selected by the developer.
  - BuildWealth MN or
  - City Of Lakes Community Trust
- There are administrator fees to contract with a QA which are detailed below:

Program	City of Minneapolis <i>(2% Annual Compound Fixed Rate Formula)</i>		City of Lakes CLT <i>(25% of Value Increase Appraisal-Based Formula)</i>
	<i>BuildWealth MN</i>	<i>City of Lakes CLT</i>	<i>City of Lakes CLT</i>
Administrator	<i>BuildWealth MN</i>	<i>City of Lakes CLT</i>	<i>City of Lakes CLT</i>
Initial Sale Fee (cost to developer)	<i>\$5,500</i>	<i>\$5,500</i>	<i>\$3,000</i>
Monitor Fee (cost to homeowner)	<i>\$1,200/year</i>	<i>\$600/year</i>	<i>\$240/year</i>
Resale Fee (cost to homeowner)	<i>\$1,800</i>	<i>\$1,800</i>	<i>\$1,000</i>
Refi Fee (cost to homeowner)	<i>\$1,850</i>	<i>\$500</i>	<i>\$0</i>
Realty Services	<i>5.7% of Affordable Sales Price</i>	<i>5% of Affordable Sales CLT Price + \$400 Broker Admin. Fee</i>	<i>5% of Affordable Sales CLT Price + \$400 Broker Admin. Fee</i>

\* Initial Sale Fee should be included in proforma

# Next Steps

- Due date Tuesday, January 16 at 4:00 p.m.
  - Submit to [mplshomes@minneapolismn.gov](mailto:mplshomes@minneapolismn.gov)
- Proposals are submitted to neighborhood organizations for 45-day review and comment period
- Expected presentation to City Council, award in 2<sup>nd</sup> Quarter 2024
- Developer signs contract, if purchasing City-owned property must pay good faith deposit of 10% of purchase price or \$2k
- Units available in 2024-2025

# Questions

- City-owned Vacant Rehab Purchase
  - Matthew Ramadan -  
[matthew.ramadan@minneapolismn.gov](mailto:matthew.ramadan@minneapolismn.gov)
- Minneapolis Homes: Financing
  - Tara Thompson –
  - [tara.roberts@minneapolismn.gov](mailto:tara.roberts@minneapolismn.gov)



Program Area	Audience Questions	Response
MHF	What happens if multiple people want to purchase the same property?	We will select the most competitive application based off of our selection criteria that can be found in the Program Guidelines in the application webpage.
MHF	Is this the same presentation that's on the website? I'm just asking so that I know whether I need to stay for the entire thing. Since I've already watched all of the videos on the website.	This Q and A will be posted to the webpage for you to view.
MHF	Do you need a builder contractors license to purchase lot?	Either you or the General Contractor that you hire must be licensed by the state
MHF	Can we work with a DTAP Consultant as our co-developer if we don't have experience?	Yes, it highly encourage to work with a DTAP consultant or entiity that has experience working with the City. If you intend to work with a DTAP consultant, it is strongly encouraged that applicants enroll in the DTAP training program rior to applying for consulting assistance. You can find out more information here at <a href="https://www2.minneapolismn.gov/government/programs-initiatives/b-tap/d-tap/#d.en.188448">https://www2.minneapolismn.gov/government/programs-initiatives/b-tap/d-tap/#d.en.188448</a>
MHF/City-owned	I see you are talking about online training. Would you be so kind to share where is that located?	You can visit our webpage below where we have videos and presentation posted about our program. Based on your interest, you can go to the City - owned property or Affordable Homownership tab. <a href="http://minneapolisihomes.org/">http://minneapolisihomes.org/</a>
MHF	How many projects can developer apply? Is there any limits?	We do not place a limitation on how many Developers can apply to our program. We do evaluate capacity as part of our overall award process.
MHF	Are these properties only available to be purchased for developers? Or can anyone buy them? Meaning a family looking for a home or a first time home buyer?	Individuals can also apply to purchase property as well either for owner-occupied purposes or to sell as an ownership unit for affordable housing. In any of these sceneraries the household income must be at/below 80% AMI.
MHF	Can we negotiate purchase price or is price set in stone?	The price for the property is set as listed.
MHF	If I build a duplex for affordable homeownership, would you expect/prefer a single owner occupying one unit with tenants in the other units OR would you want the individual units to be available to purchase as condos OR single owner occupying both units?	Our goal is to produce affordable housing units. Either option is allowed, but funding is only available for the ownership units. If having a rental tenant that rental income will be part of the income qualification for the program.
MHF	For self certification of AMI, can we partner with an organization like PPL to vet the homeowner?	If you intend to self certify as an owner-occupant, you must provide income documentation that verifies household income. Applicants can also partner with entities that have worked with the City to market, screen and qualify eligible buyers.
MHF	If I'm going to be a first time home buyer.. why would i need to work together with contractors?	If you are building a new construction home or rehabilitating an existing one, a state licensed contractor is required on the project to help ensure that the home meets the building requirements for that structure.

MHF	Is there any funding or subsidy available for RENTAL projects path?	Financing is not available for Rental units.
MHF	How long do we have to put the land financing together if we are awarded the project?	Generally 6 to 12 months from Council approval. See manual for more information.
MHF	Do you have lender available who know about this program for financing	<p>Competitive Affordable Housing Dollars (annual application cycles)</p> <ul style="list-style-type: none"> <li>•Met Council LHIA – <a href="https://metrocouncil.org/Communities/Services/Livable-Communities-Grants/LCA-Programs/LHIA-Affordable-Homeownership-Pilot.aspx">https://metrocouncil.org/Communities/Services/Livable-Communities-Grants/LCA-Programs/LHIA-Affordable-Homeownership-Pilot.aspx</a></li> <li>oIf you do apply there is no pre-app for the City as mentioned on their webpage for the Pilot so disregard</li> <li>•Hennepin County AHIF - <a href="https://www.hennepin.us/business/work-with-henn-co/ahif-program">https://www.hennepin.us/business/work-with-henn-co/ahif-program</a></li> <li>•Minnesota Housing Impact Fund: <a href="https://www.mnhousing.gov/sites/np/impactfund">https://www.mnhousing.gov/sites/np/impactfund</a></li> <li>Construction Financing</li> <li>•Land Bank Twin Cities: <a href="https://landbanktwincities.org/">https://landbanktwincities.org/</a></li> <li>•Greater Minnesota Housing Fund (GMHF): <a href="https://gmhf.com/finance/">https://gmhf.com/finance/</a></li> </ul>
MHF	Is RENTAL project option available in new lots- 4+DU? and subsidy available?	Financing is not available for Rental units.
MHF	So what is the max subsidy that we're eligible for financing?	Subsidy is available on a per unit basis for each unit that is to be sold to income eligible households. The proforma submitted with your application will need to demonstrate gap subsidy need after financing received. For example, if you propose building a twin-home with two 3-bedroom units to be sold at 80% AMI households, you are able to apply for a combined subsidy amount of \$195,000 for unit for a total amount of \$390,000.
MHF	Would the City fund air source heat pumps as a primary heat source as part of this (we'd also install a gas furnace for 'back-up' heat)?	Developers are allowed to include sustainable building methods are part of their application.
MHF	Is there a length of time requirement for an owner occ applicant to occupy the property as their primary residence after project completion?	If recapture then a 30-year deferred second mortgage (for down payment assistance) is recorded and due at resale. For PAH, they must be maintained as affordable housing in perpetuity. They don't have a time limitation on when they can sell, but it would be subject to PAH affordable resale restrictions to an income qualified buyer through either a land lease or declaration of restrictive covenants.
MHF	What's an example of a PAH partner?	City of Lakes CLT or Build Wealth
MHF	Would I need to request a waiver for no step entrance if I'm building a duplex were one unit is at ground level and is in compliance, but the other is located on the second level?	If the second unit is requesting financing, a waiver would need to be requested.

MHF	Can you speak to the specific funding sources that the City will use for this program, specifically for the financing portion? Curious if developers would be able to layer other public funds onto the projects, or if there would be restrictions.	Funding from the program is sourced from Federal, County, State and Local funds. Depending on the funding a project is assigned, money from the same source may not be allowed if you as a Developer have applied and received funds on your own.
MHF	Would the funds be available prior to construction or at the end of the project.	Funds will be available after financial closing. City funds are on a reimbursement basis, so there are some costs that would need to be carried until funds are dispersed from the City.
MHF	Is geotechnical reports available for these lots? and the reports are free?	Developer will need to obtain reports on their own.
MHF	Are there any government training programs available on home purchase auctions?	Our program does not hold training on property auctions
MHF	What's the typical homeownership structure you see of a newly built duplex or triplex?	We are just starting to see these projects being built so we don't have a significant amount of examples. Most we're seeing are not including a homeownership association due to the complexity involved for few units. Ones we've seen are recording a legal agreement as part of sale process that spells out maintenance requirements.
City-owned Properties	For city-owned properties, does the price after rehab need to be sold at 20% below appraised value?	Properties, unless required to be Perpetually Affordable Housing because they are in South or NE Mpls, are sold at Fair Market Value (FMV). PAH properties must be sold for an affordable price, see the Ownership Subsidy and Affordable Sales Price Limits, at sale. The difference between affordable price and FMV can be requested as affordability gap from the City up to program maximums.
MHF	In the 4+ unit rental development program, will the city evaluate favorably or unfavorably if someone includes city subsidies in their sources and uses? Wondering if we can show a project being feasible without subsidy if that will fare better with the city when they evaluate the application.	Our program is designed for home-ownership. We do not provide funding for rental properties.
MHF	Can we ask for zoning variances as needed or are you wanting to avoid that? For example, let's say the setbacks make development unfeasible...what would be my options?	Developers should engage with Minneapolis 311 to talk with Planning and Zoning as part of their design process. We don't preclude projects that may require a variance, but approval may be delayed as a result. It is in your best interest to design a project in full compliance with the zoning code from the outset. If you are looking at a multi-unit project in particular you should be engaging zoning.
MHF	Is mixed housing - Commercial on first floor and residential on up floors for these	Yes, mixed use designs are eligible for submission, however only residential units sold for ownership can qualify for funding.

MHF	Are out of state persons able to participate as a developer ?	If you are licensed within the state of Minnesota to build, you are eligible to participate.
MHF	I have a buyer (relative) in mind already that is income qualified 40% AMI - can I partner with CLCLT and make sure this relative is able to purchase the home?	In this case we suggest you contact CLCLT prior to application. They may have program options available outside of the RFP. If you choose to apply for financing through the RFP then affirmative marketing requirements apply, which means a property needs to be publicly listed for sale if a developer is leading the project.  Only owner-occupant applicants are allowed to apply and not list the property publicly at completion.
MHF	As a new BIPOC developer with no cash to put towards a project, I need to pursue subsidies. How long do we have to deliver the project?	For City-owned Proect - Closing within 6 months of City Council Approval is expected with project completion 18 months after approval. See our program manual for more details. For Funded Projects - It can vary from 6 to 1 months based on the type of project being completed. See our program manual for more details.
MHF	What type of documentation do you need to be able to buy a home?	You can visit our webpage and click on the Homebuyer Resources tab for more information. <a href="http://minneapolisihomes.org/">http://minneapolisihomes.org/</a>
MHF	Is 4D Tax benefits incentive are available?	Suggest updating: 4D is a separate program managed by the City. Please visit the 4d page for more information: <a href="https://www2.minneapolismn.gov/government/programs-initiatives/housing-development-assistance/rental-property/4d/">https://www2.minneapolismn.gov/government/programs-initiatives/housing-development-assistance/rental-property/4d/</a>
MHF	Is maximum 20 units only are allowed ?	Yes. Anything about that and you would need to consult with the Residential Finance team that finances larger developments
MHF	Do we need to pay for architect drawings/sketches for application?	Professional drawings are not required in full for the application, but we do need to see general schematics of what you intend for your proect at the time of application.
MHF	Is REDI and D-TAP a plus on an application?	Having engaged in developer training resources is favorable.
MHF	Is cost of materials and labor reports need to submit in financing option?	Yes, a fully fleshed out proforma will need to be provided with your application.
MHF	Is studio - 325 sft considered as one unit?	Yes.
MHF	Does an income qualifying caretaker employed by developer's real estate company qualify as owner occupied?	If the intent of the employee is to reside in the house as an owner -occupant, that person is elible to apply as a Homebuyer.

MHF	Does an income qualifying caretaker employed by developer's real estate company qualify as owner occupied?	If the intent of the employee is to reside in the house as an owner -occupant, that person is eligible to apply as a Homebuyer.
MHF	Can a developer submit the same sketches and proposals for multiple locations? Does it reflect negatively to submit multiple proposals?	Yes, this is acceptable. Please also keep in mind that if you are approved, your proposal will go before a Neighborhood committee review team and they may like to see diversity if multiple sites are being developed in their community.
MHF	Is all utilities are connected for VACANT LOTS?	The majority of lots marketed by CPED have utility connections.
MHF	Does the city have a list of general contractors that have successfully completed projects that could be recommended to the group today?	The City does not maintain a list of general contractors. In the past, our webpage contained a list of Developers and General Contractos who have completed a Minneapolis Homes project. This list has not been updated since 2019, but can be found here --> <a href="https://www2.minneapolismn.gov/media/content-assets/www2-documents/business/Participants-in-Minneapolis-Homes-that-finished-a-project-in-the-last-three-years-wcmSP-195804.pdf">https://www2.minneapolismn.gov/media/content-assets/www2-documents/business/Participants-in-Minneapolis-Homes-that-finished-a-project-in-the-last-three-years-wcmSP-195804.pdf</a>
City-owned Properties	I'm back on but I think I missed what I was looking for. I was hoping to get info about purchasing city owned vacant properties for rehab	More information can be found at More information can be found at: <a href="https://www2.minneapolismn.gov/government/programs-initiatives/housing-development-assistance/home-ownership/minneapolis-homes/city-owned/">https://www2.minneapolismn.gov/government/programs-initiatives/housing-development-assistance/home-ownership/minneapolis-homes/city-owned/</a>
City-owned Properties	We have to request to attend the open house? Or can we just show up?	The City requires a signed liability waiver to attend the open house inspection for each property. Up to three (3) people can be on the same waiver.
City-owned Properties	Matthew can u repeat your email please? Thank you!	<a href="mailto:Matthew.Ramadan@minneapolismn.gov">Matthew.Ramadan@minneapolismn.gov</a>

<p>City-owned Properties</p>	<p>How long does it take to acquire a property that I'm interested in? If I was to attend the open house and am interested in a particular property.</p>	<p>Once the application process closes on March 13, 2023, it takes about 90 days before recommendations are made to the City Council for sale of vacant structures without City subsidy. City-owned vacant land sales and projects requesting City subsidy usually take longer before recommendations go before the City Council.</p>
<p>City-owned Properties</p>	<p>If I'm not a contractor or developer or anything literally, do i also need to sign the waiver form to be able to see the house? Can you share matthews email and link to the form?</p>	<p>All persons who want to attend the open house inspections must sign and submit the liability waiver before they will be allowed into the houses. See email and link above.</p>
<p>City-owned Properties</p>	<p>Are there any open houses for multi-family housing such as 5 or more unit properties?</p>	<p>Our vacant structure acquisition and disposition is usually 1-4 units.</p>
<p>City-owned Properties</p>	<p>can i bring a waiver with me to each site ?</p>	<p>We prefer that you submit the waiver electronically the day prior to the open house inspections to have an accurate count for how many plan to attend. And because your email address is how we will connect with you to invite you to a 'second look' to develop your detailed development scope of work, a hard copy might not be readable.</p>
<p>City-owned Properties</p>	<p>I am looking at the list of homes online and this seems different than what I printed out with dates/times can you please clarify.</p>	<p>Open house inspections for this year were held on Thursday 2/16 and Saturday 2/18.</p>

Program Area	Audience Questions	Response
City-owned Properties	When will the second round of property walk-throughs take place?	We will follow up with all attendees of the open house inspections to schedule second looks. (When will the second round of property walk-throughs take place?)
MHF	Just want to clarify is it ok to work with an experienced individual that is not a general contractor?	You may partner with an individual with experience. If you are receiving financing then you will need to separately bid for a general contractor to perform the work.(Just want to clarify is it ok to work with an experienced individual that is not a general contractor?)
MHF	A 20-unit apartment building needs to be Homeownership?	Our financing is restricted for affordable homeownership. If your intention is to rehabilitate a building for rental, we do not have financing available through this program.(A 20-unit apartment building needs to be Homeownership? (Unverified) asked "A 20-unit apartment building needs to be Homeownership?")
MHF	How does subsidy differ if plans are to hold and rent out vs sell to end buyer(s)?	Minneapolis Homes subsidy is only available for homeownership. If your intention is to rent the unit then subsidy is not available.(How does subsidy differ if plans are to hold and rent out vs sell to end buyer(s)?)
MHF	Does the city have existing blueprints for these houses?	The City does not have blueprints.(Does the city have existing blueprints for these houses?)
MHF	I understand this is about homeownership, I wanted to know if you have examples of homeownership for a 20-unit?	Not currently. One of the goals of the program is to address market barriers to developing missing middle homeownership opportunities by providing financing for each affordable unit to make projects financially feasible.(I understand this is about homeownership, I wanted to know if you have examples of homeownership for a 20-unit?)

MHF	Is the city have a general contractors list which is experienced with this kind of job?	You may reach out to Matthew who can provide a list of GCs that have completed a Minneapolis Homes project recently.(Habone Moussa (Unverified) asked "Is the city have a general contractors list which is experienced with this kind of job?")
MHF	You mention there is no subsidies for properties that are buy an	Minneapolis Homes is an ownership program. If you are interested in rental property ownership, please visit: <a href="https://www2.minneapolismn.gov/government/programs-initiatives/housing-development-assistance/rental-property/">https://www2.minneapolismn.gov/government/programs-initiatives/housing-development-assistance/rental-property/</a> (Johnny Lee (Unverified) asked "You mention there is no subsidies for properties that are buy and hold. Why is that?")
MHF City-owned Properties	Hi, Do developers who sell to owner occupants who make less than 80% AMI get a developer fee? if a person has 1 place to rent; how do you meet the % required affordable to specific AMI household	Yes. The proforma you complete with your application has a section that allows you to include a developer fee as part of the total development costs.(Hi, Do developers who sell to owner occupants who make less than 80% AMI get a developer fee?)
MHF	Just to make it simple for me I wanna get a place fix it and live in it for myself how do I get it paid for by the city and then pay you guys for 30years ???	You may rehabilitate a property for your own homeownership and you would need to meet the 80% AMI income requirement. You cannot live in and fix up the property and would need to hire a licensed general contractor to do the work. Our financing is provided as a gap loan. Your situation may be best answered directly in a separate conversation. Please inquire with Tara Thompson and we will try to address this question during the Q&A replies at the end of this presentation.(Cullen osburn (Unverified) asked "Just to make it simple for me I wanna get a place fix it and live in it for myself how do I get it paid for by the city and then pay you guys for 30years ???")



MHF	what happens if I buy a house, fix it up for selling and it does not sell?	We require you to complete a value estimation for the property and request subsidy to make it financially feasible. There is a risk that a property may not sell immediately. (what happens if I buy a house, fix it up for selling and it does not sell?)
MHF	When placing an offer for a property, do we have to offer above asking price or just the asking price? This is not an auction, right?	The fair market value which is the list price. This is not an auction.(When placing an offer for a property, do we have to offer above asking price or just the asking price? This is not an auction, right?)
MHF	If I am a GC, can I bid on my own project to do the work?	You may bid on your own project to do the work. Typically if you are the GC then you would be bidding to sub-contractors.(If I am a GC, can I bid on my own project to do the work?)
MHF	Does the city provide gap funding to cover any of the costs between the total cost of a project and the funding a bank would provide for a project?	Our gap funding covers project gap (total development cost - fair market sales price) and/or affordability gap (fair market sales price - what an affordable borrower can afford). (Does the city provide gap funding to cover any of the costs between the total cost of a project and the funding a bank would provide for a project?)
MHF	What is the maximum available to rehab a home? In the manual it states there is a prorated amount based on a 3 bed home. what is that amount?	Subsidy limits: <a href="https://www2.minneapolis.gov/media/content-assets/www2-documents/government/MHF-Ownership-Subsidy-Limits-Sale-Prices.pdf">https://www2.minneapolis.gov/media/content-assets/www2-documents/government/MHF-Ownership-Subsidy-Limits-Sale-Prices.pdf</a> (What is the maximum available to rehab a home? In the manual it states there is a prorated amount based on a 3 bed home. what is that amount?)
MHF	please post link to homebuyer training program	You can find homebuyer education information here: <a href="https://www2.minneapolis.gov/government/programs-initiatives/housing-development-assistance/home-ownership/minneapolis-homes/homebuyer-resources/">https://www2.minneapolis.gov/government/programs-initiatives/housing-development-assistance/home-ownership/minneapolis-homes/homebuyer-resources/</a> (please post link to homebuyer training program)

MHF	can you walk us through that subsidy limit chart?	For a 3 bedroom unit at 80% AMI, an income for a household of four would need to be at \$94,650 or less. The maximum subsidy would be at \$205,000 (this includes Project Gap and Affordability Gap) with the maximum affordable price the home can be sold at is \$253,000.
MHF	Can you describe the recapture model in more detail please?	This model can be used for projects located in North Minneapolis. In these cases, the buyer is provided buyer assistance of 15% or less than the home's value. So in other words, the affordability goes toward helping the borrower purchase the home.
MHF	I don't wanna sell it I wanna live in it ..	Yes you can rehab the property for you and your household. Keep in mind that the total household income will need to be at 80 AMI and below.
MHF	Is Financing available for Rehab projects?	Yes.
MHF	I have a duplex in south Minneapolis. Let's say I want to convert it to a triplex and sell it to 80% or below AMI person. Is this something the city provide subsidy for?	You will only receive subsidy on the part of the project that will be sold for homeownership and that may account up to a maximum amount of 33% of the Total Development Cost.
MHF	Will bank letter for secured funds need to be turned in with application?	Yes - you will need to show bank or lender approval for your Construction dated within 90 days.
MHF	One more question - will there be another round in February like in 2023?	To be Determined. Please make sure that you are subscribed to our mailing list for future updates.
MHF	When is the money due ?	We are not providing loans to Developers. The awarded funds are forgiven upon sale of the Affordable Home unit.
MHF	is there flexibility on drawings for rehabs at application	You can request funds at your own pace as you move through the construction process.
MHF	So I pay you guys and not a bank ? If I wanna live in the home and honestly I don't understand the gap part I need a simple answer I get the loan from Hennepin and pay every month to yall ?	If you are not providing your own equity, the expectation is that you receive the majority of your funding from a bank or lender to rehab the structure. If you are looking for Gap financing from the City, you can request funds from the City that is the difference from the total amount to rehab the home and the amount the home will sell at an affordable price for. This is not a loan and is forgiven once the home is sold.