



## **2024 Notice of Funding Availability for Affordable Rental Housing**

**February 13, 2024**

### **Project Goal**

To assist applicants of the Minnesota Housing competitive 2024 Multifamily Consolidated RFP/2025 Housing Tax Credit in securing funding for affordable rental housing creation projects in the Greater Rochester Area by leveraging the Coalition's collective resources.

### **Project Overview**

Pursuant to the [2020 Olmsted County Comprehensive Housing Needs Analysis](#), over 3,000 new rental (affordable/subsidized/senior) housing units will be required to meet our communities' needs by 2030. Based on this finding, the Coalition for Rochester Area Housing ("the Coalition"), has prioritized funding developments that increase rental housing for individuals and/or families with incomes below 50% Area Median Income ("AMI") and seniors with incomes below 60% AMI.

To guide the Coalition's funding strategy and amplify its collective impact, the Coalition commissioned a [Rochester Area Housing Financial and Policy Tool Forecasting Analysis](#) completed by the Tingerthal Group. The Tingerthal Group recommended the Coalition develop a formal collaborative approach to attract more resources for affordable housing production, noting, "Historically, developers in the Greater Rochester area have proven to be highly competitive in attracting affordable housing resources through State competitive programs. However, in recent years proposed projects have been less successful than those of other communities, and some high priority projects aren't getting funded, but are otherwise ready to proceed with development."

The recommendation suggested Coalition partners develop a formal process of setting priorities for awarding locally controlled resources to maximize scoring in the Minnesota Housing competitive 2024 Multifamily Consolidated RFP/2025 Housing Tax Credit process to leverage additional resources for affordable rental housing creation. This recommendation, together with the Coalition experiencing an unprecedented number of LIHTC project funding requests in 2023, cemented the Coalition's desire to create a formal NOFA process for applicants seeking Coalition funding in connection with applications for LIHTC resources. This Notice of Funding Availability (NOFA) outlines the process and criteria for evaluating such funding requests.

## **Population Served**

Residents within a 35-mile radius of the City of Rochester at or below 60% Area Median Income (AMI) pursuant to 2023 HUD guidelines:

[huduser.gov/portal/datasets/il/il2023/select\\_Geography.odn](https://huduser.gov/portal/datasets/il/il2023/select_Geography.odn).

## **Funding**

The Coalition may award a total of up to \$1.5M in gap funding for projects within a 35-mile radius of the City of Rochester to advance multi-family rental projects competing in the Minnesota Housing 2024 Consolidated Request for Proposals/2025 Housing Tax Credit Round 1 application process. Gap funding is limited to \$750,000 per project and will be in the form of a grant or deferred loan depending on the financial structure of the transaction.

The amount of the loan/grant will be determined by number of units in the below categories up to the maximum amount per project:

- 15K per unit at or below 50% AMI
- 20K per unit at or below 30% AMI
- 10K per unit at or below 60% AMI for seniors
- 10K per unit at or below 60% for larger units-3 bedroom +

Depending on project needs and availability, the Coalition may provide recommendations to Coalition partners for the following additional resource opportunities, including but not limited to one or any combination of the following:

- Fee waivers
- Tax Increment Financing (TIF)
- DMC contribution for infrastructure if within the DMC Zone

These additional recommendations will be subject to approval by the appropriate public authority partner.

**Coalition gap funding is contingent upon Applicant receiving an award in the Minnesota Housing competitive 2024 Multifamily Consolidated RFP/2025 Housing Tax Credit Round 1 process.**

## **Eligibility**

Projects must be located within a 35-mile radius of the City of Rochester and meet one of the housing type categories as defined by Minnesota Housing Finance Agency: permanent general occupancy rental housing (workforce housing), senior housing, or permanent supportive housing (supportive housing).

## **Evaluation Metrics and Criteria**

Proposals will be evaluated against the following criteria:

All areas of scoring below are graded and then ranked amongst any peer applicants. A “peer applicant” is another project of like category (i.e., senior projects are ranked against senior projects).

- **MHFA Scoring Alignment (60 points)** – Projects will be ranked against other “peer applicants,” in their respective funding categories.
  - Highest scoring project in respective funding category **(60 points)**
  - 2<sup>nd</sup> highest project in respective funding category **(55 points)**
  - 3<sup>rd</sup> highest project in respective funding category **(50 points)**
  
- **Location (10 points)** – Increasing Geographic Choice
  - Located in a Transit Oriented Development District **(2 points)**
  - Zoned for intended use **(2 points)**
  - Located on or within .25 mile of Bus Route **(2 points)**
  - Located within .5 miles of essential services **(2 points)**
  - Served by adequately sized public infrastructure **(2 points)**
  
- **Community Support/Equity (10 points)** – Community Support and Advancement of Equity in the built environment-
  - Demonstrates community support, committed partnership(s) and collaboration with other entities to develop manage and operate project **(5 points)**
  - Diversity of owner, sponsor, development team and subcontractors completing the project **(5 points)**
  
- **Collective Impact/Coalition Priorities (10 points)** – Collective Impact of Coalition Funding to Project Scoring and alignment of Project with Coalition Priorities
  - Collective Impact of Coalition Funding to Project Scoring **(5 points)**  
Note: Applicants will be required to submit a **confidential** self-score, one without Coalition support and one with assumed support from the Coalition
  - Aligns with Coalition Priorities **(5 points)**
  
- **Long-term Affordability (10 points)** –Creating and Preserving the Community’s Affordable Rental Housing Options
  - Project affordability limits extend beyond 30 years **(7 points)**
  - Project is developed by a non-profit **(3 points)**

## **Timeline**

Notice of Funding Availability	Tuesday, February 13, 2024
Application Available	Friday, April 12, 2024
Application Due	Friday, May 10, 2024
Coalition Leadership Council Meeting	Thursday, June 6, 2024
Notification of Gap Funding Awards	Thursday, June 13, 2024

## **Submission Requirements**

Applicants must complete the 2024 Coalition Multi-Family Funding Application and certify that the project meets the Minnesota Housing competitive 2024 Multifamily Consolidated RFP/2025 Housing Tax Credit process requirements including the underwriting threshold criteria, minimum points necessary for consideration for 9% or 4% Credits respectively, and deeper rent requirements.

The 2024 Multi-Family Funding Application and Certification forms will be posted on the Coalition's webpage [Coalition for Rochester Area Housing | Rochester Area Foundation](#) on Friday, April 12, 2024. Please email the completed application, certification, confidential copies of MHFA self-scoring worksheets, with cover letter, letters of support and additional attachments to JoMarie Morris at [jomarie@rochesterarea.org](mailto:jomarie@rochesterarea.org). Proposals shall be submitted no later than 5 pm CST on Friday, May 10, 2024. Please direct any inquiries regarding proposals to JoMarie Morris at the email listed above.

**The Coalition reserves the right to reject any and/or all proposals, to waive any informalities or irregularities in the proposal or evaluation process, and to award contract(s) in the best interest of the Coalition partners.**