



# Minnesota Housing Capital Funding Innovations to Support Tribal Housing Development

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

# Working with Tribal Sponsors

- Appreciate the deep understanding of community needs
- Respect the Tribal perspective of what works and what doesn't
- Reconcile program requirements and funding restrictions with Tribal goals

# Technical Assistance (TA)

- Begin up to eight months in advance of application deadline
- Meet over Microsoft Teams
- Discuss the project concept and sponsor's goals
- Review materials and provide comments
- Three key topics:
  - Scoring and Program Requirements
  - Financial Structure/Funding Request
  - Feasibility

# Scoring and Program Requirements

- Review competitive scores from the previous year
- Review scoring criteria and documentation
  - Serving large families
  - Permanent supportive housing for persons who are homeless
  - Serving persons with disabilities
  - Providing rental assistance
  - Access to transit
  - Leveraging other committed funds
  - Universal design elements
  - Rural/Tribal location
  - Black, Indigenous, People of Color – sponsorship, ownership, partnerships
- Review program requirements for funding sources (example: 100% supportive housing)

# Financing Structure/Funding Request

- Financing options- submit more than one
  - 9% low income housing tax credits
  - 4% tax credits and bonds and deferred loans
  - Deferred loans
- The Agency has flexibility to determine the best use all funding sources
- Sponsors can avoid competing against themselves for resources

- Location and Configuration
  - Scattered site locations
  - Multiple buildings, smaller scale
- Rents and Rent Limits
  - Rental assistance from NAHASDA\* and other Tribal sources
- Income limits
- Operating expenses
  - Are any costs absorbed into Tribal HRA operations?
- Long term cash flow projects
  - Are any capitalized reserves needed?

\*Native American Housing Assistance and Self Determination Act of 1996 (NAHASDA)

# Supportive Housing Incentives

- Minnesota Housing incentivizes applicants to include supportive housing in their projects
  - Awards points for including High Priority Homeless (HPH) units
    - High Priority Homeless means households prioritized for supportive housing through the coordinated entry system
    - Coordinated entry is a centralized coordinated process for assessing the housing and service needs for people experiencing homelessness that is managed by the local Continuum of Care. Households are prioritized on the waitlist for supportive housing based on the assessment and local priorities.
  - Awards points for including units for People With Disabilities (PWD)
    - Disabilities include mental illness, substance use disorder, developmental or physical disability for any household member. The income limit is 30% MTSP.
  - We fund projects that will have at least 5% of their total units for supportive housing and up to 100 % of the units



# Coordinated Entry and Tribes

- Coordinated Entry is a HUD requirement for CoCs for Homeless Assistance Funding
- Minnesota Housing changed eligibility for supportive housing units from Long-term Homelessness (LTH) to HPH once coordinated entry was implemented in the state
- Tribes in Minnesota can determine their own coordinated entry system for determining HPH eligibility and referrals for open units
  - Need to have an assessment for determining housing and service needs and a prioritization process to prioritize the highest need households for supportive housing
- Some Tribes do their own coordinated entry system, some use the local CoC coordinated entry system, and some do a hybrid in collaboration with the local CoC for referrals for open units

# Considerations for a Successful Supportive Housing Application

- The project or units are planned well to meet the needs of the population
- Expectation to follow housing first principles with low barrier access to housing and no requirements during occupancy beyond a standard lease
- Expectation to follow industry best practices for service provision and property management outlined in the [Supportive Housing Standards](#) adopted by the Minnesota Supportive Housing Alliance
- Service and property management staffing is sufficient to provide the necessary supports to households to maintain housing and improve quality of life
- For primarily supportive housing developments, there should be a staffed front desk or adequate security for the safety and security of tenants, depending on the size and design of the project
- Considerations for community space, office space for staff and other common space and amenities
- Rents are affordable for the population – units must have rental assistance or operating subsidy or we underwrite the rents at supportive housing levels (outlined in our underwriting standards)

# Considerations for a Successful Supportive Housing Application

- Funding for services, front desk (as applicable) and rental assistance is secured or have a high likelihood of being secured by the time of occupancy and expected to continue through the life of the project
- The project must cash flow and have adequate reserves
- Minnesota has some unique resources for supportive housing:
  - Housing Infrastructure Bonds (HIB) for capital funding
  - Housing Support for rent and services -for people with disabilities who are long-term homeless (entitlement program- funding provided for any eligible person)
  - Medicaid funded Housing Stability Services – for people with disabilities (entitlement program)
  - Long-term Homelessness Supportive Services Grant
  - Tenant service coordination can be paid from the property's operating budget if feasible
- Tribes also have some unique resources for rents/operating and services

# Selection through Closing

- Minnesota Housing works with selected project team to complete the supportive housing documents needed to close on financing
  - Memorandum of Understanding between owner, property management and service provider(s) to outline roles and responsibilities
  - Service plan and budget
  - Documentation of secured resources
  - Tenant Selection Plan (TSP) that meets Minnesota Housing TSP [Guidelines](#)
    - Provides help text to cover all items needed in a TSP
    - Tribes can have a preference for Tribal members for projects on Tribal controlled land

# Ongoing Support and Compliance: Pre-lease up Through Occupancy

- Pre-lease up meeting with site staff to plan lease up and review funding restrictions/requirements, tenant selection plan, etc.
- Monitoring oversight by asset management and compliance staff depends on funding sources
- Supportive Housing Quality Officer:
  - Available to answer questions and problem solve issues
  - Conducts site visits to meet with service provider, property management and tenants
- Quarterly supportive housing provider meetings and office hours

# Thank You!

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