

## THE CONSOLIDATED REQUEST FOR PROPOSALS (RFP): THE PRIMARY VEHICLE FOR AFFORDABLE HOUSING FINANCE

### One Stop Shop: The Consolidated RFP and its role in Affordable Housing Development

To make the process of securing and deploying funding resources more efficient and transparent, Minnesota Housing (MHFA), the state's primary affordable housing lender, coordinates the Consolidated RFP. The Consolidated RFP allows Minnesota Housing and its funding partners to use a single application and advertise multiple resources at once. This provides funders the flexibility to assemble creative finance packages that best fit each project during the project review and selection processes. The amount of resources made available is significant; in 2013, nearly \$45 million was awarded statewide; in 2014 more than \$122 million, and in 2015 almost \$55 million. Funds are split between Twin Cities Metro and Greater Minnesota pools.

### Partners and Participants in the Consolidated RFP

By consolidating application processes across multiple funding streams, the Consolidated RFP assists the funders in articulating shared funding priorities to cities and the development community. The process encourages active dialogue between the various partners. At present, the funding partners in the Consolidated RFP include:

- Metropolitan Council
- Minnesota Housing
- Family Housing Fund
- Minnesota Department of Employment and Economic Development (DEED)
- Saint Paul Public Housing Agency

In addition to the funding partners, participants in the review and selection of proposals include:

- Hennepin County
- Ramsey County
- City of Saint Paul
- City of Minneapolis (Community Planning and Economic Development)
- Minnesota Department of Human Services (DHS)
- US Department of Housing and Urban Development (HUD)

### The Consolidated RFP and the Low Income Housing Tax Credit Qualified Allocation Plan

Minnesota Housing is also the state allocating entity for federal low-income housing tax credits (LIHTC), the primary tool for new affordable development and rehabilitation. The bulk of tax credits are allocated through the Minnesota Housing Qualified Allocation Plan (QAP) though in the metro region there are four additional "sub-allocators"—Dakota and Washington counties, and the cities of Minneapolis and St. Paul.

### How Local Governments Can Leverage the Consolidated RFP

Local governments play an important role in projects submitted to the Consolidated RFP. They may be applicants, project sponsors, or provide additional funding for a project. Perhaps most importantly, they can collaborate with a development team to provide as competitive of an application as possible. Finally, communities can also support development by learning about funders' timelines and processes, preparing marketing materials for development sites, or maintaining land inventories. Council staff are here to help.

October 2016