

Welcome!

REGISTRATION & BREAKFAST

7:30 AM – 8:30 AM



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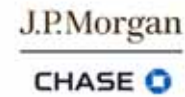
Capital
Markets



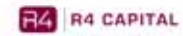
Mortgage



Gold



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Notebook



WATSON-FORSBERG
Building Value with Values

Wi-Fi



Lanyard



Breakout Room



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HOUSING
SUMMIT**



Minnesota Housing Updates

MODERATOR

Jennifer Ho, *Minnesota Housing*

PANELISTS

Jennifer Bergman, *Minnesota Housing*

Dan Kitzberger, *Minnesota Housing*

James Lehnhoff, *Minnesota Housing*

Minnesota Housing Panelists

Jennifer Leimaile Ho
Commissioner
jennifer.ho@state.mn.us

Ryan Baumtrog
Assistant Commissioner,
Policy & Community Development
ryan.baumtrog@state.mn.us

James Lehnhoff
Assistant Commissioner, Multifamily
james.lehnhoff@state.mn.us

Jennifer Bergman
Director, Local Government
Housing Programs
jennifer.bergman@state.mn.us

BREAK

9:15 AM – 9:30 AM



AFFORDABLE
HOUSING
SUMMIT



#AHSMN2024

Morning Keynote

SPEAKER

Don Elliott

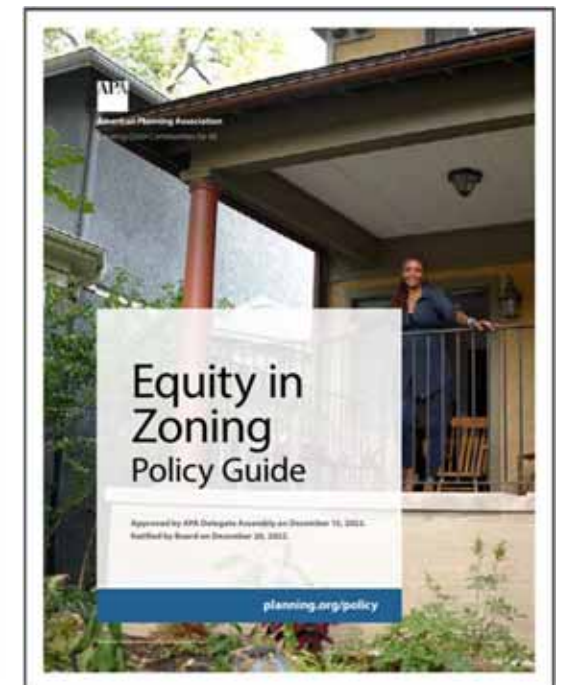


Affordable Housing Summit

Minneapolis, MN May
9, 2024

CLARION

Background

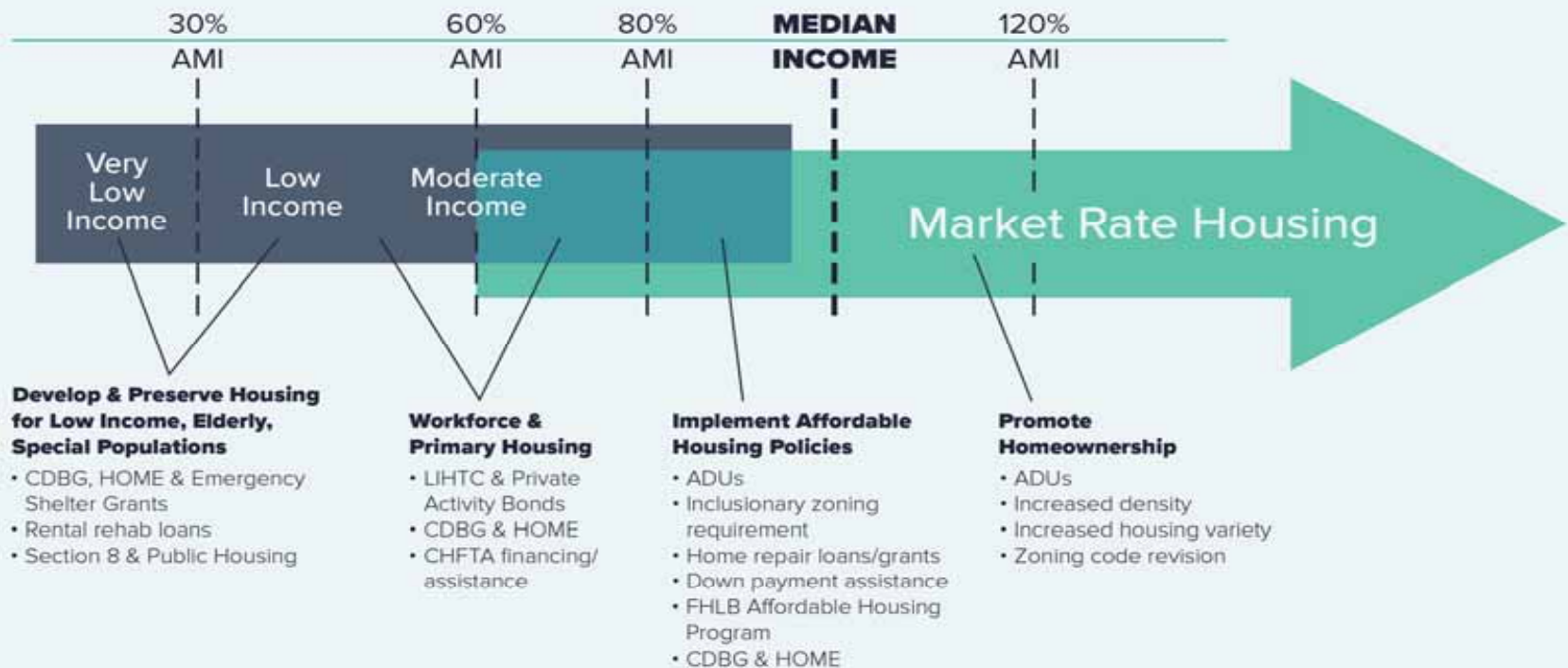




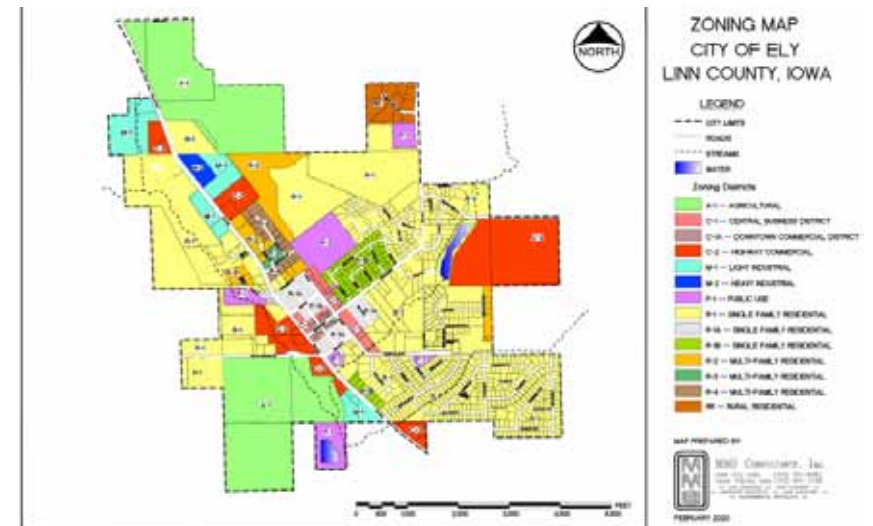
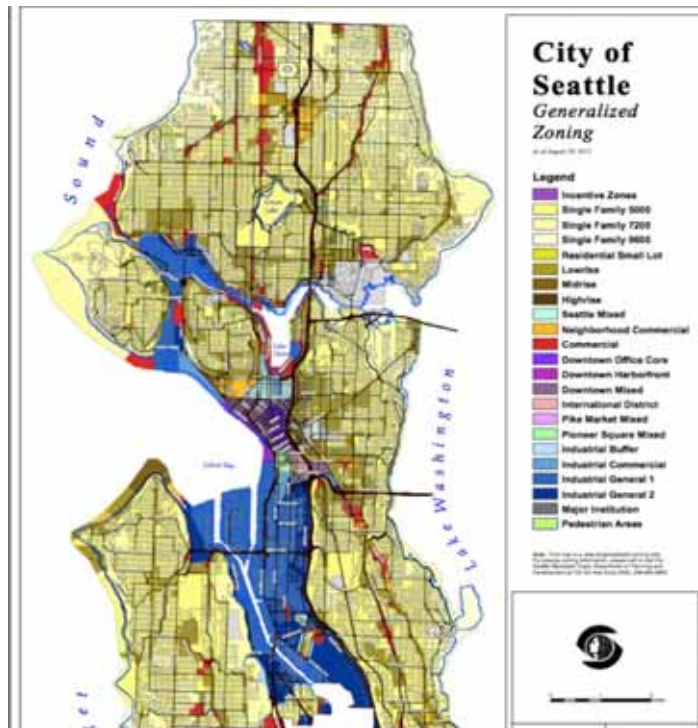
Today

1. Elements of zoning
2. State reform efforts
3. Take-aways

Why is Zoning Important?



Why is Zoning Important?





Why is Zoning Important?

In Law — there are two types of exclusion

Distinctions based on race, ethnicity, gender or disability are prohibited

Distinctions based on income are not prohibited

In Reality — the two circles overlap — a LOT

Households headed by protected individuals

Poor households



Elements of Zoning



What is Zoning?

- **Zoning determines**
 - How you can **use** a platted lot or parcel of land
 - The size, shape, and design of the **buildings** you can build to accommodate that use
 - Who makes the **decision** to approve your project, based on what criteria, and whether that requires a public hearing(s)



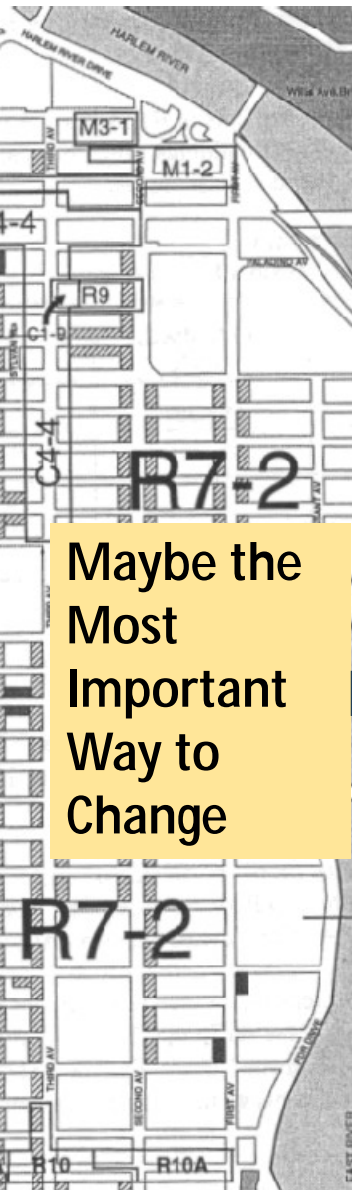
What is Zoning NOT?

- **The process by which you divide (or redivide) land into lots that can be developed**
 - That's subdivision regulations
- **The standards for roads, pipes, and other infrastructure that need to be installed to serve new development**
 - That's also subdivision regulations or **site engineering standards**
- Requirements that developers pay their "fair share" of the cost of required improvements or amenities
 - That's **development impact fees**



What is Zoning NOT?

- **The rules on safe building construction**
 - That's the **building code**
- **Private rules that further restrict what can be built in residential neighborhoods**
 - That's **private restrictive covenants**
- Requirements for separate reviews of the environmental impacts of proposed development
 - Well, that is sometimes zoning – and sometimes a separate **environmental review** process



3 Key Components

1

**Use, Form, and
Development Regulations**

2

**Development Approval
Procedures**

3

The Zoning Map



Two
Ways to
Change



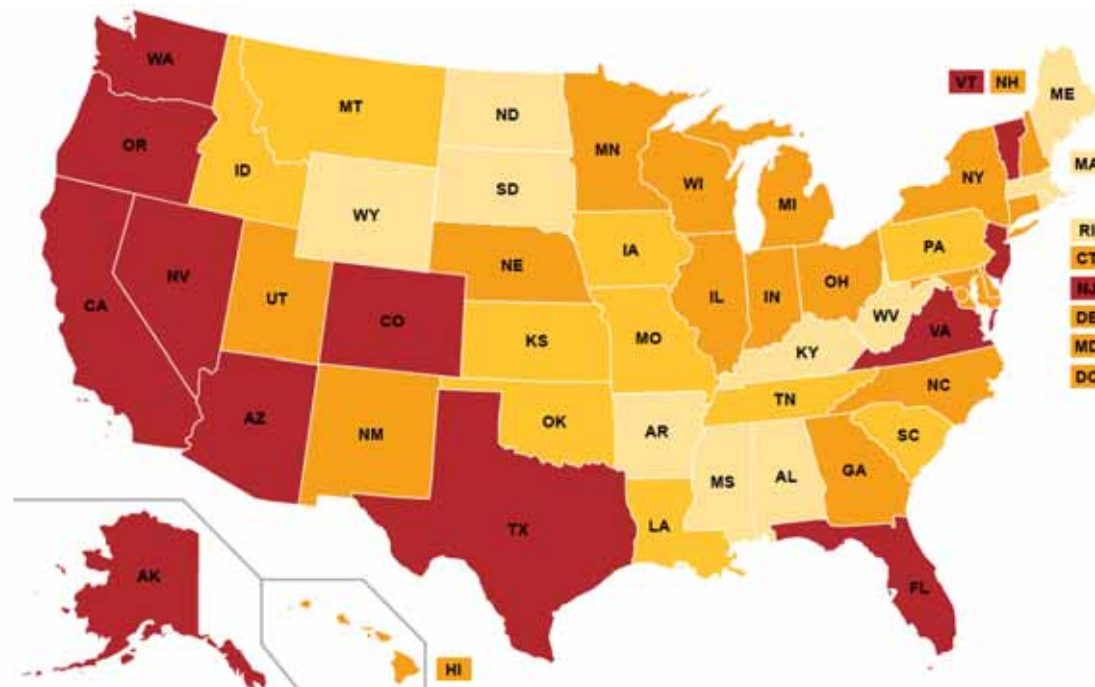


State Zoning Reform Efforts

The Landscape

Affordable and Available Rental Homes per 100 Extremely Low-Income Renter Households

● 30 or fewer ● 31 to 40 ● 41 to 45 ● more than 45





Key Affordability Factors

- **Decreased Housing Production**
 - Land costs
 - Construction costs
 - Supply chain interruptions
 - Shortage of skilled trades
 - Interest rates
 - **Land use regulatory barriers**
- **Slow Trickle-down Effect**
 - Most new housing is not affordable or regulated for affordability
 - High interest rates slow down moves that loosen up the market



Topics Being Addressed

- Eliminating or reducing single-family zoning
- **Allowing more ADUs**
- **Allowing more manufactured housing**
- **Lowering or removing minimum lot sizes**
- **Lowering or removing parking standards**





Topics Being Addressed

- **Simplifying development approval procedures for housing and mixed-use developments**
- **Promoting higher density infill and redevelopment near transit stations**
- **Financial incentives**
 - For all income restricted housing
 - Near transit lines and stations
 - For infrastructure to support additional housing





Reducing SFD-Only Zoning

- **California**

- Duplexes permitted on all SFD lots
- Parking waiver near transit

- **Maine**

- Duplexes permitted in all areas
- Up to 4 units in designated growth areas

- **Vermont**

- Duplexes in any residential district
- Washington





Reducing SFD-Only Zoning

- **Maryland**
 - Density limits on SFD do not apply if more than X% of units are income restricted
- **Montana**
 - Duplexes allowed in single-family residential zones
- **Washington**
 - Medium and large cities must allow two to six units on single lots in many areas





Lots of Challenges

- **California (May 4, 2024)**
 - SB9 (by-right duplexes) invalidated as did not meet required criteria for area of statewide concern because although supported as affordable housing fix there is no requirement for reduced rents or income restrictions on new units.
 - Will be appealed.





Allowing more ADUs

- **Rhode Island**
 - One ADU per SFD lot
 - No short-term rentals
 - No owner occupancy requirement
- **Montana**
 - One ADU per SFD lot
- **Washington**
 - Cities over 75K must allow 6 of 9 types of housing (1 is ADUs)
- **California**
 - Up to 2 ADUs – one primary, one “junior” allowed on each SFD lot





Allowing more ADUs

- **Colorado**
 - One ADU allowed on each SFD lot regardless of covenants or PUD text
 - No ownership requirement allowed – except for STRs
 - No parking requirement allowed – unless you do a study showing public safety/access problems
- **At least two more states**
 - ID, ME





Zoning for Density near Transit

- **Massachusetts**
 - MBTA communities must have at least 50 acres of land within $\frac{1}{2}$ mile of each transit stop where zoning allows at least 15 du/ac
- **Montana**
 - One of 14 (choose 5) affordable housing tools
- **Rhode Island**
 - Lands within $\frac{1}{4}$ transit hubs and within $\frac{1}{8}$ mile of transit stops must comply with state transportation, build to at least 10 du/ac, and can apply for grants



A vertical strip on the left side of the slide shows a portion of a zoning map. It features various zoning codes such as M3-1, M1-2, R9, R7-2, and R10A, along with street names and lot numbers. The map is color-coded with different shades of blue and yellow.

Zoning for Density near Transit

- **Washington**

- Large cities must allow 2-, 4-, or 6-plexes near transit depending on city size, proximity to transit, and percentage of affordable units included.

- **Colorado**

- Larger communities with rail or BRT transit must allow an average of 40 du/ac over all areas within ½ mile of stations and ¼ mile of corridors
- Exceptions for inadequate water supply
- Infrastructure fund created





Development Incentives

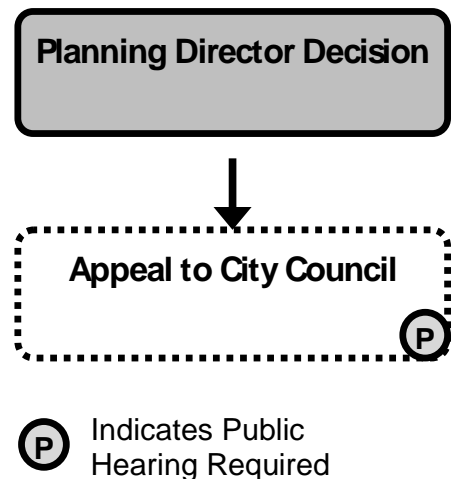
- **Bloomington, IN**
 - One additional floor of development for Income-restricted Housing – by right
 - One additional floor for sustainable/resilient development – by right
- **Boise, ID**
 - In low density residential zones, density restrictions do not apply if some of 4 permitted units are income restricted
 - In other zones, density rules do not apply and 50% parking reduction if a percentage of new units are income restricted
 - Parallel incentives for sustainability
 - “Alternative forms” must earn at least one





Administrative Streamlining

- **Generally means administrative approval (no public hearing) subject to objective standards**
 - “Objective standards” tends to be very hard to define
 - Connecticut prohibits the use of “community character” as a decision-criteria to deny housing projects
- **“Must prioritize processing” does not work very well**
- **Maximum processing timeframes almost never work well**





Administrative Streamlining

- **Montana**

- Prohibits design review of commercial and residential development by volunteer boards
- Cities must choose from among a menu of affordable housing incentives and implement at least 5 of 14 tools

- **Vermont**

- Act 250 reformed to avoid delays caused by overlaps between local land use controls and statewide review requirement

- **Six other states**

- FL, NJ, RI, TX, WA, WI, ID, ME, WA



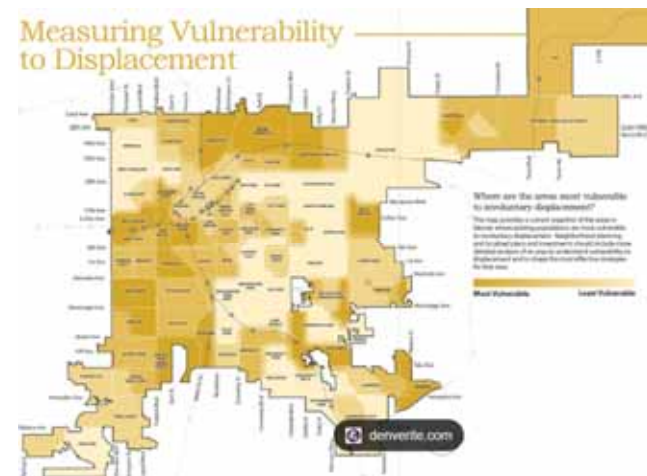


Other Approaches

- **Reduce minimum parking requirements**
 - MT, VT, CO
- **Reduce minimum lot sizes**
 - MT, RI, VT
- **“Shot Clocks” for permit approvals**
 - AR, TX
- **Mandates to plan for “fair share” housing**
 - MT, OR, RI
- **Allowing more residential in commercial zones**
 - FL, MT, OR, RI, WA

Equity Reviews and Criteria

- **Denver, CO**
 - Maps areas vulnerable to displacement and with poor access to services and requires equity review of impacts for projects >5 acres.
- **Aurora, CO**
 - “The [zoning] application demonstrates that the change in zoning will not create significant dislocations of tenants or occupants of the property, or that any impacts are outweighed by other public benefits or progress toward other Comprehensive Plan goals that would be achieved by approval of the application.”





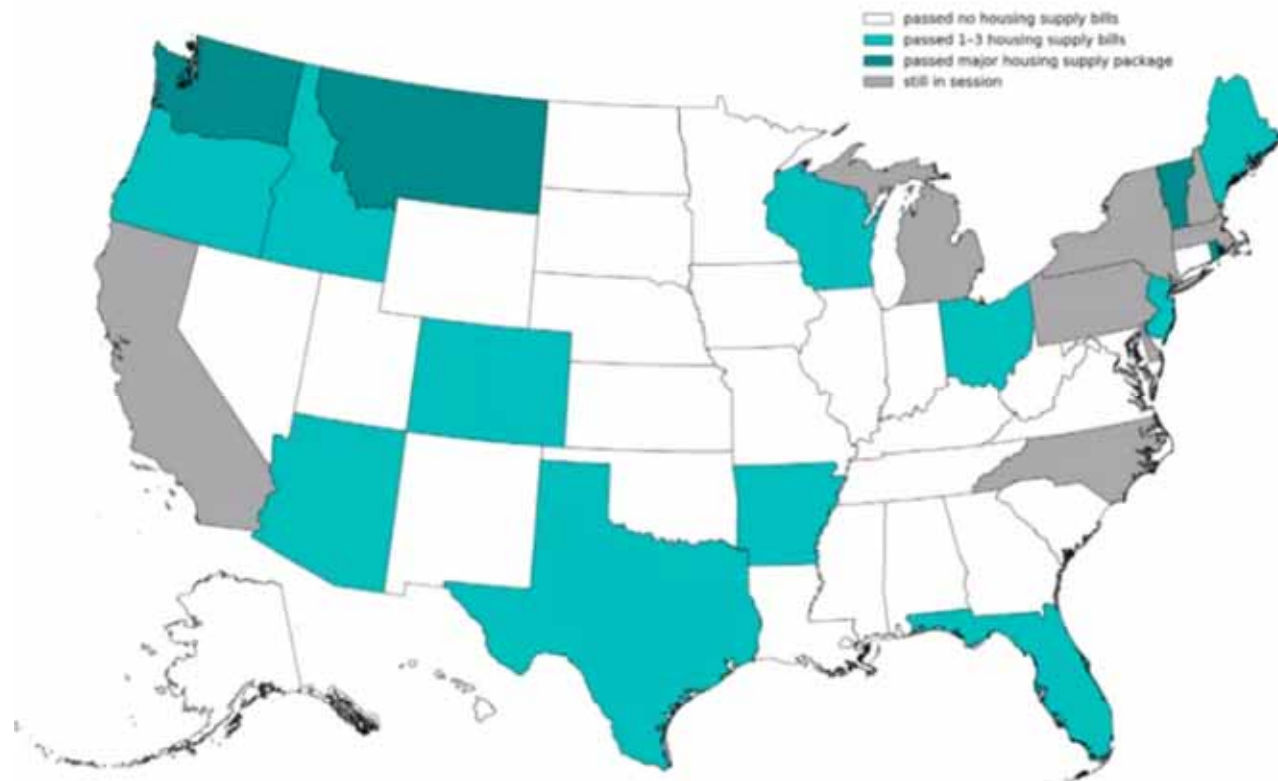
Equity Reviews and Criteria

- **Washington, DC**

Requires four step review process

1. **Long list of comprehensive plan statement to be addressed by applicant and commented on by staff**
2. **Applicant outreach to neighborhood (with example formats and questions to be discussed)**
3. **Disaggregated data by race and ethnicity to be provided by staff in every case**
4. **Zoning Commission must answer 6 specific questions in light of info in steps 1-3.**

States where Reform Passed





Take Aways



3 Key Components

1

**Use, Form, and
Development Regulations**

2

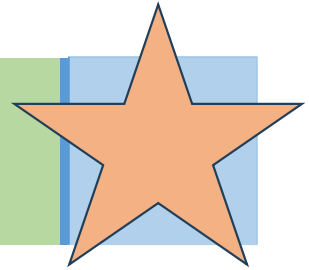
**Development Approval
Procedures**

3

The Zoning Map



The Process



Many builders say – “It’s the Process”

- Too many steps in the review and approval process – entitlements, incentives, design review, . . .
- Too many public hearings – with vague approval criteria
- Too confrontational
- Knowing you will need to compromise during the public hearing process leads builders to ask for more at the front end – which compounds the confrontation



The Process

- Public hearings tend to amplify the voices of those who know how to – and have time to – participate – and who speak English – which often perpetuates inequitable zoning outcomes.
- If incentives are offered, make them subject to objective standards, not subject to negotiation through a discretionary review process
- Limit appeals to those fairly directly affected by the decision

A vertical strip on the left side of the slide shows a zoning map. It features various colored zones and labels such as 'M3-1', 'M1', 'R9', 'R7-2', 'M3-2', 'M1-1', 'R10A', and 'R10B'. The map is overlaid with a grid of streets.

The Rules

1. Increase the range of allowed housing in many areas:
 - Text changes to add allowable housing types to existing districts
 - Make sure any standards or conditions are objective and can be approved administratively
2. Key opportunities include Accessory Dwelling Units, cottage courts, duplex/triplex/fourplexes, cohousing





The Rules

The Rules

3. Reduce minimum lot sizes and remove lot size per dwelling unit and FAR limits
OR – adopt form-based zoning regulations that do not cap the number of dwelling units in an approved building form
4. Reduce or remove minimum parking requirements
5. Allow flexibility in meeting minimum open space requirements



The Map

1. Increase the range of allowed housing in many areas:
 - Remapping land into districts that allow more types of housing
2. Can be through overlay zoning districts
3. Can be tailored to open up opportunities in more privileged areas while protecting more vulnerable populations from gentrification and displacement



The Map

4. If concerned about gentrification and displacement of vulnerable populations, consider adopting a Naturally Occurring Affordable Housing Overlay district
 - Limiting expansion of existing smaller and more affordable housing to X% every Y years
 - To reduce speculative “scrape off” and “pop-top” pressures.





What About State Mandates?

State Mandates?

- **They are going to happen** – when exclusionary zoning harms state and public interests
 - Even if “we’re a Home Rule state”
- **No one solution** – and no one “best” approach so far
 - Because there are 50 state regulatory starting points, and 50 state constitutions
- Very “top down” approaches **provoke more opposition**
 - And the more communities look for loopholes
 - And the more it will be attached each year



What About State Mandates?

Thoughts on State Mandates

1. Require everyone to use **real numbers** – planning based on how many people are likely to move there – with what incomes – not how many you wish would move there
2. Allow **local options** as to how to increase supply – they really do know their community -- and the local flashpoint -- better than the state



Speeding Things Up

Giving local governments **lots of options** is key

2 mandatory elements for large cities

- Housing Strategies that use real numbers
- Allow up to 40 du/ac around fixed rail or BRT transit

Any 3 of 6 optional elements

- ADUs
- Fourplexes
- By right approvals for AH
- Reduce parking for AH
- Reduce fees for AH
- Zone 10% of land for 10 du/ac



Speeding Things Up

Thoughts on State Mandates

3. Set **clear targets** for expand housing supply – but let the local community choose among the options on how to get there
4. **Don't bet on time limits** for application processing can be manipulated
5. Focus on the areas with the **most serious shortages**
 - Maybe it's the biggest urban areas/regions



Speeding Things Up

Thoughts on State Mandates

6. Focus on the things that can **change fast**
 - Changes to existing single-family residential neighborhoods come slowly
7. Tailor interventions to **protect the most vulnerable**
8. **Limit access** to discretionary state funds for communities that do not make steady progress toward those targets



QUESTIONS?

BREAK

10:15 AM – 10:30 AM



BREAKOUT SESSIONS

10:30 AM – 11:30 AM

Track 1: New Funding Sources: Do you Qualify?

Track 2: Belfry Apartments Case Study

Facilitated Networking Session: Designed for new and emerging developers





New Funding Sources

MODERATOR

John Stern, *Winthrop & Weinstine*

PANELISTS

Jennifer Bergman, *Minnesota Housing*

Krissi Mills, *Minnesota Housing*

Austin Paul, *Baker Tilly*

Brian Schaffer, *Minneapolis Public Housing Authority*

Juan Torres, *Aeon*



Inflation Reduction Act

Austin Paul, Baker Tilly

Brian Schaffer, Minneapolis Public Housing Authority

Juan Torres, Aeon

Investment Tax Credits (ITC)

In 2024 the ITC becomes the Clean Electricity ITC opening up opportunities for all clean tech (45E)

- This covers solar (rooftop, carport, and ground mount) and storage
- Clean energy projects < 5 MW can include the costs of interconnection under the ITC

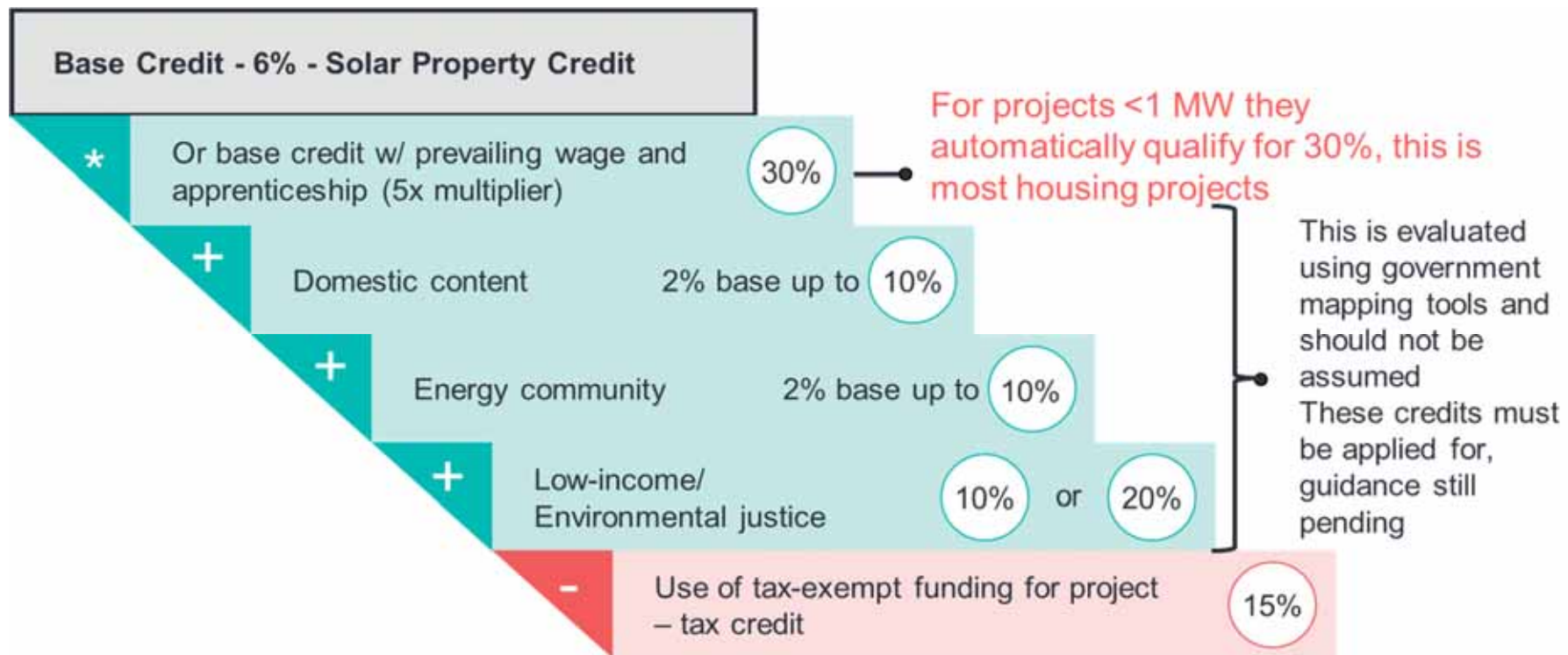
Credits are set to phase out in 2032 or when emissions targets are achieved

ITC is an emissions-based and technology neutral credit of 30% of the investment in the year the facility is placed into service (New adders can build the credit up to 60%)

- The base incentive is 30% for systems less than 1 MW (most multifamily projects)
- There is a 10%-point bonus credit for ITC if domestic content rules are met – this will be very hard to get for the next few years
- Investment in an energy community qualifies renewable energy projects for up to a 10%-point bonus credit
- Investment in a low-income community (or environmental/energy justice “EJ” community) qualifies renewable energy projects for a 10% - 20%-point bonus credit



ITC Cont.



ITC Cont.

Three ways credits bring value to projects:

1. Owner(s) can simply **use the tax credit** against their own tax liability, in most case back three years and forward 22 years
2. If owner(s) doesn't have tax liability or taxable income, they can now sell certain credits to another taxpayer* ("**Transferability**")
3. Tax – exempt owners can receive a "direct payment" in the form of cash payment from the IRS. These include state and local governments, not-for-profits, tribes and others ("**Direct Pay**") for certain credits

45L Tax Credit

Tax credit for new construction multifamily buildings that meet applicable standards

- Credit per dwelling unit that meets the most recent ENERGY STAR Multifamily New Construction (MFNC) National Program Requirements (varies by state)
- Must be certified by an eligible certifier (authorized by RESNET or equivalent, ~\$400/unit) – assume construction inspections and final inspection for certification

Base credit is \$500 per unit but up to \$5,000 is possible

- \$500/unit based on ENERGY STAR MFNC Program V1.1
- \$1,000/unit based on ENERGY STAR MFNC Program V1.1 + Zero Energy Ready Home (ZERH) program requirements (solar ready)
- With prevailing wage (HUD financing already qualifies) \$500/unit increases to \$2,500 and \$1,000/unit increases to \$5,000/unit

Sample projects include wall insulation R-15 thru R-30+, roof insulation R-45+, double/triple pane windows, vinyl low E windows, insulated exterior doors, reflective roofing materials, extra insulated foundations and slabs, air conditioning with SEER ratings 13+, 80 percent + efficiency gas furnaces, or hydronic heating systems



Green and Resilient Retrofit Program (GRRP)

Provides owners of HUD-assisted multi-family housing with 3 different opportunities for funding

Eligible owners primarily include owners receiving HUD rental assistance under Multifamily Section 8 project-based rental assistance, Section 202 Supportive Housing for Low-Income Elderly, and Section 811 Supportive Housing for Low-Income Persons with Disabilities.

Elements	Leading Edge	Comprehensive
<ul style="list-style-type: none">• Climate resilience and utility efficiency projects currently in recapitalization process• HVAC heat pumps, Energy Star windows, fire resistant roofs, clean energy generation systems• \$140 million in funding; up to \$40k/unit or \$750k/property• Rolling application process with next wave due July 31st 2024	<ul style="list-style-type: none">• Retrofit activities to achieve an advanced green certification and can be at any stage of planning for a recapitalization• Requires Green Building Certification (ENERGY STAR is not one)• \$400 million in funding; up to \$60k/unit or \$10m/property• Rolling application process with next wave due May 15th 2024	<ul style="list-style-type: none">• Properties with highest need for resilience & efficiency upgrades• No prior experience needed; support will be provided• May fund a stand-alone initiative or be part of a larger recapitalization• Scope of work will be developed with HUD-provided contractor• \$1.47 billion in funding; up to \$80k/unit or \$20m/property• Rolling application process with next wave due June 12th 2024



Home Efficiency Rebate Program (HOMES) & Home Electrification and Appliance Rebate Program (HEAR)

\$8.8 Billion allocated to states for home energy rebates and administration (\$148M to MN)

HOMES

- Provides rebates for whole-home energy saving improvements such as insulation, air sealing, & efficient heating/cooling equipment
- Rebate amount will vary based on the amount of energy savings, but will range from \$2,000 to \$8,000 per unit
- Existing single-family homes and multifamily buildings will be eligible

HEAR

- Provides rebates to replace non-electric appliances with more efficient electric appliances
- Will include rebates for things such as heat pump technologies (for air cooling/heating, water heating, and clothes drying), electric cooking appliances, and upgrades to electrical panel and wiring
- Existing single-family homes and multifamily buildings with total annual income less than 150% AMI will be eligible

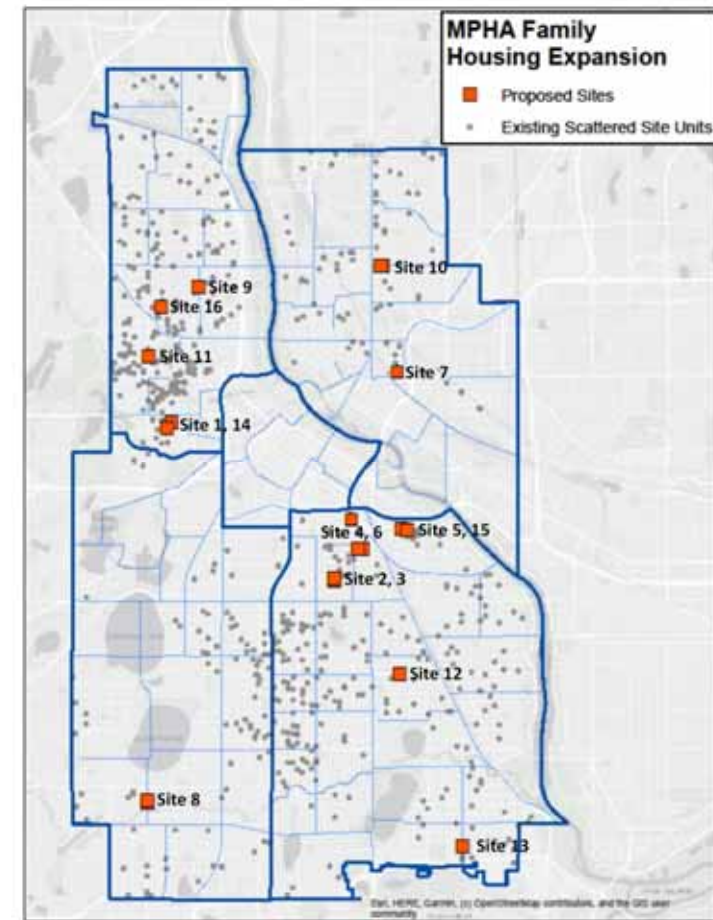
Minnesota Timeline

- Mid 2023 – received DOE funds for program planning
- Mid 2023 to early 2024 – program planning and design
- Mid 2024 – submit program application to DOE
- Mid 2024 to late 2024 – DOE approves program and awards funds to start program
- Late 2024 to early 2025 – build and implement program – **Current Phase**
- Late 2024 to early 2025 – Commerce opens program to households
- Program runs through 2032 or until all funds are used, whichever is earlier



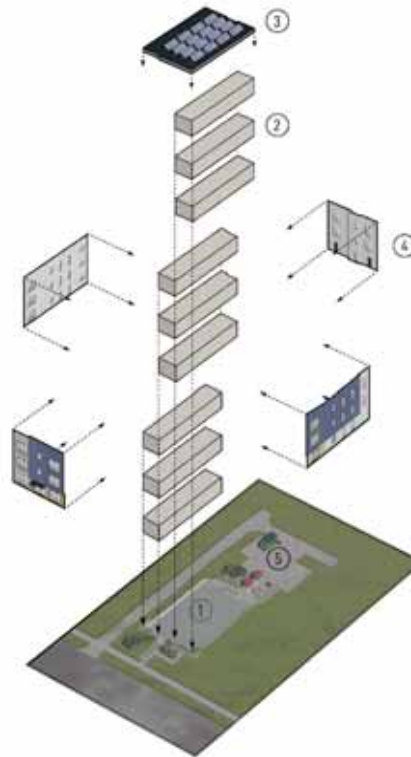
MPHA Family Housing Expansion - Overview

- **84 New Units in 16 Small Apartment Buildings**
- **Scattered Sites homes proven tool to provide families a solid foundation for upward mobility**
- **Minneapolis 2040 created opportunities to densify lots that did not exist previously.**
- **All units will have project-based vouchers, meaning all units will be available to households at or below 30% AMI**
- **Single 4% LIHTC Deal, Soft Sources, MPHA Contribution, Debt**



MPHA Family Housing Expansion - Overview

- **6-Plex and 4-Plex building variants**
 - 26 – Two Bedrooms (1,375 SF)
 - 58 – Three Bedrooms (1,835 SF)
- **Constructed in one phase**
 - 14 months
 - 140,000 SF of housing across all sites
- **Modular significantly aligned with the scattered-site nature of the project**
 - 33% faster than traditional
 - Dramatically reduces impact to the neighborhood
 - Housed families faster on rolling basis



Overview of Solar

- Each building included a 22.6 kW system for a total system size of 361.6 kW
- Expected to support about 30% of electrical usage across the project
- System equates to removing 65.2 gas-powered cars per year or avoiding the burning of 335,000 pounds of coal
- Low-Income Communities Bonus Credit Program – Inflation Reduction Act
- Total Cost of System \$ 1,242,819
 - Hard Costs - \$1,065,692
 - Soft Costs – \$177,127



Financial Breakdown of Solar – MPHA FHE

Source	Partner or Entity	Amount (approximate)	Comments
Solar Tax Credit 30% (IRA as of right)	Equity Partner	\$342,983	Sale of Credit was equal to LIHTC Pricing
Solar Tax Credit 20% (Low-Income Communities Bonus Credit Program)	Equity Partner	\$228,655	Requires application to Department of Energy
LIHTC Equity (IRA Basis Eligible)	Equity Partner	\$535,000	
Minneapolis Green Cost Share	City of Minneapolis	\$149,537	
Solar Rewards Rebate Program	Xcel Minnesota	\$360,960	Applications are first come first serve.
Debt Proceeds	Permanent Lender	\$700,000	Required perm lender to underwrite solar savings.
	TOTAL	\$2,232,135	

Net benefit to project: **\$1,074,316**



Lessons Learned

- **Scope of 16 Applications**
- **Underwriting Process with partners**
- **Xcel Solar Rewards**
- **Construction Process**
- **Future Solar Production**



MPHA: Developer/Owner
DJR Architect: Architect

Frerichs Construction: Contractor
Rise Modular: Modular Subcontractor





State Housing Tax Credit Program and Contribution Fund

Krissi Mills, Minnesota Housing

Program Overview

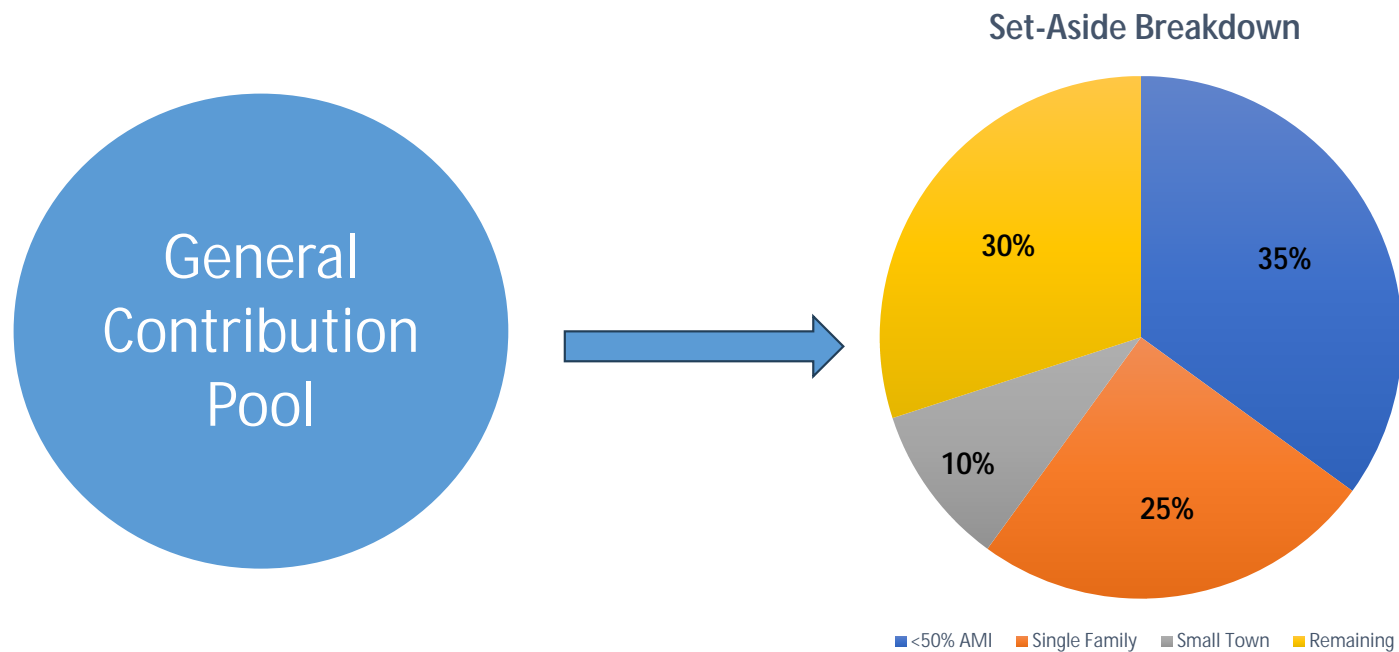
- **Funded by taxpayer contributions**
 - \$1,000-\$2M
 - 85% State Tax Credit Certificate
- **Eligible activities**
- **Homeownership and rental**
- **Income limits**
- **Eligible recipients**



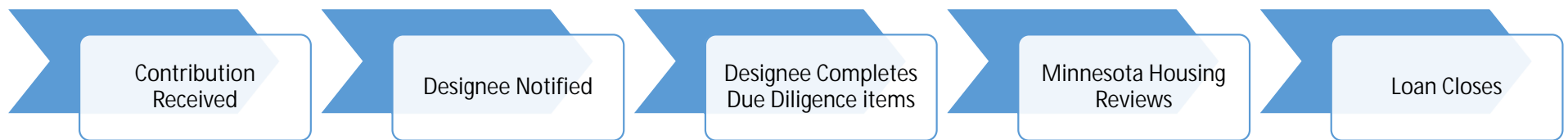
Contribution Process



General Contribution Pool

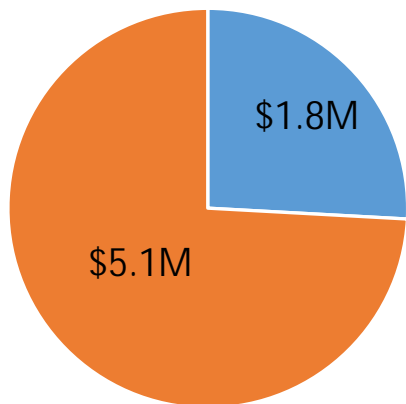


Designated Contribution for Qualified Project



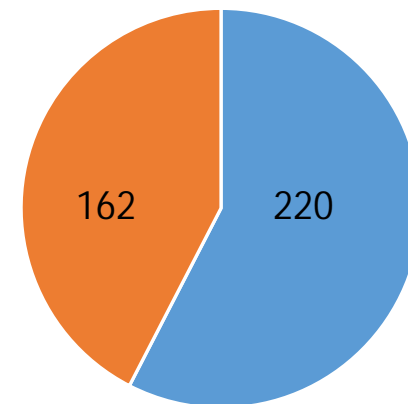
2023 Contribution Information

Total \$ Contributions



■ General Contribution Pool ■ Designated Contributions

Number of Contributions



■ General Contribution Pool ■ Designated Contributions



Local Government Housing Programs

Jennifer Bergman, Minnesota Housing



Local Government Housing Programs

Bring It Home Rental Assistance

- Statewide Appropriation \$46 million
- Sales Tax (7-County Metro) \$80 million (estimated)

Affordable Housing Aid

- Local Affordable Housing Aid \$243 million (estimated)
- Statewide Affordable Housing Aid \$40.5 million
- Tier II Cities Competitive Grant \$4.5 million

Local Housing Trust Fund

\$5.8 million

Greater Minnesota Infrastructure Program

\$5 million

Lead Safe Homes

\$4 million



New: Bring It Home – Rental Assistance

- Funded by state appropriations (statewide) and regional sales tax (metro). Metro sales tax collection began October 1.
- Need formula for distribution outlined in legislation.
- Minnesota Housing will enter into grant agreements with voucher administrators statewide.
- Estimated 5000 vouchers, which can be tenant-based or project-based.
- For households earning 50% AMI or less, with priority for those with children & incomes under 30% AMI.



\$46 million (approp.)
\$80 million (est. tax)

Local Affordable Housing Aid (LAHA)

LAHA was created to help metropolitan local governments meet local housing needs through affordable housing development projects and support for organizations and individuals in maintaining stable, affordable housing

- All counties and cities over 10,000 in population
- Dedicated sales tax of .25 cents
 - 25% to metropolitan city LAHA
 - 50% to metropolitan county LAHA
- Department of Revenue will be collecting and determining funding
- First disbursement will be in July of 2024



Statewide Affordable Housing Aid (SAHA)

Similar to LAHA, SAHA was created to help Tribes, Greater Minnesota counties, and cities meet local housing needs through affordable housing development projects and support organizations and individuals in maintaining stable, affordable housing.

- All counties, cities over 10,000 in population and 7 tribes
- \$22.5 Appropriation for 2023 and 2024
- Department of Revenue determined funding
- First round of funding was dispersed in late 2023



NEW: Greater Minnesota Tier II Local Cities Grants

- Communities with population of less than 10,000 and not in a metropolitan county.
- \$25,000 minimum award size.
- Funds can be used for a range of rental, homeownership and housing stability activities.
- Competitive grant process, prioritizing based on proportion of cost-burdened households.



\$4.5 million



LAHA/SAHA Requirements

Use of Funds:

Any funds distributed under this program must be spent on a qualifying project.

Qualifying Projects:

- Emergency Rental Assistance
- Financial Support to Non-Profit Affordable Housing Providers
- Construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing to provide affordable housing to those who earn less than 115% of AMI (homeownership) and 80% AMI (rental)

(Additional requirements detailed in Minnesota Statutes 477A.35)



NEW: Local Housing Trust Funds

- Incentivize local governments to create or fund Local Housing Trust Funds
- Funds can be used locally on a wide range of housing related activities.
- Matching funds awarded up to 100% of New Public Revenue, up to \$150,000.
 - New Public Revenue defined as local funds committed **on or after June 29, 2021**.
 - Additional funds may be available to match 50% of new public revenue between \$150,000 and \$300,000.



\$5.8 million
(including \$1 million from previous appropriation)

NEW: Greater Minnesota Housing Infrastructure

- Up to 50 percent of the capital costs of public infrastructure necessary for an eligible workforce housing development project.
- Grants limited to:
\$30,000 per lot for 1-4 units
\$180,000 per lot for multifamily (5+ units/building)
- Cities limited to \$500,000 over a two-year period.
- Nonstate match required: cash, other committed grant funds, or in-kind.
- Single family and multifamily, and owner-occupied and rental housing development projects are eligible.



\$5 million



NEW: Lead Safe Homes

- Known as the Dustin Luke Shields Act
- Nonprofits and local units of government
- For risk assessment and remediation
- For multi-family properties, 50% of units must be occupied by renters at or below 60% AMI
- Priority for areas with high concentration of children with lead poisoning
- Up to 10% of award for administration, education and outreach about lead hazards



\$4 million

For more information

Minnesota Housing website
(mnhousing.gov)

Local Government Housing Programs
<https://mnhousing.gov/local-government.html>



Questions?

#AHSMN2024

Contact Information

Moderator: jstern@winthrop.com | (612)604-6588

Panelist: Jennifer.Bergman@state.mn.us | (651) 297-5232

Panelist: Krissi.Mills@state.mn.us | (651) 297-3121

Panelist: austin.paul@bakertilly.com | (612) 876-4613

Panelist: bschaffer@mplspha.org | (651) 270-8184

Panelist: JTorres@aeon.org | (612) 746-4870





Case Study: Belfry Apartments

PANELISTS

**Josh Moberg, Sara Joy Proppe, Amy Geisler, Julia Welle
Ayres, and Dan Walsh**

Belfry Apartments

- Trellis partnership with Calvary Church
- 41 rental homes for families
 - 15 Supportive Housing units
- 100% project-based rent assistance



CRITICAL PATH FOR PROJECT

Activity	Date Complete
Acquisition & Partnership	
Sara Joy begins work with Calvary church	October-19
Trellis & Calvary Church conversations begin	March-20
Purchase agreement signed	June-21
Church representative attends OAC meetings	June-21 - November-22
Design & Construction	
Concept and schematic plans	May-Nov, 2021
Design development documents	May-22
Final subcontractor bids	August-22
Building permit secured	November-22
Financing	
MPHA Project-Based Section 8 Vouchers committed	July-21
City 9% tax credits and housing trust fund commitments	January-22
Tax credit investor and bridge lender secured (Wells Fargo)	March-22
Hennepin County ARPA/AHIF funds committed	May-22
Historic tax credits	
Part 1 approval	June-21
National Register designation	April-22
Part 2 approval	July-22
Public Engagement	
Community, church, and councilmember feedback on concept design	Summer-Winter 2021
Community feedback on design development plans	March-22
Councilmember feedback on design & entitlement request	May-22
Check-in on final design	September-22
Public Entitlements	
Committee of the Whole approval	February-22
Land use and PDR approvals	
Submit application	May-22
Planning commission approval	June-22
City Council approval	August-22
CLOSING AND CONSTRUCTION COMMENCEMENT	December-22

SOURCES AND USES

SOURCES	AMOUNT
Minneapolis 9% Housing and Federal Historic Tax Credit Proceeds (Wells Fargo)	12,442,000
Sponsor Loan (State Historic Credit Proceeds)	2,263,000
Minneapolis Affordable Housing Trust Fund Loan	1,230,000
Hennepin County Accelerator Loan	5,880,000
TBRA and ERF Environmental Abatement Funds	1,068,000
Sales Tax and Energy Rebates	332,000
Deferred Developer Fee	30,000
Total	\$23,245,000
USES	
Acquisition	1,150,000
Construction	16,145,000
Professional Fees	1,620,000
Developer Fee	2,854,000
Financing Costs	1,214,000
Reserves	262,000
Total	\$23,245,000

BEFORE

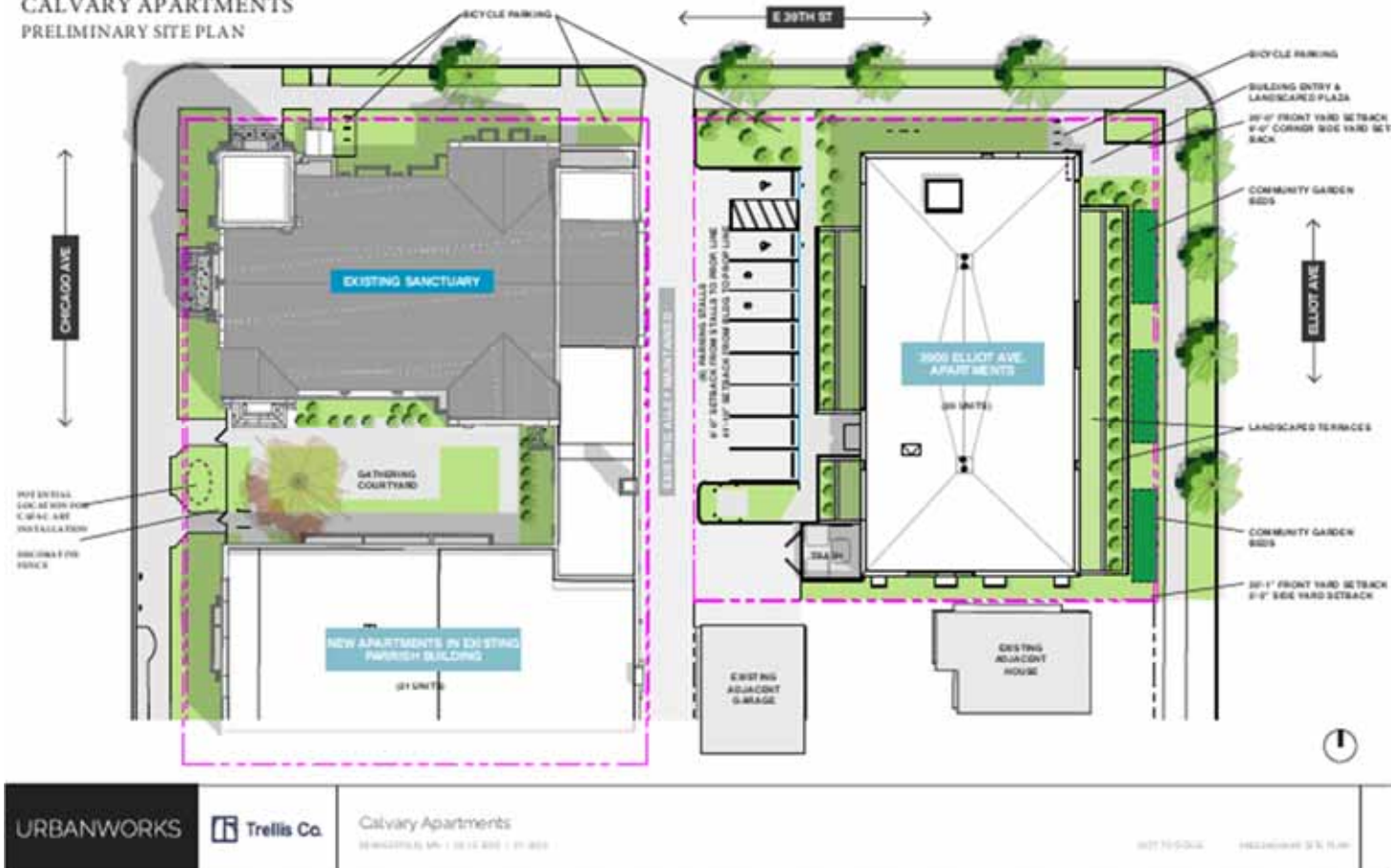


BEFORE



COURTYARD

CALVARY APARTMENTS
PRELIMINARY SITE PLAN



COURTYARD



CALVARY APARTMENTS

PRELIMINARY RENDERING



URBANWORKS

Trellis Co.

Calvary Apartments

3000 CALVARY RD. NW | 303.444.1111 | 303.444.1112











































a kitchen with stainless steel appliances and wooden floors. Press for larger image







AFFORDABLE
HOUSING
SUMMIT



#AHSMN2024

Lunch & Keynote

SPEAKER

Tiffany Manuel

BREAK

12:45 PM – 1:00 PM



BREAKOUT SESSIONS

1:00 PM – 2:00 PM

Track 1: Post-COVID Operations Best Practices

Track 2: Minnesota Energy Code and Energy Efficiency in Affordable Housing

Facilitated Networking Session: Ask an expert





Post-COVID Operations Best Practices

MODERATOR

Claire VanderEyck, Schafer Richardson

PANELISTS

Eric Thiewes, Minnesota Housing

Rashida Jackson, Project for Pride in Living

Asher Gavzy, Property Solutions and Services

Andrew Perry, Trellis Management

Chadwick Johnson, CommonBond Communities

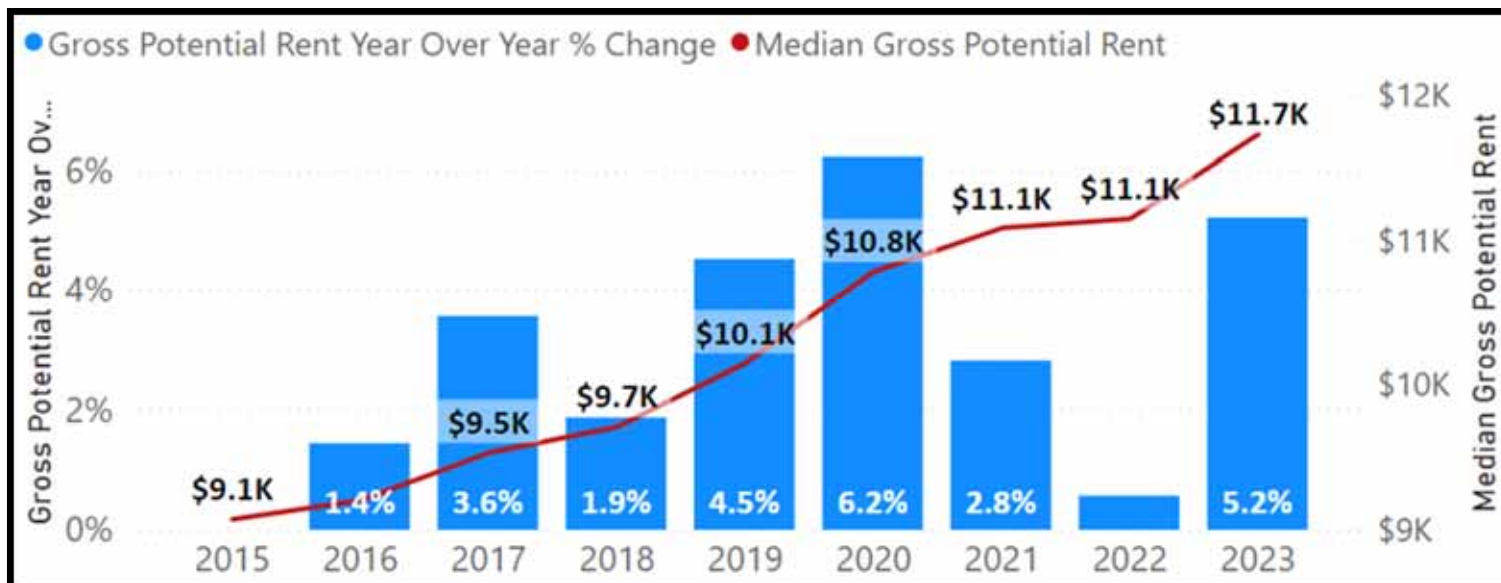


Minnesota Housing Portfolio Operating Trends

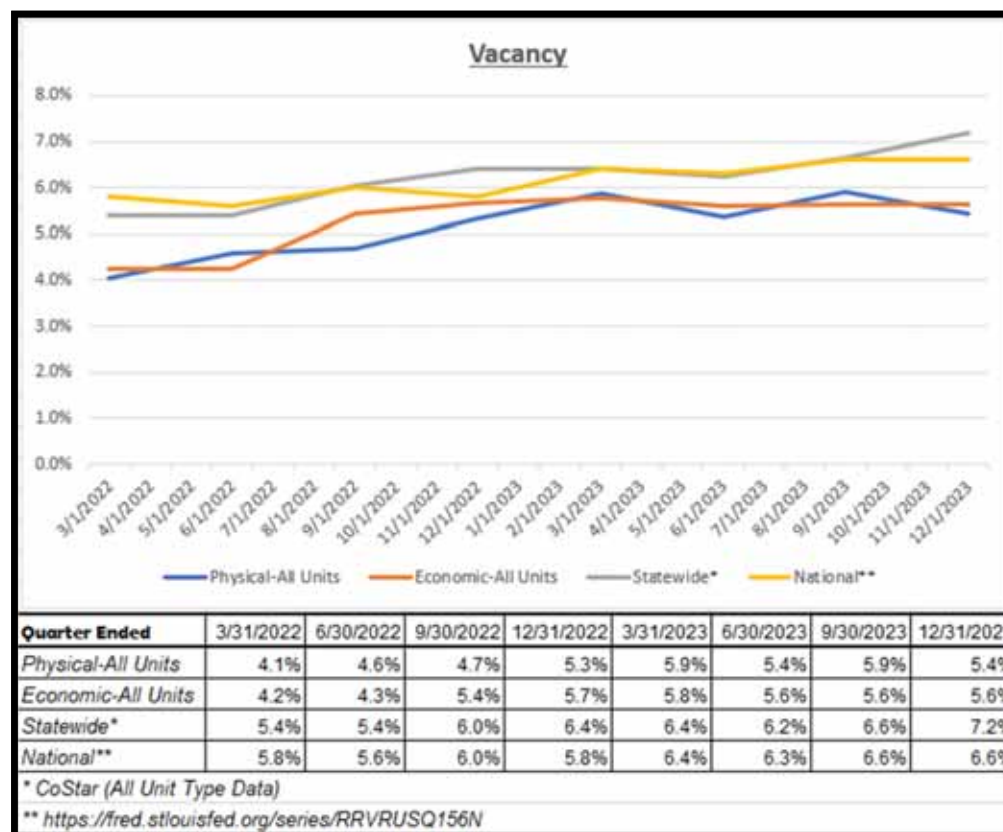
Minnesota Housing's Asset Management Portfolio

- 272 Properties
 - 15,896 Total Units
- Managed by 67 different management companies
- Mix of supportive housing and non-supportive housing
- Developments with amortizing and non-amortizing debt

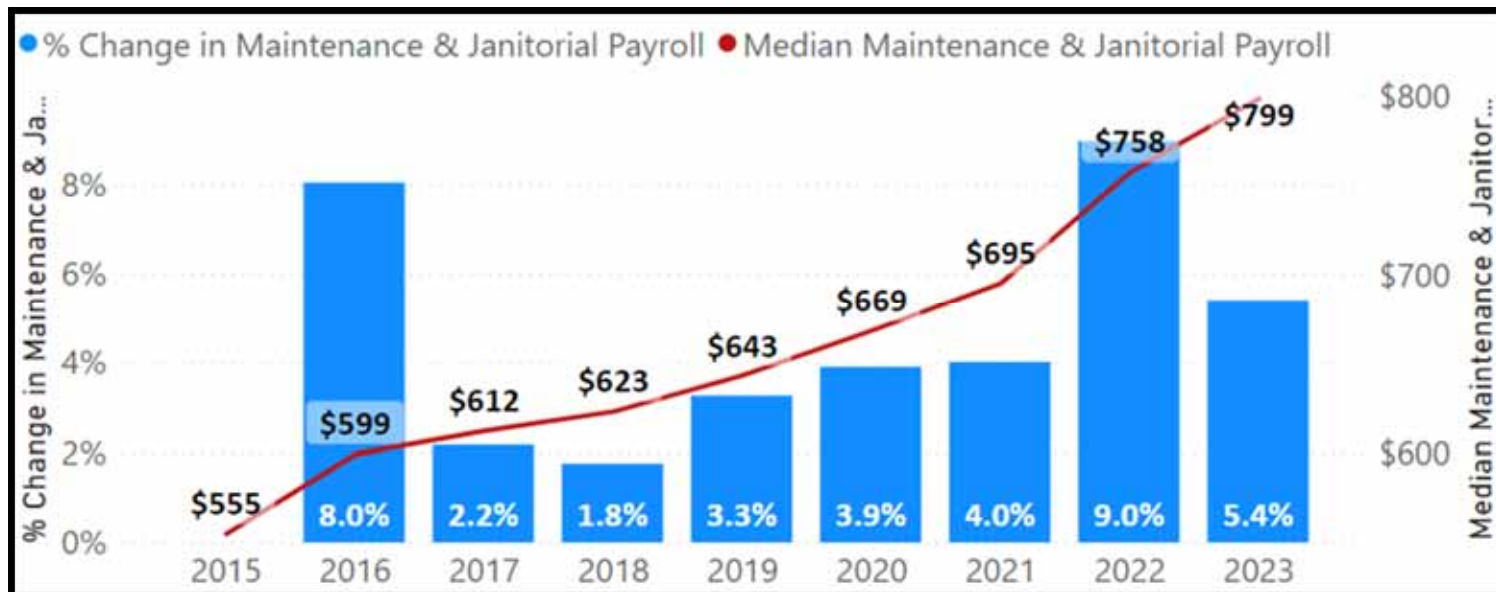
Minnesota Housing Portfolio Operating Trends



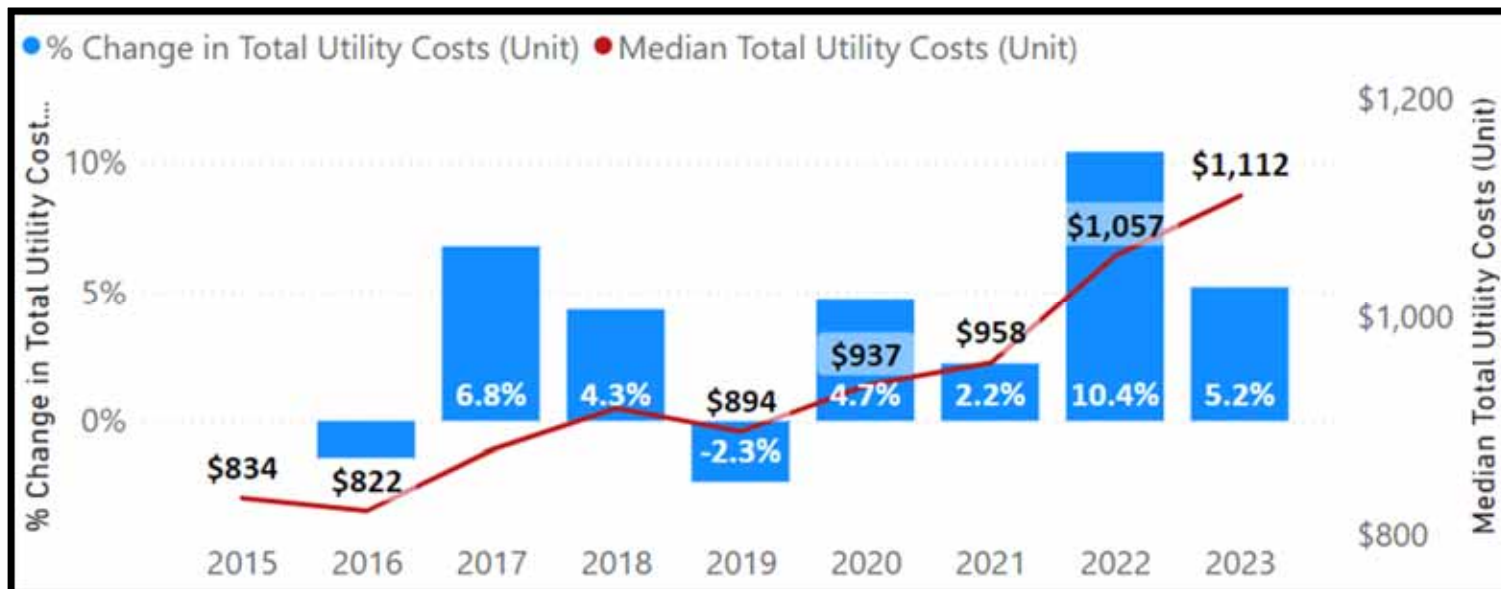
Minnesota Housing Portfolio Operating Trends



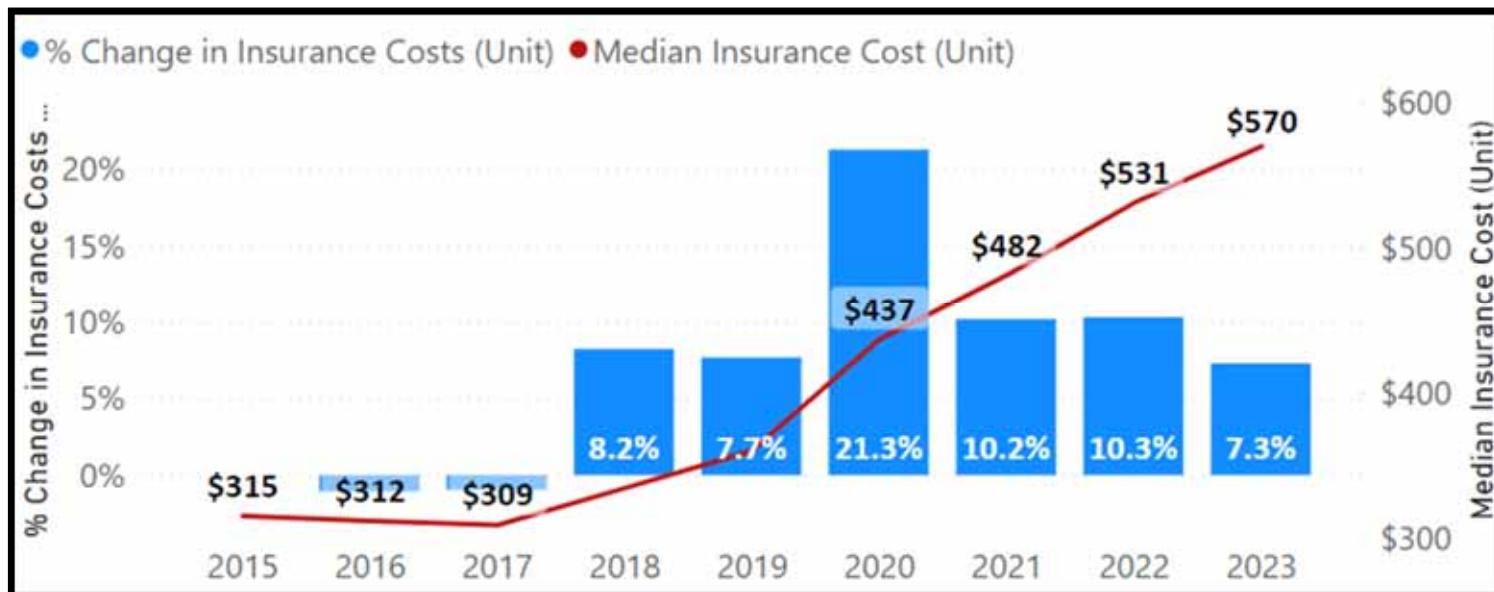
Minnesota Housing Portfolio Operating Trends



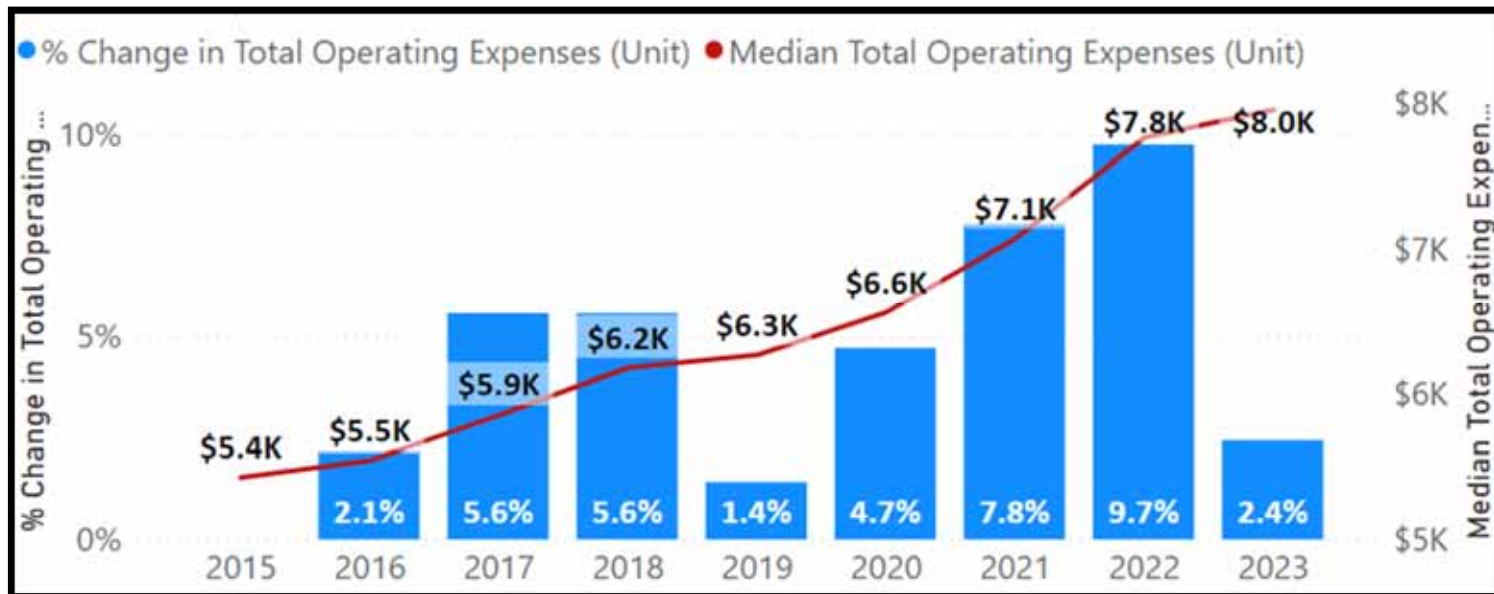
Minnesota Housing Portfolio Operating Trends



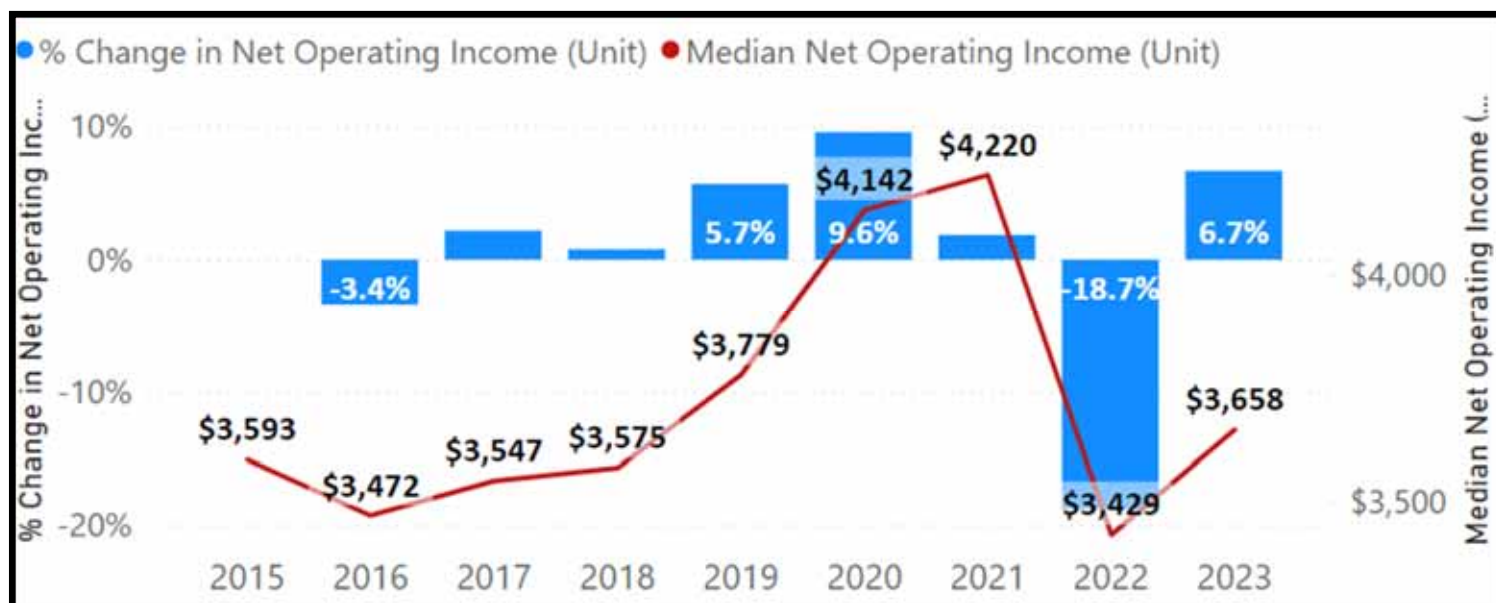
Minnesota Housing Portfolio Operating Trends



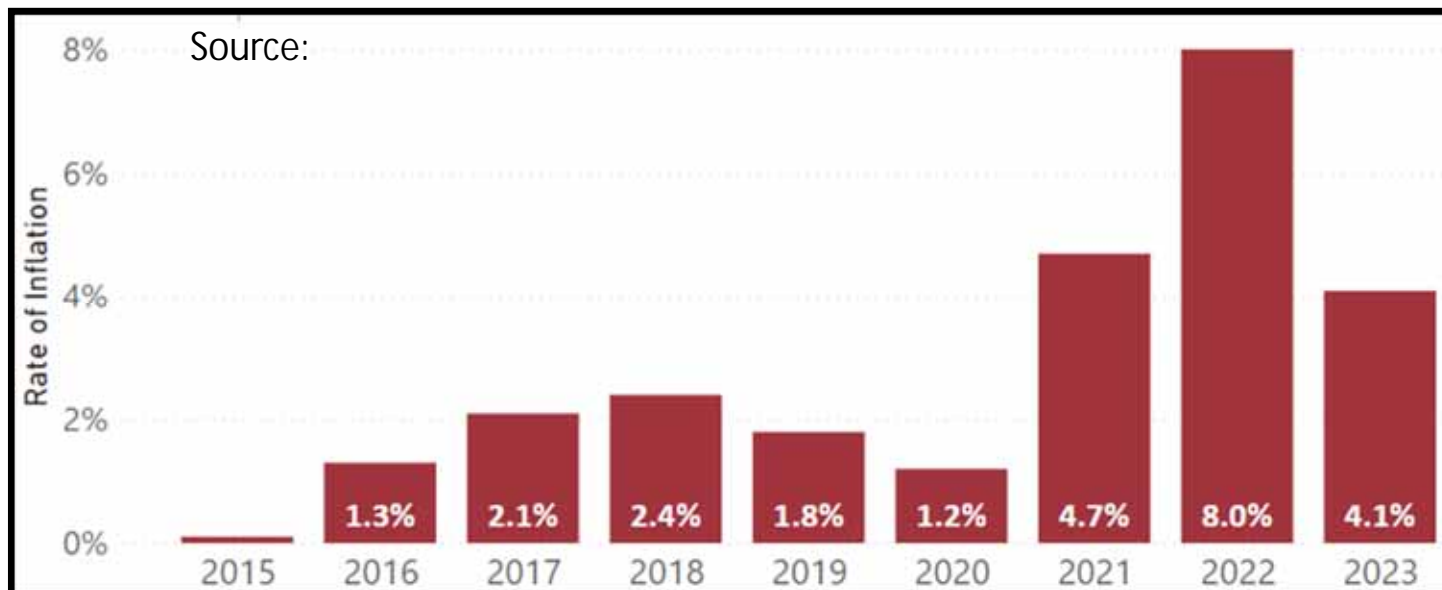
Minnesota Housing Portfolio Operating Trends



Minnesota Housing Portfolio Operating Trends



Minnesota Housing Portfolio Operating Trends



Source: <http://www.minneapolisfed.org/about-us/monetary-policy/inflationcalculator/consumer-price-index-1913>

Minnesota Housing Portfolio Operating Trends

Post-COVID Trends

- Strong property management remains as important as ever
- Unit Inspection were delayed or canceled during COVID
- Tenants using COVID as an excuse not to come into their units for inspections
- Resident interactions with property management have become stressed
- Hiring and retention challenges
- Management moved to appointment-only rather than regular office hours
- Higher security needs



Minnesota Housing Portfolio Operating Trends

- 4D(1) aka LIRC
- RentHelpMN
- Bring it Home
- Maintenance and Operating Expense Reviews
- Agency Inspections
 - Risk-Base Monitoring
 - Agency-wide Coordination of Inspections
- Technical Support

Questions?

#AHSMN2024

Contact Information

Claire VanderEyck: cvandereyk@sr-re.com | 612-359-5842

Eric Thiewes: eric.thiewes@state.mn.us | 651-296-6527

Rashida Jackson: rashida.jackson@ppl-inc.org | 612-455-5100

Asher Gavzy: asher@propertyss.com | 952-926-3627

Andrew Perry: aperry@trellismn.org | 952-600-7394

Chadwick Johnson: Chadwick.johnson@commonbond.org | 651-291-1750





MN Energy Code & Energy Efficiency in Affordable Housing

MODERATOR

Mary Barnett, *UrbanWorks Architecture*

PANELISTS

Greg Metz, *MN Department of Labor and Industry*

Steph Gallatin, PE, CxA, CEM, LEED AP, FTA, *Questions & Solutions Engineering*

Mike Thomas, AIA, *Minnesota Housing*



MN Residential Energy Code

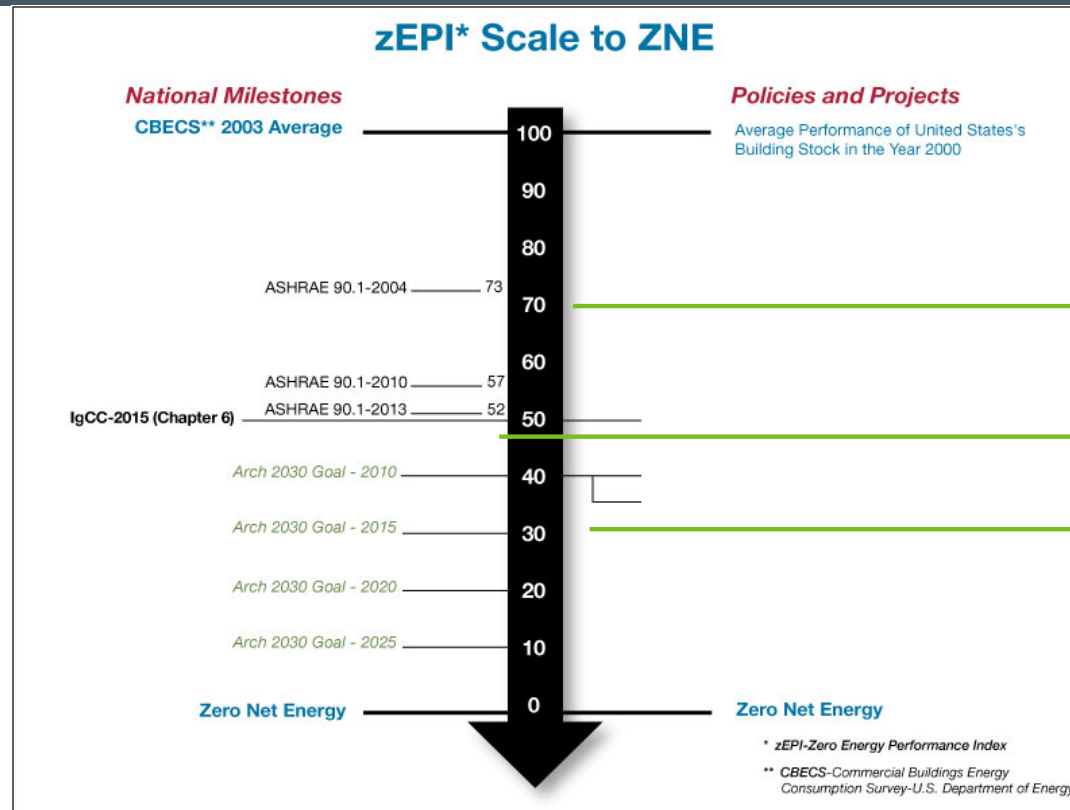
Current Work

- Current Code based on the 2012 IECC with state amendments
- Technical Advisory Group has reviewed the 2021 IECC and will consider the 2024 IECC for adoption as the 2026 MN Residential Energy Code.

Pending Legislation (SF5284/ HF5242)

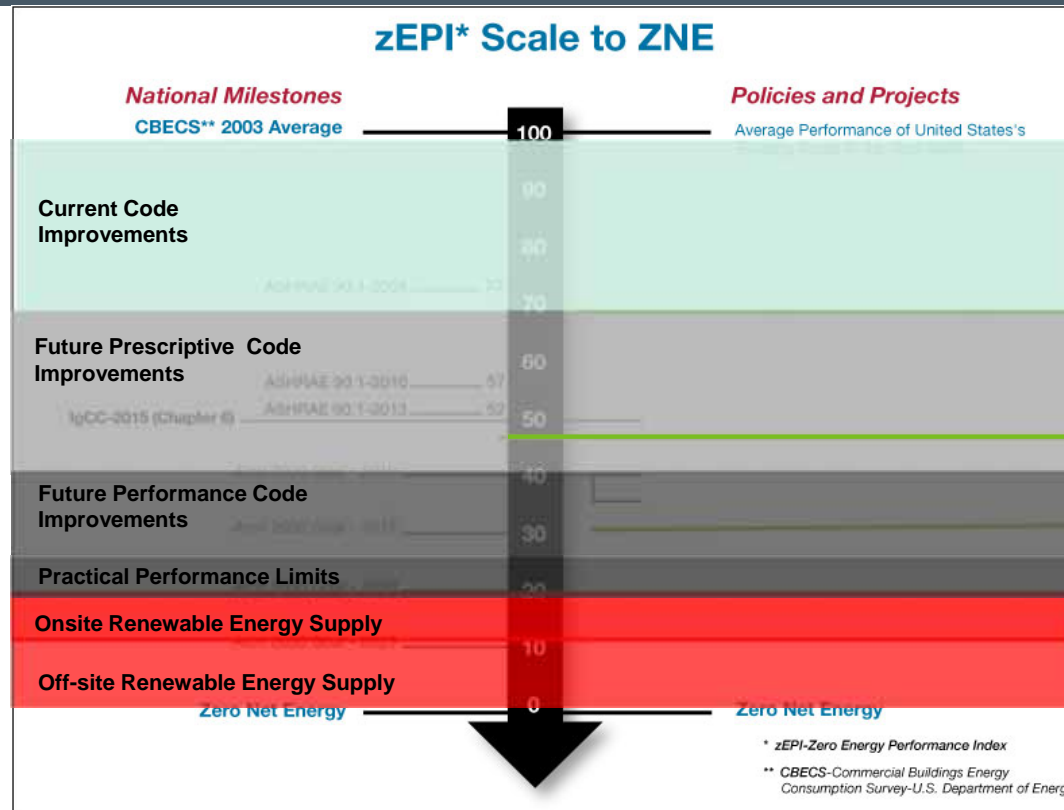
- Accelerate Residential Energy Code adoption every 3 years
- Achieve a 70% energy improvement over 2006 IECC by 2038.
- No restrictions on fuel types.

MN Residential Energy Code



Richard Graves
rmgraves@umn.edu

MN Residential Energy Code



2015 MN Energy Code (2012 IECC)

2026 MN Residential Energy Code (2024 IECC)

2038 MN Residential Energy Goal
(Pending legislation)

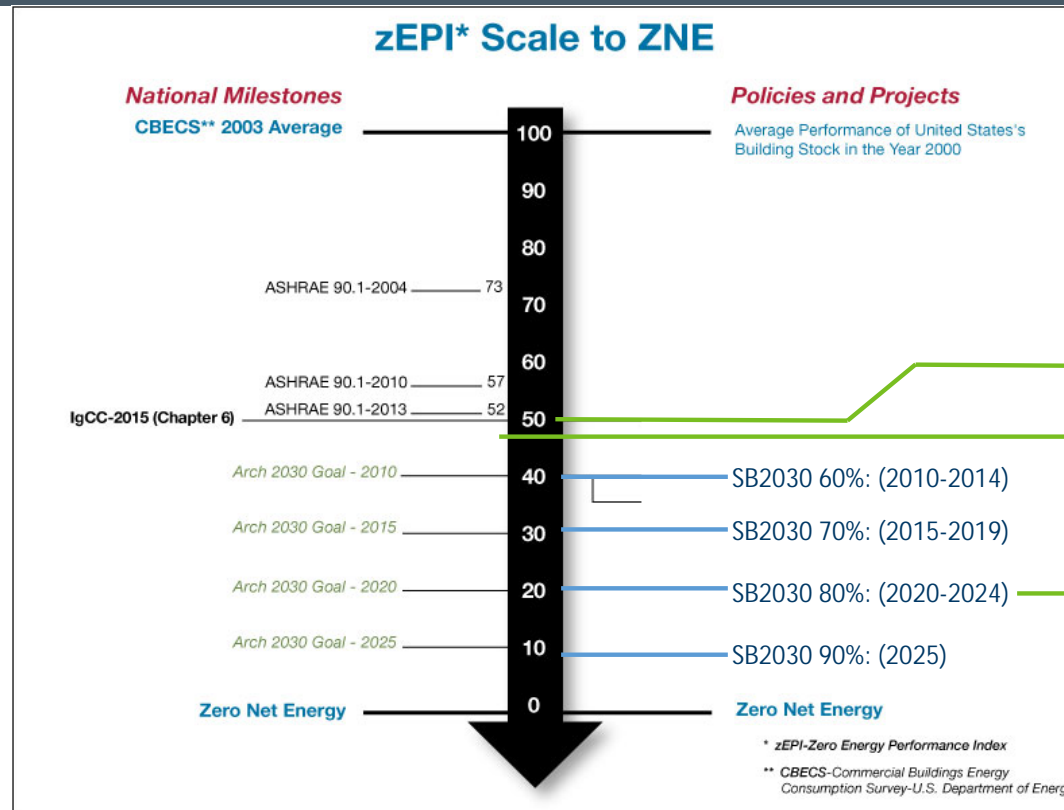
Richard Graves
rmgraves@umn.edu

MN Commercial Energy Code

Code Adoption & Targets

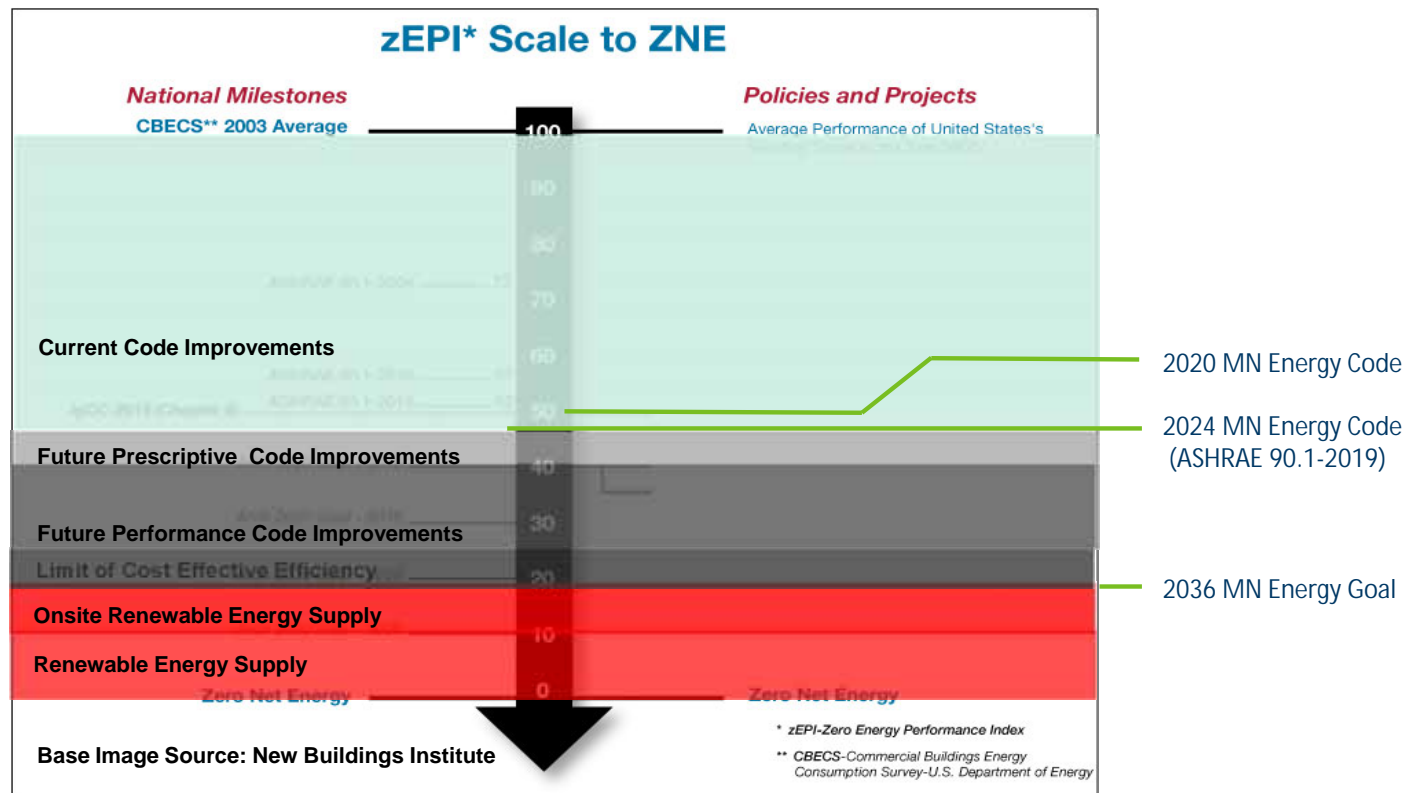
- Adopt New Model every Three Years
- Statutory goal for new construction to use 80% less energy than 2004 buildings by 2036
- Each code cycle ~16% more efficient
- 1323 will NOT restrict fuel types, statutory authority is over energy conservation.

MN Commercial Energy Code



Richard Graves
rmgraves@umn.edu

MN Commercial Energy Code



Richard Graves
rmgraves@umn.edu

MN Commercial Energy Code

MR 1323.005, Subp. 2

- Based on the 2019 ASHRAE 90.1 ONLY
- Enforcement started January 5, 2024
- Amendments can be found at <https://www.dli.mn.gov/sites/default/files/pdf/AR4696-adopted.pdf>

STANDARD

ANSI/ASHRAE/IES Standard 90.1-2019

(Supersedes ANSI/ASHRAE/IES Standard 90.1-2016)

Includes ANSI/ASHRAE/IES addenda listed in Appendix I

Energy Standard for Buildings Except Low-Rise Residential Buildings



Change of Occupancy in Existing Buildings

§4.2.1.4 Change of Occupancy

- Must comply with lighting requirements regardless.
- Must comply as new if the new occupancy is more energy intensive than previous.
- Historic buildings must “do their best” while maintaining historic integrity.



Alterations to Existing Roofs

MR 1323.0513

§5.1.3 Envelope Alterations, Item 9

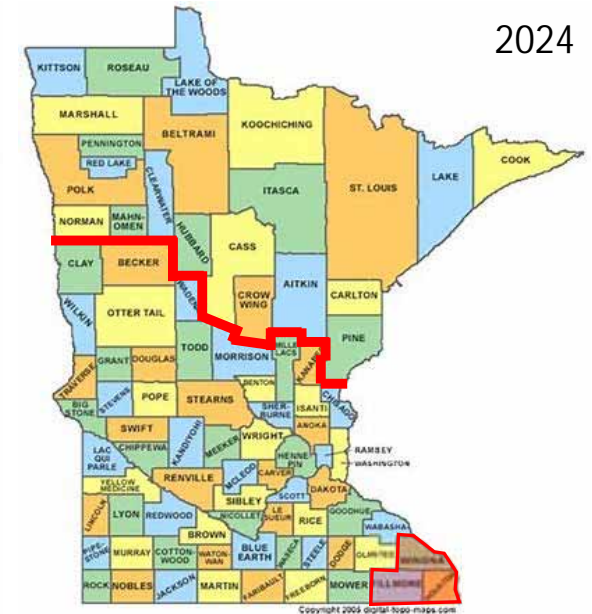
- Existing roofs where insulated above the deck and where the roof covering is replaced shall be insulated to the current energy code.
- Exception: Where not possible due to existing conditions, the maximum insulating value insulation shall be installed that can provide positive drainage without compromising the existing structure, and without reducing the R-value below the existing condition.



Revising Climate Zone Map

§ 5.1.4 Climate Zones Changing Zone 7 to Zone 6A

- Becker
- Clay
- Grant
- Kanabec
- Mille Lacs
- Otter Tail
- Wadena
- Wilkin
- Holding Fillmore, Houston and Winona Counties in Climate Zone 6A



Whole-Building Air Leakage

§5.4.3.1.1 Whole Building Air Leakage

- Air Leakage shall not exceed 0.40 cfm/ft² under 0.3 inches of water. (no change)
- Buildings of Group R or Group I Occupancies: Air Leakage shall not exceed 0.30 cfm/ft² under 0.2 inches of water.
- NOTE: Air leakage requirements also apply to semi-heated spaces



Below Grade Wall Insulation

§5.5.3.3 Below Grade Wall Insulation

- Must be located on the exterior side or embedded within the foundation wall.
- May NOT be located on the interior side of a basement wall.



Vestibules

§5.4.3.3 Vestibules

- Required at *building entrances*.
- *Building Entrance* defined as: any doorway ordinarily used to gain access to the building or to exit from the building
- Must comply with air barrier requirements at entire perimeter
- Not required when the exterior door opens into a space less than 1,000 ft²



Building Envelope Criteria – Climate Zone 6

Opaque Elements	Nonresidential		Residential	
	2015 MN- IECC	New ASHRAE 90.1	2015 MN- IECC	New ASHRAE 90.1
Roofs				
Insulation above deck	R-30ci	R-30ci	R-30ci	R-30ci
Metal Building	R-25 + R-11LS	R-25 + R-11LS	R-25 + R-11LS	R-30 + R-11LS
Attic & Other	R-49	R-49	R-49	R-49
Walls above grade				
Mass	R-13.3ci	R-13.3ci	R15.2ci	R-13.3ci
Metal Building	R-13 + R-13ci	R-0 + R19ci	R-13 + R-13ci	R-0 + R19ci
Steel framed	R-13 + R-7.5ci	R-13 + R-12.5ci	R-13 + R-7.5ci	R-13 + R-12.5ci
Wood framed	R-13 + R-7.5ci, or R-20 + R3.8ci	R-13 + R-7.5ci, or R-19 + R-5ci	R-13 + R-7.5ci, or R-20 + R3.8ci	R-13 + R-7.5ci, or R-19 + R-5ci
Walls below grade				
Below grade wall	R-7.5ci	R-10	R-7.5ci	R-15
Floors				
Mass	R-12.5ci	R-16.7ci	R-12.5ci	R-16.7ci
Steel Joist	R-30	R-38	R-30	R-38
Wood-framed	R-30	R-38	R-30	R-38

Building Envelope Criteria – Climate Zone 6

Opaque Elements	Nonresidential			Residential								
	2015 MN- IECC		New ASHRAE 90.1	2015 MN- IECC		New ASHRAE 90.1						
Slab-on-Grade Floors												
Unheated Slabs	R-10 for 24" below		R-20 for 24" below	R-10 for 24" below		R-20 for 48" below						
Heated Slabs	R-15 for 36" below + R-5 full slab		R-20 for 48" below	R-20 for 48" below + R-5 full slab		R-25 for 48" below						
Opaque Doors												
Non-swinging	U-0.310		U-0.310	U-0.310		U-0.310						
Swinging	U-0.370		U-0.370	U-0.370		U-0.370						
Fenestration	Assembly max U	Assembly max SHGC	Assembly Min VT/SHGC	Assembly max U	Assembly max SHGC	Min VT/SHGC	Assembly max U	Assembly max SHGC	Assembly Min VT/SHGC	Assembly max U	Assembly max SHGC	Min VT/SHGC
Fixed	0.36	0.40	NR	0.34	0.38	1.1	0.36	0.40	NR	0.34	0.38	1.1
Operable	0.43	0.48	NR	0.42	0.34	1.1	0.43	0.48	NR	0.42	0.34	1.1
Entrance Door	0.77	0.64	NR	0.63	0.34	1.1	0.77	0.64	NR	0.63	0.34	1.1
Skylight	0.50	0.40	NR	0.47	0.40	NR	0.50	0.40	NR	0.50	0.40	NR

Tie Climatic Design Conditions to National Standard

§6.4.2.1

- Update MN Amendment Climatic Design Conditions to tie directly to ASHRAE Climate Data Standard 183.
- Summer Conditions: 1%
- Winter Conditions: Extreme Mean
- <http://ashrae-mateo.info/v2.0/places.php?continent=North%America>
- Moorhead: -24.4 (proposed) still Zone 6A

	Summer Db/Wb °F				Winter Db °F	
	2020 Code		Proposed		2020 Code	Proposed
	Db°F	Wb°F	Db°F	Wb°F		
Aitkin	82	72	82.4	72.1	-24	-28.1
Albert Lea	85	72	86.1	72.2	-15	-18.5
Bemidji	84	68	82.4	67.3	-24	-30.3
Cloquet	82	68	81.6	68.2	-20	-24.4
Crookston	84	70	83.9	70.1	-27	-28.2
Duluth	81	67	81	67.1	-20	-23.4
Ely	82	68	81.6	67.4	-29	-33.9
Eveleth- Virginia	82	68	82	66.9	-26	-30.7
Faribault	86	73	87.6	72.7	-16	-20.6
Fergus Falls	86	71	84.5	70.2	-21	-29
Grand Rapids	81	67	81.6	67.4	-23	-24.6
International Falls	83	67	82.3	67.4	-28	-34.6
Litchfield	85	71	85.8	72	-18	-19.9
Little Falls	86	71	85.9	69.9	-20	-26.3
Mankato	86	72	86.3	71.9	-15	-15.9
Minneapolis/ St Paul	88	72	87.8	72	-15	-16.7
Montevideo	86	72	87.7	72.8	-17	-19.1
Mora	84	70	85.5	70.3	-21	-23.9
Morris	84	72	85.7	72	-21	-22.6
New Ulm	87	73	87.6	73	-15	-18.6
Owatonna	86	73	86.4	72.3	-16	-19.1
Pegot Lakes	84	68	85.4	68.3	-23	-30.5
Pipestone	85	73	86.2	72.7	-15	-18.7
Redwood Falls	89	73	88.4	72.6	-17	-18.8
Rochester	85	72	84.7	71.7	-17	-18.7
Roseau	82	70	83.6	71.5	-29	-31.1
St Cloud	86	71	86.3	70.7	-20	-24.2
Thief River Falls	82	68	82.2	68.4	-25	-27.3
Warroad	83	67	81.7	69.7	-29	-32.1
Wheaton	84	71	86.1	71.6	-20	-22.6
Willmar	85	71	86.3	71.6	-20	-21.8
Winona	88	74	88.4	72.6	-13	-17.7
Worthington	84	71	85.6	70.9	-14	-15.8

Garage Ventilation Systems (addendum d)

§6.4.3.4.5

- Separate ventilation and controls required for each garage section.
- Control systems reduce airflow to 20% or less of design capacity when contaminants are below thresholds.
- Controls and devices shall result in fan motor demand < 30% of design wattage at 50% of design airflow.



Energy Recovery

Table 6.5.6.1.2 Exhaust Air Energy Recovery Requirements for Ventilation Systems

Climate Zone	Percent (%) Outdoor Air At Full Design Airflow Rate							
	$\geq 10\%$ and $< 20\%$	$\geq 20\%$ and $< 30\%$	$\geq 30\%$ and $< 40\%$	$\geq 40\%$ and $< 50\%$	$\geq 50\%$ and $< 60\%$	$\geq 60\%$ and $< 70\%$	$\geq 70\%$ and $< 80\%$	$\geq 80\%$
	Design Supply Fan Airflow Rate (cfm)							
6A	NR	$\geq 16,000$	$\geq 5,500$	$\geq 4,500$	$\geq 3,500$	$\geq 2,000$	$\geq 1,000$	≥ 120
7	NR	$\geq 4,000$	$\geq 2,500$	$\geq 1,000$	≥ 140	≥ 120	≥ 100	≥ 80

- State Amendment to eliminate the need for energy recovery when the % outdoor air $< 20\%$.
- State Amendment also combines tables for systems operating less than 8,000 hours/ year and systems operating 8,000+ hours/ year. (There are only 8,760 hours/year.)

Parking Lighting Controls

- Parking lighting Reduction controls to 30% lighting level after 10 minutes of no activity



Infiltration Testing and Commissioning Requirements

- Building air leakage testing
 - < 8 units- whole building
 - \geq 8 units- 20% not less than 7 units.
 - Can opt for continuous air barrier design and installation verification program.
- Commissioning Requirements are more robust. (Stephanie can provide more detail)



What is Commissioning?

- **Systematic process of assuring by verification and documentation, from the design phase to a minimum of one year after construction, that all building facility systems perform interactively in accordance with the design documentation and intent, and in accordance with the owner's operational needs, including preparation of operation personnel.**
- **Most people think commissioning is just functional testing.**

What is Commissioning?

- **Commissioning is Always**
 - Documentation
 - Testing
 - Training
 - Systems-Focused

Why is Commissioning Needed?

- **MN ENERGY CODE**
- **Green Building Certifications**
 - MN B3, LEED, Energy Star, EGC
- **Improve Building Turnover Process from Contractor or Operator**
- **Verify System Performance**
- **More Complex & Inter-related Systems**
- **Reduce Contractor & Designer Call-Backs**
- **Difficulty Closing Out Projects**
- **Energy Conservation**



What Systems Are Commissioned?

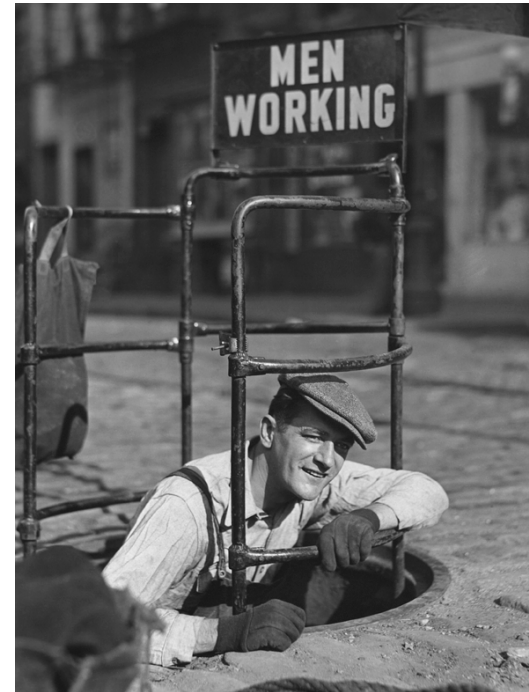
- HVAC
- Lighting Controls
- Plumbing
- Building Envelope
- Renewable Energy
- *Electrical Power
- *Life Safety



*Not required by MN Energy Code

When is Commissioning Started?

- Pre-Design
- Design
- Construction
- Start-up
- Warranty
- Post Warranty



Who Performs Commissioning?

- **Everyone Together**
 - Designers
 - Contractors
 - Owner's Project Management
 - Owner's Systems Operators
 - Commissioning Professional



Commissioning Process Overview

Pre-Design Phase Activities



Commissioning Process Overview

Design Phase Activities



Commissioning Process Overview

Early Construction Phase Activities



Commissioning Process Overview

Testing & Training Phase Activities



Commissioning Process Overview

Warranty Phase Activities



Common Cost of Commissioning

- **Major Projects (> \$10,000,000)**
 - 0.5-1.0% of Total Construction Cost
- **Small Projects**
 - Higher %



Common Cost of Commissioning

■ Factors Influencing Cost

- Number of Different Types of Systems
- Complexity of Systems
- When Commissioning Starts
- What is included in Commissioning
- Project Duration & Phasing
- Size of Project



Program Cx Scope Comparisons

Commissioning Activities	ASHRAE 90.1-2019 ASHRAE 202-2018			ASHRAE 0-2013		MN State Sustainability Requirements	EGC Criteria	
	MN Energy Code < 10,000 SF	MN Energy Code > 10,000 SF	*LEEDv5	LEEDv4.1	LEEDv4	MN B3	2015 w/ MN Overlay LEEDv4 Multifamily Midrise	2020 w/ MN Overlay Energy Star MFNC FTA Checklist
Design Phase								
Kickoff Meeting	X	X	X	X	X	X	X	X
OPR	X		X	X	X	X	X	
Cx Plan	X		X	X	X	X	X	
BOD	X		X	X	X	X	X	
Training Coordination	X		X	X	X	X		
Design Review	X		X	X	X	X		
Design Familiarization		X					X	X
Cx Spec	X		X	X	X	X	X	
Construction Phase								
Kickoff Meeting	X	X	X	X	X	X	X	X
Schedule Coordination	X		X			X		
Submittal Review	X		X	X	X	X		
Submittal Familiarization				X	X		X	X
Test Procedure Development	X	X	X	X	X	X	X	
Checklist Development	X		X	X	X	X		
Develop Test Data Records	X		X	X	X	X	X	
O&M Manual Review				X	X	X		
Site Observation(s)	X	X	X	X	X	X	X	X

*Not yet been released. Currently in public review

Enhanced Cx Only	X
Best Practice for Successful Implementation	X



Program Cx Scope Comparisons

Commissioning Activities	ASHRAE 90.1-2019 ASHRAE 202-2018			ASHRAE 0-2013		MN State Sustainability Requirements	EGC Criteria	
	MN Energy Code < 10,000 SF	MN Energy Code > 10,000 SF	*LEEDv5	LEEDv4.1	LEEDv4	MN B3	2015 w/ MN Overlay LEEDv4 Multifamily Midrise	2020 w/ MN Overlay Energy Star MFNC FTA Checklist
Testing & Training Phase								
Equipment Training	X		X	X	X	X		
Systems Training	X		X	X	X	X		
Checklist Completion	X		X	X	X	X		X
Functional Performance Testing/Retesting	X	X	X	X	X	X	X	X
Issues Log	X	X	X	X	X	X	X	X
Training Verification	X		X	X	X	X		
Warranty Phase								
Systems Manual / CFR Plan	X		X	X	X	X	X	
Cx Report	X	X	X	X	X	X	X	
Seasonal Testing	X		X			X		
Lessons Learned Workshop				X	X	X		

*Not yet been released. Currently in public review

Enhanced Cx Only	X
Best Practice for Successful Implementation	X



Program Systems to be Cx'd Comparisons

Systems to be Commissioned	ASHRAE 90.1-2019 ASHRAE 202-2018			ASHRAE 0-2013		MN State Sustainability Requirements	EGC Criteria	
	MN Energy Code < 10,000 SF	MN Energy Code > 10,000 SF	*LEEDv5	LEEDv4.1	LEEDv4		2015 w/ MN Overlay	2020 w/ MN Overlay
Building Envelope (Continuous Air Barrier)	5.9.2	5.9.2	5.9.2	X		X		
Heating, Ventilation, Air Conditioning	6.9.2	6.9.2	6.9.2	X	X	X	X	X
Plumbing (Domestic Cold & Hot Water)	7.9.2, 10.9.1	7.9.2, 10.9.1	7.9.2, 10.9.1	X	X	X	X	
Lighting Controls	8.9.2, 9.9.2	8.9.2, 9.9.2	8.9.2, 9.9.2	X	X	X	X	
Renewable Energy (Solar PV, Wind, etc.)	8.9.2	8.9.2	8.9.2	X	X	X	X	
Elevator Standby Mode	10.9.1, 2	10.9.1, 2	10.9.1, 2					
Whole-building Energy Monitoring	10.9.1, 2	10.9.1, 2	10.9.1, 2	X		X		
IEQ: Vibrations/Acoustics/Noise						X		

***Not yet been released. Currently in public review**

Excluding exhaust systems	X
Excluding dwelling systems	X
MN B3 Recommend, not required	X



Code Enforcement of Commissioning

ASHRAE 90.1, paragraph 4.2.5.2.2 Project Commissioning Documents

4.2.5.2.2 Project Commissioning Documents

Project *commissioning* documents shall comply with ASHRAE/IES Standard 202 or other generally accepted engineering standards acceptable to the building official. The *commissioning provider* shall certify completion of the required *commissioning process* and provide the following documents to the owner and design teams:

- a. **Commissioning Plan.** Identify *FPT* or verification procedures for all systems to be verified, commissioned, or tested.
- b. **Design Review Report.** Detail compliance of the design with the Owner's Project Requirements and provisions of this standard. This *commissioning* design review shall not be considered a design peer review or a code or regulatory review.
- c. **Preliminary Commissioning Report.** The preliminary *commissioning* report shall include the following:
 1. Required performance of commissioned *equipment, systems*, and assemblies, and results of *FPT* and verification
 2. Summary of compliance of the *building* and its components, assemblies, controls, and *systems* with required provisions of this standard
 3. Issues and resolution logs, including itemization of deficiencies found during verification, testing, and *commissioning* that have not been corrected at the time of report preparation
 4. Deferred tests that cannot be performed at the time of report preparation
 5. Documentation of the training of operating personnel and *building* occupants on commissioned *systems*, and a plan for the completion of any deferred trainings not completed at the time of report preparation
 6. A plan for the completion of *commissioning* and training, including climatic and other conditions required for performance of the deferred tests
- d. **Final Commissioning Report.** The *construction documents* shall require the *commissioning provider* to provide a final *commissioning* report to the owner before completion of the contractor's general warranty period.



Minnesota Housing's Sustainability Requirements

Enterprise Green Communities Criteria (EGCC) 2020 Version Current as Overlaid

- Criteria 5.1a – Building Performance for New Construction
- Criteria 5.1b – Building Performance for Rehabilitation (Rehab)

MN State Sustainability Requirements

- AKA Buildings, Benchmarks, & Beyond (B3)
- Required for General Obligation (GO) Bond funded projects



Minnesota Housing's Sustainability Requirements

RFP Selection Points – Enhanced Sustainability

- Tier 1 and Tier 2
 - Increase number of EGCC optional points
- Tier 3
 - Pathway 1 SB2030 (of B3)
 - Pathway 2 Department of Energy (DOE) Zero Energy Ready Home (ZERH)
 - Pathway 3 Criteria 5.1b Performance Pathway (for rehabs)
- Tier 4 Zero Energy
 - Passive House, Living Building Challenge



Minnesota Housing's Sustainability Requirements

Criteria 5.1a – Building Performance for New Construction Minimum Requirements

- ENERGYSTAR Multifamily New Construction (ES MFNC)
- Or, ENERGYSTAR Manufactured Homes
- Or, ENERGYSTAR Certified Homes
- As relevant
- Certificate Required at End of Construction



Minnesota Housing's Sustainability Requirements

Criteria 5.1b – Building Performance for Rehabilitation (Rehab)

- Mandatory Prescriptive Pathway
 - Most Popular
- Performance Pathway
 - Is the EGCC requirements
- Alternative Pathway
 - Such as Xcel Energy's Energy Design Assistance



Minnesota Housing's Sustainability Requirements

2023-2024 Enhanced Sustainability

- Tier 1 = 2x Optional Points = 1 RFP Point
- Tier 2 = 3x Optional Points = 2 RFP Points
- Tier 3 = 3 RFP Points
- Tier 4 = 4 RFP Points
- Max RFP Points
 - Tier 2 + Tier 4 = 2 + 4 = 6

Proposed 2025-2026 Enhanced Sustainability (2026-2027 QAP)

- Tier 1 = 2 RFP Points
- Tier 2 = 4 RFP Points
- Tier 3 = 6 RFP Points
- Tier 4 = 8 RFP Points
- Max RFP Points
 - Tier 2 + Tier 4 = 4 + 8 = 12

Minnesota Housing's Sustainability Requirements

2023 Consolidated RFP Enhanced Sustainability

- 28 Projects Selected
- 21 Claimed/ Validated at least Tier 1
- 6 Claimed/ Validated Tier 1 Only
- 0 Claimed/ Validated Tier 2 Only
- 0 Claimed/ Validated Tier 3 Only
- 3 Claimed/ Validated Tier 1 + Tier 3
- 10 Claimed/ Validated Tier 2 + Tier 3
- 2 Claimed/ Validated Tire 2 + Tier 4



Minnesota Housing's Sustainability Requirements

How Does 2024 MN Energy Code Compare to ENERGY STAR?

- 2024 MN Energy Code requires ASHRAE 90.1 – 2019
- Currently, ES MFNC requires MN to be at least 15% better than ASHRAE 90.1 - 2016
 - ES Version 1.1, Rev 3
- Therefore, the Minnesota Housing 2023-2024 MN Overlay will still be about 4-5% better than the 2024 MN Energy Code
 - As interpreted by our contacts with the DOE
- The ES requirements and reference to 90.1 version will most likely change to be better than the version used in each state over time.



Questions?

#AHSMN2024

Contact Information

Moderator: mbarnett@urban-works.com | 763-458-5563

Panelist: greg.metz@state.mn.us | 651-284-5884

Panelist: steph.gallatin@qseng.com | 612-819-2151

Panelist: mike.thomas@state.mn.us | 651-276-1170



BREAK

2:00 PM – 2:15 PM





Legislative Update

MODERATOR

Anne Mavity, *MHP*

PANELISTS

Peter Callaghan, *MinnPost*

Jeff Hayden, *Fredrikson & Byron*

Amy Koch, *Hylden Advocacy and Law*

Mary LaHammer, *TPT Almanac*

BREAK

3:00 PM – 3:15 PM





Investors Panel

MODERATOR

Heidi Rathmann-Smith, *CommonBond*

PANELISTS

Katlynn Kretz, *Cinnaire*

Kristin Nemmers, *PNC*

Lydia Smith, *NEF*

Lindsay Soyka, *R4 Capital*

NETWORKING & COCKTAIL RECEPTION

4:00 PM – 6:00 PM

Please join us in the atrium for cocktails, appetizers, and networking!

