

Date: 10/21/2026

Item Activity: Approve

Meeting: MnCIFA Board

Prepared by: Arpita Bhattacharyya, CIO

Item Type: Report & Recommendation

Item Title: Adopt Resolution to Approve Loan Participation in Mahoning Manor Affordable Housing Project

Action Requested:

Adopt Resolution No. 2026-13

Information/Background:

Recommend approval of up to a \$5 million participation to Mahoning Manor, LLLP for the energy components of a 48-unit affordable multifamily housing development in Hibbing, Minnesota ("The Project"). The energy components include a closed-loop geothermal HVAC system and various energy-efficient technologies and installations to meet DOE Efficient New Homes certification requirements. 100% of the Project's units will have project-based rental assistance allowing residents to pay no more than 30% of income toward rent.

MnCIFA's financing commitment will be a participation in Greater Minnesota Housing Fund's ("GMHF") construction bridge loan of up to \$15 million. The term of MnCIFA's participation will be up to 24 months. GMHF's interest rate for their loan will be a fixed rate equal to the 30-Day Average Secured Overnight Financing Rate (SOFR), plus 1.00%, with a minimum of 5.00% (to be locked within 30 days of initial closing). MnCIFA's interest rate will be GMHF's interest rate less 0.50%, with a minimum of 4.50%. That 0.50% will be paid to GMHF as a servicing fee. MnCIFA's collateral will be a second position lien on real estate, *pari passu* with GMHF's construction bridge loan position. Additionally, there will be joint and several guarantees of HRA of Hibbing and Center City Development Corporation, as well as assignment of the Low-Income Housing Tax Credit ("LIHTC") equity.

Exception: MnCIFA's standard risk-based pricing would result in an indicative rate of approximately 5.35%. Staff recommends the reduced rate based on the Project's substantial affordable housing, community, and clean energy benefits and the value of participating in GMHF under a consistent loan structure.

Resources/Financial Impacts: Interest due monthly, with balance due at the earlier of construction loan maturity or receipt of the stabilization installment of the LIHTC equity.

Supporting Documentation:

- Mahoning Manor Credit Approval Memo



RESOLUTION NO. 2026-13

**APPROVE PARTICIPATION IN GMHF CONSTRUCTION BRIDGE LOAN
FOR MAHONING MANOR PROJECT**

The Minnesota Climate Innovation Finance Authority board of directors (the "Board") hereby adopts the following resolution at a meeting duly called and held with a quorum being present.

WHEREAS, the Board adopted bylaws on April 17, 2024, to conduct its business and perform its responsibilities and duties in an orderly, efficient, transparent, fair, and lawful manner; and

WHEREAS, on October 12, 2026, the Board considered a request from Mahoning Manor, LLLP, for MnCIFA's participation of up to \$5 million in Greater Minnesota Housing Fund's construction bridge loan (of up to \$15M), for the energy components of a 48-unit affordable multifamily housing development in Hibbing, Minnesota; and

WHEREAS, the Board has determined that the Mahoning Manor project meets the statutory requirements and preferences of a Qualified Project as set forth in Minn. Stat. § 216C.441;

NOW, THEREFORE, THE BOARD HEREBY RESOLVES that MnCIFA through its officers be authorized to enter into a participation agreement and related documents with Mahoning Manor, LLLP, and Greater Minnesota Housing Fund, in the aggregate amount not to exceed \$5M, with such participation funds to be used for the energy components of a 48-unit affordable multifamily housing development in Hibbing, Minnesota.

RESOLVED, that the loan must be closed and the participation agreement executed within one year from the date of Board approval, and that this authorization shall expire at that time unless extended by further action of the Board.

Adopted by the Board this 21st day of October, 2026.

Attest: _____
Bali Kumar, Chair

CERTIFICATE OF EXECUTIVE DIRECTOR

I, the undersigned duly appointed and acting Executive Director for the Minnesota Climate Innovation Finance Authority do hereby certify that the attached and foregoing Resolution was duly adopted by the Minnesota Climate Innovation Finance Authority at its Meeting of October 21, 2026, and recorded in the Minutes of that Meeting.

WITNESS my hand this _____ day of _____, 2026.

Peter Klein
Interim Executive Director



CREDIT APPROVAL MEMORANDUM

Project Name: Mahoning Manor

October 21, 2026

Prepared By:

Delphine Ntegeye, Investment Officer

Peter Greenwood, Director of Investments

Arpita Bhattacharyya, Chief Investment Officer

Project Overview	
Project Name	Mahoning Manor
Sponsor Name	Center City Housing Corporation (“CCHC”); and Housing and Redevelopment Authority (“HRA”) of Hibbing (the “Sponsors”)
Borrower Name	Mahoning Manor, LLLP (the “Borrower”)
Location (City, County)	Hibbing, St. Louis County
Technology	Geothermal; Energy-Efficient Technologies (Various)
Project Description	Mahoning Manor is a proposed 48-unit affordable multifamily housing development in Hibbing, Minnesota (the “Project”). The Project will provide energy-efficient affordable housing between 30% and 60% of Area Median Income (“AMI”). All of Mahoning Manor’s units will have project-based rental assistance allowing residents to pay no more than 30% of income toward rent. The Project will replace housing associated with the deteriorated Haven Court public housing development and will include a closed-loop geothermal HVAC system and various energy-efficient technologies and installations to meet DOE Efficient New Homes certification requirements. Construction is currently anticipated to begin in Spring 2027.
MnCIFA Project Score ¹	79 out of 100
MnCIFA Risk Rating ²	1.89 out of 5.00
Key Ratios	
DSCR	Construction: ≥1.56x Operation: 1.76x ³
Debt to Equity	Construction: 2.35x Stabilization: 1.48x

¹ MnCIFA project score ranges from 0 to 100.

² MnCIFA risk rating ranges from 0.00 (no risk) to 5.00 (high risk).

³ Average DSCR over 15 years per GMHF cash flow projections.

Project Sources – Greater Minnesota Housing Fund (“GMHF”) Construction Bridge Loan ⁴	
MnCIFA Loan Amount	Up to \$5 million
Other Debt (GMHF)	Remaining construction debt up to \$15M
Total Construction Bridge Loan	\$15 million
MnCIFA Participation Loan Terms	
Term /Amort	Up to 24 Months
GMHF Interest Rate	Fixed rate equal to the 30-Day Average SOFR plus 1.00%. Minimum rate 5.00%, to be locked within 30 days of initial closing.
MnCIFA Interest Rate	Minimum 4.50% to MnCIFA
MnCIFA Servicing Fee to GMHF	0.50%; Deducted from GMHF interest payment to MnCIFA.
Repayment Schedule	Interest due monthly, with balance due at the earlier of construction loan maturity or receipt of the stabilization ⁵ installment of the Low-Income Housing Tax Credit (“LIHTC”) ⁶ equity.
MnCIFA Origination Fee	Up to \$35,000
MnCIFA Security/Collateral	• Second lien on real estate, pari passu with GMHF’s construction bridge loan position; GMHF in first position for term loan • Joint and several guarantees from HRA of Hibbing and Center City Development Corporation • Collateral Assignment of Capital Contributions (LIHTC Equity) based on MnCIFA loan size
Guarantor(s)	The Sponsors (CCHC and HRA of Hibbing)

⁴ GMHF is the lead lender for the Project, specifically the construction bridge loan. The security/collateral for MnCIFA’s participating interest in GMHF’s construction bridge loan is the same as GMHF’s security/collateral. GMHF’s construction bridge loan principal will be repaid by the \$20.4 million proceeds from the tax equity investor.

⁵ **Stabilization:** the point at which the property has maintained at least 90% occupancy for three consecutive months and is generating sufficient operating income to cover its expenses and required debt payments.

⁶ **The Low-Income Housing Tax Credit (“LIHTC”) program** is the primary federal tool for building and rehabilitating affordable rental housing in the United States.

Investment Rationale
The Project will positively impact Hibbing and the greater St. Louis County region by combining high-performance clean energy improvements with the development of affordable housing. By incorporating a geothermal heating and cooling system and an efficient building envelope, Mahoning Manor is expected to reduce energy use and greenhouse gas emissions while lowering long-term operating costs. The Project will also help replace deteriorated public housing, preserve affordable housing opportunities for existing residents, and provide supportive housing for households experiencing homelessness and people with disabilities.