

Table of Contents

INSTRUCTIONS	3
REQUIRED DOCUMENTATION FOR MINIMUM THRESHOLD REQUIREMENTS	3
ACCESS TO FIXED TRANSIT	4
GREATER MINNESOTA WORKFORCE HOUSING	4
Market Study.....	4
Employer Support	4
ECONOMIC INTEGRATION	4
TRIBAL GOVERNMENTS, TRIBAL CORPORATE ENTITIES OR TRIBALLY DESIGNATED HOUSING ENTITIES	4
PLANNED COMMUNITY DEVELOPMENT.....	4
PRESERVATION	5
SUPPORTIVE HOUSING	5
REQUIRED DOCUMENTATION FOR SELECTION CRITERIA.....	6
LARGE FAMILY	6
PERMANENT SUPPORTIVE HOUSING FOR HIGH PRIORITY HOMELESS (HPH)	6
PEOPLE WITH DISABILITIES (PWD).....	6
SERVES LOWEST INCOME TENANTS/RENT REDUCTION	7
RENTAL ASSISTANCE	7
LONG-TERM AFFORDABILITY	7
ECONOMIC INTEGRATION	7
ACCESS TO HIGHER PERFORMING SCHOOLS.....	7
WORKFORCE HOUSING COMMUNITIES	8
Top Job Centers.....	8
Employer Growth.....	8
Long Commute.....	8
LOCATION EFFICIENCY.....	8
Twin Cities Metropolitan Area.....	8
Access to Transit	8
Walkability	9
Greater Minnesota.....	9
Access to Transit	9
Walkability	10
Route Deviation Service.....	10
Demand Response/Dial-a-Ride	10
PLANNED COMMUNITY DEVELOPMENT.....	10
Planned Community Development Plan.....	11
EVENTUAL TENANT OWNERSHIP (ETO)	12
RURAL/TRIBAL.....	12
QUALIFIED CENSUS TRACT (QCT)/COMMUNITY REVITALIZATION AND TRIBAL EQUIVALENT AREAS.....	12
MINORITY-OWNED/WOMEN-OWNED BUSINESS ENTERPRISE (MBE/WBE)	12
PRESERVATION	12
Risk of Loss Due to Market Conversion	13
Risk of Loss Due to Critical Physical Needs	13
Risk of Loss Due to Ownership Capacity/Ownership Commitment	14

Existing Federal Assistance	14
Critical Affordable Units at Risk of Loss	14
FINANCIAL READINESS TO PROCEED/LEVERAGED FUNDS.....	15
Tax Increment Financing (TIF).....	15
Historic Tax Credits	15
Energy Rebates	15
Deferred Loan	15
OTHER CONTRIBUTIONS	16
Tax Abatement.....	16
Existing Debt	16
INTERMEDIARY COSTS	16
COST CONTAINMENT	16
UNIVERSAL DESIGN	16
SMOKE-FREE BUILDINGS.....	16
UNACCEPTABLE PRACTICES	17

Instructions

The purpose of the Scoring and Checklist Guide is to provide additional clarity to the 2019 HTC Self-Scoring Worksheet and the 2018 Deferred Loan Priority Checklist. This guide is intended to address commonly asked questions and clarify document submission requirements, but does not supersede or modify the requirements of the 2019 HTC Self-Scoring Worksheet, the 2018 Deferred Loan Priority Checklist, the RFP Guide, the 2019 QAP, or the 2019 HTC Procedural Manual. Applicants should refer to these documents for a detailed list of required documentation for each selection criterion.

Scattered site projects raise some application and scoring challenges. A scattered site project is defined as buildings on different tracts of land that have similarly constructed units, have the same owner for federal income tax purposes, are financed pursuant to a common plan of financing and is 100 percent rent restricted. In order to provide clarity, guidance is provided throughout on how thresholds, strategic priorities, and selection criteria will apply to scattered site projects. The project should use a weighted average for selection criteria using the number units that meet the criteria. If a section does not include guidance then the criteria applies to the entire project and clarification is not necessary. The applicant should claim criteria based upon the requirement in the Self- Scoring Worksheet and the Deferred Loan Priority Checklist.

Required Documentation for Minimum Threshold Requirements

For applications submitted for Round 1 Housing Tax Credits (HTC), all applicants statewide must meet at least one minimum threshold. Refer to the Self-Scoring Worksheet.

- For developments outside the metropolitan area, statute requires submission of credible data. This could include a market study that meets Minnesota Housing's [Market Study Guidelines](#) , a housing study for the jurisdiction, a local council resolution, or a threshold letter from an authorized city representative identifying a locally identified housing need that the development meets. A sample threshold letter is located [here](#).
- For projects that are not restricted to a particular age group and in which a percentage of the units are set aside and rented to persons:
 - With a serious and persistent mental illness
 - With a developmental disability
 - Who have been assessed as drug dependent and are receiving or will receive care and treatment services provided by an approved treatment program
 - With a brain injury
 - With permanent physical disabilities that substantially limit major life activities, if at least 50% of the units in the project are accessible as provided under Minnesota Rules Chapter 1341, also known as the Minnesota Accessibility Code.
 - **NOTE:** Minnesota Housing considers accessible units to be Type A and/or Type B Units as identified in the referenced Chapter 1341.
 - **NOTE: This is definition is not limited to persons with mobility impairment.**

Threshold Requirements for Scattered Site:

- A. In the Metropolitan Area
 1. Threshold applies to the whole project
 2. Threshold applies to the whole project
 3. Must have 51% of the units to meet the threshold
- B. Outside the Metropolitan Area
 1. Must have 51% of the units to meet the threshold

- C. Preserve Existing Subsidized Housing
 - 1. Must have 51% of the units to meet the threshold
- D. Rural Development
 - 1. Must have 51% of the units to meet the threshold.
 - 2.

Remaining minimum thresholds will be verified with review of the full application.

Access to Fixed Transit

Provide supporting materials under the Location Efficiency selection criterion checklist item. Supporting documentation does not need to be resubmitted here in the Multifamily Customer Portal (Portal).

Scattered Site: Must have 51% of units to meet the threshold

Greater Minnesota Workforce Housing

Provide a market study, evidence of employer support and a cooperatively developed plan.

Market Study

Provide a market study that meets Minnesota Housing's [Market Study Guidelines](#). The market study should document the following:

- Overall vacancy in the community at 4 percent or below

Employer Support

The application should include written documentation of employer support. For instance documentation could include a letter of support from a local employer that discusses the difficulty of employees' to locate housing in the jurisdiction where the project is located. This can be private employer or public entity.

Scattered Site: Must have 51% of units to meet the threshold

Economic Integration

The development must be eligible under the Economic Integration selection criterion.

Provide supporting materials under the Economic Integration Selection Criterion checklist item. Supporting documentation does not need to be resubmitted here in the Portal.

Scattered Site: Must have 51% of units to meet the threshold

Tribal Governments, Tribal Corporate Entities or Tribally Designated Housing Entities

The tribal government, tribal corporate entity or tribally designated entity must be listed as the owner/sponsor on the 'Development Team' tab in the Workbook, or the government/entity must provide an organizational chart of the proposed ownership entity describing the tribe's participation and percentage of ownership.

Planned Community Development

Provide supporting materials under the Planned Community Development selection criterion checklist item. Supporting documentation does not need to be resubmitted here in the Portal.

Scattered Site: Must have 51% of units to meet the threshold

Preservation

The development must be eligible under Preservation selection criterion. Applications for 9% tax credits must have submitted the preservation pre-application.

Provide supporting materials under the Preservation Selection Criterion checklist item in the Portal. Supporting documentation does not need to be resubmitted in the Portal at the time the full application is submitted.

Scattered Site: Building or buildings must have at least 51% of total units meet the Preservation threshold.

Supportive Housing

The development must be eligible under Permanent Supportive Housing for High Priority Homeless (HPH) and/or People with Disabilities (PWD) selection criterion.

Provide supporting materials under the Permanent Supportive Housing for HPH and/or PWD selection criterion checklist items. Supporting documentation does not need to be resubmitted here in the Portal.

Required Documentation for Selection Criteria

Large Family

Minnesota Housing will validate with the submitted Multifamily Workbook. Developments must round up to the nearest unit.

Permanent Supportive Housing for High Priority Homeless (HPH)

Applicants must include the supportive housing application materials, including all narratives, forms and submittals identified in the Multifamily Rental Housing Common Application Request for Proposal Guide and the Application Checklist in the Portal. The applicant must provide all threshold and supporting criteria documentation required in the 2019 Self-Scoring Worksheet and/or the Deferred Loan Priority Checklist in the Permanent Supportive Housing for High Priority Homeless materials section of the application checklist.

Minnesota Housing will validate units with the submitted Multifamily Workbook. Developments must round up to the nearest unit.

People with Disabilities (PWD)

For projects that are not restricted to a particular age group and in which a percentage of the units are set aside and rented to persons:

- With a serious and persistent mental illness
- With a developmental disability
- Who have been assessed as drug dependent and are receiving or will receive care and treatment services provided by an approved treatment program
- With a brain injury
- With permanent physical disabilities that substantially limit major life activities, if at least 50% of the units in the project are accessible as provided under Minnesota Rules Chapter 1341, also known as the Minnesota Accessibility Code..
 - **NOTE:** Minnesota Housing considers accessible units to be Type A and/or Type B Units as identified in the referenced Chapter 1341.
 - **NOTE: This is definition is not limited to persons with mobility impairment.**

The application must include the People with Disabilities application materials, including all narratives, forms and submittals identified in the Multifamily Rental Housing Common Application Request for Proposal Guide and the Multifamily Rental Housing Common Application Checklist. Supporting documentation does not need to be resubmitted here. The applicant must provide all threshold and supporting criteria documentation required in the 2019 Self-Scoring Worksheet and the Deferred Loan Priority Checklist in the Supportive Housing materials section of the application checklist.

Minnesota Housing will validate all other information with the submitted Multifamily Workbook. The income limit for the units set aside for PWD must be restricted to 30% MTSP, and the type of rental subsidy must be indicated. If no subsidy is available, rent levels must be underwritten to the Supportive Housing Units Underwriting standards outlined in the [Multifamily Underwriting Standards](#), and they must be financially feasible.

Serves Lowest Income Tenants/Rent Reduction

Align your rent and income in the Multifamily Workbook with the rent and income category selection for Serves Lowest Income Tenants/Rent Reduction. Developments must round up to the nearest unit.

Eligibility is contingent upon financial plans demonstrating feasibility and positive cash flow on a 15-year pro forma.

Rental Assistance

Provide a fully executed binding commitment (i.e., binding Resolution or binding Letter of Approval from the governing body) for project-based rental assistance.

For the purposes of this category, project-based rental assistance is defined as a project-specific funding stream that supports the operations of the property, reduces the tenant rent burden, and provides for the tenant paid portion of rent to be no greater than 30 percent of household income. The assisted units must be located in buildings on the project site.

Note for projects with a Section 8 HAP contract or Rural Development Rental Assistance for more than 15 years: A development that has existing federal rental assistance meeting the definition of federal assistance under the Preservation scoring category is not eligible under Rental Assistance.

Long-term Affordability

The selection criterion is only applicable to Tax credit projects. Selection of this category will be a part of Exhibit D to the 42M preliminary determination letter, Reservation, Carryover, and LURA. No supporting documentation is required here at the time of application.

Economic Integration

Provide a rental breakdown of the development on the Housing Income tab in the Multifamily Workbook showing that at least 25 percent but not greater than 80 percent of the total units in the project are affordable. Applicants should round up to the nearest unit.

If you're claiming the first or second tier, provide a copy of the Economic Integration Areas maps and census tract listing. Refer to the [Community Economic Integration Methodology](#).

Scattered Site: For option 1a. each building must meet the criteria or must have 51% of units to qualify. For option 1b. at least 51% of total units must qualify for the selection criteria qualify and then use a weighted average to determine eligibility.

Access to Higher Performing Schools

Provide a rental breakdown of the development on the Housing Income tab in the Multifamily Workbook showing that at least 25 percent of the total tax credit units, with a minimum of 15 units, are two or more bedroom. The number of units to be marketed to families with minor children must be documented in the Tenant Selection Plan. Applicants should round up to the nearest unit.

If claiming this criterion, provide Access to Higher Performing Schools Area Map. Refer to the [Access to Higher Performing Schools Methodology](#).

Scattered Site: The project must have at least 51% of units to qualify and then use a weighted average to determine eligibility.

Workforce Housing Communities

Provide evidence that the proposed development meets the criteria of one of the following:

Top Job Centers

Provide data documenting the development is in a Top Job Center or Net Five Year Job Growth community. Refer to the [Workforce Housing Methodology](#).

Employer Growth

Provide a letter signed by the authorized representative of a local employer documenting that at least 100 net jobs for permanent employees have been added during the previous five years.

Long Commute

Provide data documenting that the development is in a long commute community. You can locate proximity to workforce housing in the [Minnesota Housing Community Profiles tool](#). Additionally, you can refer to the [Workforce Housing Methodology](#).

Scattered Site: The project must have at least 51% of units to qualify and then use a weighted average to determine eligibility.

Location Efficiency

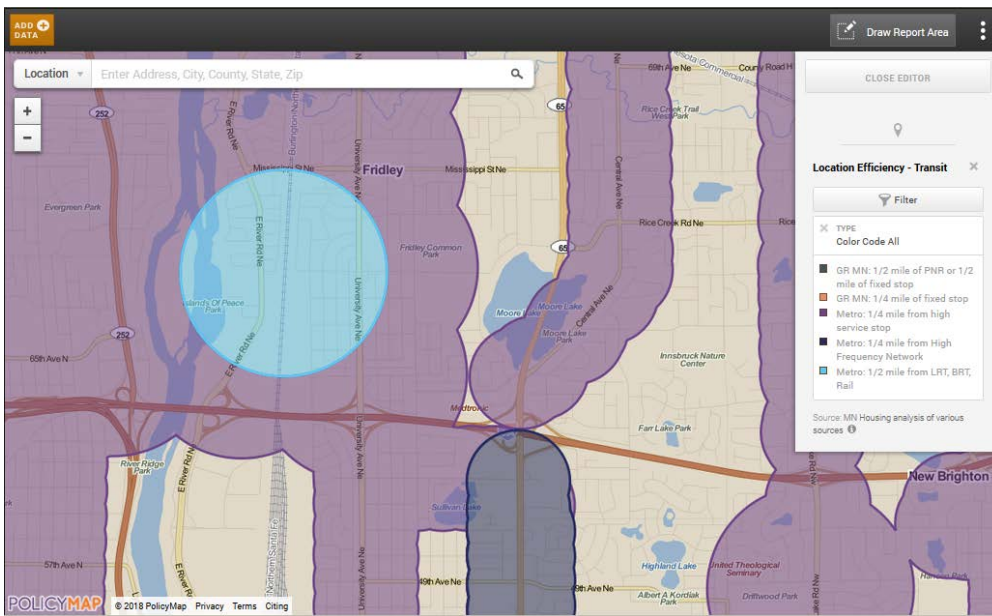
Twin Cities Metropolitan Area

Access to Transit

Provide copies of maps to document the development has access to transit. Refer to the [Location Efficiency Methodology](#), OR

Map project locations and determine access to transit from the [Minnesota Housing Community Profiles Tool](#).

1. Select "Community Profiles" and then "View interactive map of profiles by tract and county (PolicyMap)."
2. Type the property address where it states, "Enter Address, City, County, State, or Zip," and then click the search icon.
3. To add the "Location Efficiency – Transit" (Access to Transit) layer to the map select: Add Data > Multifamily > Location Efficiency – Transit.
4. To determine the type of transit within proximity to the property, click Edit Data > Filter (under Location Efficiency – Transit) > Type. Select desired type.
5. Print a copy of the results.



Walkability

Provide a dated printout of the location's walk score to document that the development meets the criteria for walkability.

Visit www.walkscore.com. Type the property address where it says "Type an address, neighborhood or city," and then click Enter to view and print the report.

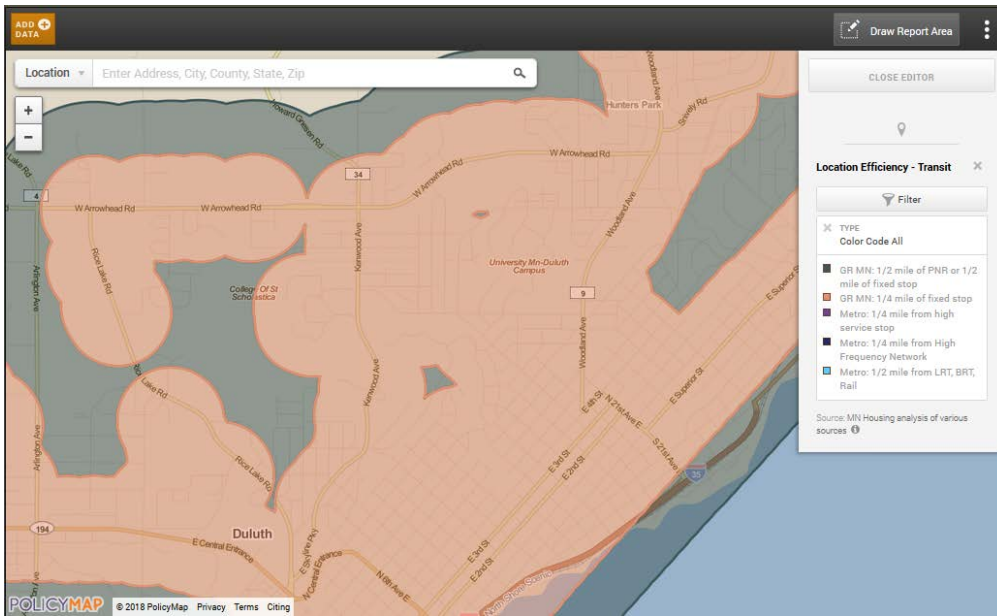
Greater Minnesota

Access to Transit

Provide copies of maps to document the development has access to transit. Refer to the [Location Efficiency Methodology](#), OR

Map project locations and determine access to transit from the [Minnesota Housing Community Profiles Tool](#).

1. Select "Community Profiles" and then "View interactive map of profiles by tract and county (PolicyMap)."
2. Type the property address where it states, "Enter Address, City, County, State, or Zip," and then click the search icon.
3. To add the "Location Efficiency – Transit" (Access to Transit) layer to the map select: Add Data > Multifamily > Location Efficiency – Transit.
4. To determine the type of transit within proximity to the property, click Edit Data > Filter (under Location Efficiency – Transit) > Type. Select desired type.
5. Print a copy of the results.



Walkability

Provide a dated printout of the location’s walk score to document that the development meets the criteria for walkability.

Visit www.walkscore.com. Type the property address where it states, “Type an address, neighborhood or city,” and then click Enter to view and print the report.

Route Deviation Service

Provide documentation of access and availability of Route Deviation service. Documentation should cover response requirements including times of operation.

Demand Response/Dial-a-Ride

Provide documentation of access and availability of Dial a Ride service. Documentation should also cover response requirements including times of operation and notice for pickup. Applicants must provide documentation of access and availability of service and describe how the service is a viable transit alternative. For proposed housing near deviated routes, applicants must provide a map with the distance to the nearest stop or predetermined route if the service allows passengers to board anywhere along that route. For proposed housing in communities with deviated route service but beyond the ½ mile requirement, requests for route deviations must meet the advanced notice requirements for demand response in that pointing category to receive the points.

Scattered Site: The project should use a weighted average for eligibility based upon number of units that meet each category

Planned Community Development

Provide a Planned Community Development (PCD) Plan or initiative. The Planned Community Development Plan needs to be highlighted or otherwise clearly indicated for easy identification of the specific language/section.

Applicants must provide a [PCD narrative](#) that addresses how the Planned Community Development Plan encompasses the requirements listed below, including the page numbers of where the information is located in the backup

documentation. The PCD narrative is available in the Multifamily Customer Portal. Refer to a [Sample plan 1](#), [Sample plan 2](#), or [Sample plan 3](#).

Planned Community Development Plan

The Planned Community Development Plan must document the following about a community plan or initiative:

1. The local community is **actively working on implementation steps** identified in the plan, or the plan includes a timeline of implementation activities that runs past the date when the Minnesota Housing board would make its initial commitment decision regarding the funding request. Plans that have been superseded by more current plans do not qualify.

This includes a list of various stakeholders. The milestones or steps completed, planned or underway, including key dates and stakeholders.

- **Implementation steps should be key action items needed to meet the objectives and goals discussed in the third bullet below. These steps should have an estimated goal date associated with them; identify the stakeholders and accountable parties involved**
2. Geographic boundaries of a targeted geographic area are identified by the plan or initiative. Qualifying plans in small communities may encompass the entire geography of the community or region, although the plan's targeted geographic area should be a subset of the community or region
 - **The plan must target a specific area in the community. The proposed development must be located in that area. Provide documentation of the area and proof that the project is located within it.**
 3. The plan or initiative responds to a crisis or opportunity pursuing various community, economic, educational or transit oriented development objectives for the target geography, aimed at creating a more vibrant, livable, sustainable and equitable community or, reversing historic underinvestment or decline in the area.
 - **The reason for the plan should be spelled out in the narrative and/or documents. The reviewer should be able to identify the crisis or opportunity that is being addressed through the implementation steps.**
 - **The plan should include a number of other objectives that will help to address the underlying issues in the community. Implementation steps should reflect this.**
 - **The plan should include more than just the proposed housing development itself.**
 4. The plan or initiative includes the rehabilitation or production of affordable housing as a key strategy to meet identified objectives.
 5. The plan or initiative identifies specific activities and investments by which the local community is pursuing and implementing the objectives. This includes key investment, in-kind or other financial commitments that have been made, or pending, including dates.
 - **This should include specific activities and investments that are more than just the proposed housing development itself.**

NOTE: A qualifying plan or initiative can be created and approved by a wide variety of public and private local Community development partners such as cities, counties, private foundations and public housing authorities. Land use plans, general neighborhood planning documents. Plans local entities are required to produce, such as comprehensive plans in the seven-county metropolitan area, are not by themselves considered evidence of Planned Community Development. In addition to submission of evidence of Planned Community Development, evidence must be provided that a specific project contributes to the goals of the plan.

Scattered Site: The project must have at least 51% of units to qualify and then use a weighted average to determine eligibility.

Eventual Tenant Ownership (ETO)

The selection criterion is only applicable to Tax credit projects. Provide a draft or preliminary conversion plan consistent with the requirements of the [Eventual Tenant Ownership \(ETO\) Guide](#). The final conversion plan must be approved by Minnesota Housing prior to commencing the conversion.

Only detached single family homes are eligible for conversion to homeownership. At year 15, the owner must be willing to hire a qualified third party to conduct a capital needs assessment and make improvements prior to sale of the units to tenants.

Rural/Tribal

Provide a copy of the Rural/Tribal Designated Areas maps and census tract listing in the [Minnesota Housing Community Profiles tool](#). Additionally, you can refer to the [Rural/Tribal Designated Areas Methodology](#).

Scattered Site: The project must have at least 51% of units to qualify and then use a weighted average to determine eligibility.

Qualified Census Tract (QCT)/Community Revitalization and Tribal Equivalent Areas

Provide evidence of the proposal's location in a QCT (refer to pages 8-11 of the [Location Efficiency Methodology](#) or the [QCT Tribal Equivalent Areas Methodology](#)). Also see the [Minnesota Housing Community Profiles Tool](#).

Provide supporting materials for Planned Community Development under the Planned Community Development Selection Criterion checklist item. This documentation does not need to be resubmitted here.

Scattered Site: The project must have at least 51% of units to qualify and then use a weighted average to determine eligibility.

Minority-owned/Women-owned Business Enterprise (MBE/WBE)

Provide a signed and dated certification statement or ownership documentation showing that the project sponsor, executive director of a non-profit, general contractor, architect, or management agent is a minority-owned or women-owned business enterprise as defined in the HTC Self-Scoring Worksheet and Deferred Loan Priority Checklist. The statement should be from the corresponding entity and explain who how and why they meet the criteria.

Applicants are allowed to subcontract work, but the MBE/WBE business must be the responsible party and primary entity of record.

Preservation

Provide the Agency's Determination of Preservation Eligibility letter to reflect the risk of loss threshold and criteria claimed in this category. The supporting documentation listed below is required for all applications but does not need to be resubmitted for 9% HTC applications if submitted for the Preservation Pre-Application.

Risk of Loss Due to Market Conversion

- Provide evidence of the ability to convert to market within five years by submitting:
 - Current financing documents including Section 8 Housing Assistance Payment (HAP) contracts, Rural Development Mortgages, Declarations, Regulatory Agreements Use Agreements, or Land Use Restriction Agreements (LURAs) that describe the expiration of relevant contract terms or use-restrictions; **AND/OR**
 - Current financing documents and contracts that show the owner's ability to pre-pay or opt-out, including required approvals and/or penalties. For tax credit projects eligible to exercise the option to file for a Qualified Contract, submit the relevant Qualified Allocation Plan, original tax credit application, Carryover Agreement, Declaration of Land Use Restrictive Covenants ; **AND**
 - If a property has existing Minnesota Housing financing, document the date of expiration of the Minimum Rent Subsidy Period (MRSP).
 - Provide a market study which meets Minnesota Housing requirements.
 - Document the potential for market conversion with one or more of the following:
 - An appraisal commissioned by Minnesota Housing within a year of the application date where the as-is unrestricted value is equal to or greater than the as-is restricted value; OR
 - A Section 8 Rent Comparability Study acceptable to Minnesota Housing staff and reviewers which was completed within a year of the application date that shows current rents are below comparable market rents; OR
 - A market study commissioned by Minnesota Housing completed within a year of the application date that shows current rents are below comparable market rents and that the property has comparable location, amenities and condition to convert to market rate.;
 - Provide evidence that fifteen (15) or more years have passed since the award of the existing federal assistance and the tax credit placed in service date (if applicable) for projects claiming points under Existing Federal Assistance, or 15 years must have passed since the closing of the loan that created rent and income restrictions or the most recent tax credit placed in service date for projects claiming points under Critical Affordable Units. The evidence must include rent and/or income restrictions.

NOTE: Minnesota Housing, at its sole discretion, must agree that a market exists for a conversion to market rate housing.

Risk of Loss Due to Critical Physical Needs

- Document critical physical needs by a third party assessment which includes the following:
 - A Property Needs Assessment (PNA)/Capital Needs Assessment (CNA) and 20 Year Capital Needs Expenditure (20YCE);
- Evidence that the repair and replacement of major components will support at least 15 years of operations
Complete the Three Year Critical Needs Model Evidence that the scope of work for the critical needs exceeds the development's available reserves by at least \$5,000 per unit. Review the most recent Minnesota Housing Multifamily Rental Housing Design/Construction Standards, particularly Chapters 3 and 10.
- Include physical inspection reports from REAC/HUD or Rural Development completed in the last 3 years.
- Document current project reserves with audited financial statements and current updates.
 - Provide evidence that fifteen (15) or more years have passed since the award of the existing federal assistance and the tax credit placed in service date (if applicable) for projects claiming points under Existing Federal Assistance, or 15 years must have passed since the closing of the loan that created rent

and income restrictions or the most recent tax credit placed in service date for projects claiming points under Critical Affordable Units. The evidence must include rent and/or income restrictions.

Risk of Loss Due to Ownership Capacity/Ownership Commitment

- Provide evidence of applicable events:
 - Bankruptcy, insolvency, default, foreclosure action, unpaid taxes and assessments, on-going lack of compliance with lenders or terms of federal assistance, or self-determination by non-profit board are severe enough to put the property at significant risk of not remaining decent, safe and affordable. Document that ownership will be transferred to an unrelated party; OR
 - The property has been or will be acquired from an unrelated party within three years of the application date after being offered for sale on the open market after an opt-out notice for the HAP contract had been submitted to Minnesota Housing; OR
 - The property has been or will be acquired from an unrelated party within 3 years of the application date as a result of a PARIF Right of First Refusal being exercised; OR
 - The acquisition of a property with USDA Rural Development rental assistance has occurred or will occur when the current or previous owner intends or intended to allow the existing USDA Rural Development mortgage to mature, and has turned down offers from USDA Rural Development to re-amortize the mortgage. Document maturity date and date of acquisition-- must apply within five years of maturity date and within three years of acquisition.

- Provide evidence that fifteen (15) or more years have passed since the award of the existing federal assistance and the tax credit placed in service date (if applicable) for projects claiming points under Existing Federal Assistance, or 15 years must have passed since the closing of the loan that created rent and income restrictions or the most recent tax credit placed in service date for projects claiming points under Critical Affordable Units. The evidence must include rent and/or income restrictions.

NOTE: Minnesota Housing, at its sole discretion, must agree that a change in ownership is necessary for units to remain decent, safe or affordable.

Existing Federal Assistance

Provide written evidence of the development having existing project-based rental assistance, operating subsidies, under U.S. Department of Housing and Urban Development, U.S. Department of Agriculture-Rural Development, NAHASDA or other program that is not scheduled to sunset or expire. Include documentation of the percentage of units that have project-based federal assistance.

If applicable, document the project's location in an Economic Integration census tract.

Critical Affordable Units at Risk of Loss

Provide the following:

- Evidence of a current recorded deed restriction limiting rent or income restrictions at or below the greater of 80% of statewide median income or area median income. Includes existing public housing units, including converting through the Rental Assistance Demonstration Program, Component 1 (RAD 1), existing tax credit units, Rural Development funded units without rental assistance, and existing federal assistance (202, 236, etc.) or other programs limiting income and rent restrictions as stated above.
- Document eligibility under the Serves Lowest Income Tenants/Rent Reduction selection criterion. If the project submits a pre-application, this documentation will be submitted with the full application.

- **Scattered Site:** To meet the threshold the building or buildings that satisfy the threshold must have at least 51% of total units to meet the Preservation threshold. For critical affordable units at risk of use a weighted average to determine eligibility.

Financial Readiness to Proceed/Leveraged Funds

Provide evidence of all applicable forms of proposed, secured and existing funding under this submission requirement.

Commitment documentation must state the amount, terms and conditions and be executed or approved by the lender or contributor and the applicant. Documentation containing words synonymous with “consider” or “may” (as in “may award”) regarding the commitment will not be considered acceptable.

Acceptable verification of syndication proceeds from tax credits awarded in a previous cycle/round is an executed syndicator agreement or executed Letter of Intent from the syndicator. The executed Letter of Intent must:

- Be current within 15 days of submission of the application
- Include a projected closing date for the development
- Include a projected equity price for the purchase of the credit
- Include a detailed explanation of the assumptions being used by the syndicator to arrive at the projected equity price

Tax Increment Financing (TIF)

Provide satisfactory documentation that the contribution is committed to the development at the time of application, including a letter from the city and a city council resolution, indicating its intention to provide TIF assistance and the anticipated amount and term. The documentation should include the TIF analysis from the city or its consultant.

Historic Tax Credits

If claiming this category for Historic Tax Credits, written documentation of eligibility through evidence of a Historic Register listing or approval of Part 1 – Evaluation of Significance must be provided along with an investor Letter of Intent. Amount of syndication proceeds (federal and state) must be substantiated with a letter of commitment.

Energy Rebates

Must be included in the denominator and can only be included in the numerator as a source if full amount will be covered (bridged) during construction with general partner cash or general partner loan. Commitment documentation must state the amount, terms and conditions and be executed or approved by the lender/contributor.

Existing Debt

Funder commitments to modify existing debt including forgiveness, assumption and extensions will only be counted if the development has received prior approval from the lender via a letter of commitment that clearly demonstrates that the approval is for the re-syndication/receipt of a new tax credit award.

Deferred Developer Fee

The applicant must provide an executed letter committing to the amount of deferred developer fee and demonstrate repayment within 10 years by the projected cash flow tab of the multifamily workbook. The deferred developer fee will continue to factor into this criterion’s scoring percentages through 8609 for HTC developments and through construction completion for deferred only developments.

Deferred Loan

The term of the deferred loan must be for the minimum extended use period (30 years) regardless if they choose a longer term.

Other Contributions

Provide written documentation from the contributor justifying the amount and the terms of the contribution. The documentation must be in the form of a project specific letter of intent, city or council resolution, letter of approval, statement of agreement or eligibility, or a memorandum of understanding.

Tax Abatement

Provide satisfactory documentation that the contribution is committed to the development at the time of application. Tax abatement: Calculate Net Present Value (NPV) by using NPV discounted by AFR for 30 years.

Existing Debt

Only commitments of forgiveness (principal or interest payable) and interest rate reduction (measured as amount of interest saved over the term of the loan) are eligible for this criterion.

Land Donation

Provide written documentation from the selling entity in the form of a project specific letter of intent, city or council resolution, letter of approval, statement of agreement or eligibility, or a memorandum of understanding committing to the donation or write-down. Documentation used for determining market value must be submitted and could be appraisal, tax assessment information, broker opinion with comparable properties or other reasonable data.

NOTE: New funding awards or commitments from Minnesota Housing Funding Partners, the federal government, a local unit of government, an area employer, or private religious or charitable organization are not eligible for this criterion.

Intermediary Costs

Intermediary costs are third-party service costs related to the project development. Provide intermediary costs on the Development Cost tab of the Multifamily Workbook. Soft costs incorporated into the “other” line will count as additional intermediary costs. Excluded costs are Surveys, Soil Borings, Payment and Performance Bond Premium, Sewer-Water Access Charge, Furnishing and Equipment, and Hazard and Liability Insurance.

Cost Containment

Select these points if you believe you have contained your costs using the 2019 methodologies. Applicants may claim these points, and Minnesota Housing will make any necessary point adjustments following review of costs for all applications in the funding round. Refer to the [Cost Containment Methodology](#).

Universal Design

The owner certifies that the architectural documents will reflect universal design to be eligible for this category.

Scattered Site/Multiple Buildings: The project must have at least 51% of units to qualify and then use a weighted average to determine eligibility.

Smoke-free Buildings

Provide a written smoke-free policy, including procedures for transitioning to smoke-free for existing residents and establishment of smoking areas outside of units and common areas if applicable. Consequences for violating the smoke-free policy are determined by the owner but must be included in the written policy.

Unacceptable Practices

For Tax credit developments only. Minnesota Housing will impose a HTC penalty for unacceptable practices.