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## Required Documentation for Strategic Priorities

If you are applying for Housing Tax Credits (HTC) with or without deferred funding, complete the HTC Only or HTC and Deferred Self Scoring Worksheet.

### TOD on Fixed Transit

Must be eligible for HTC points under Location Efficiency that supports the development is located within one half mile of a planned or existing LRT, BRT, or commuter rail station.

### Greater Minnesota Workforce Housing

Provide a market study, cooperatively developed plan, and city council resolution:

#### Market Study

Provide a market study that meets Minnesota Housings requirements, was performed within the last 12 months, and documents the following:

- Overall vacancy in the community at 4% or below
- Net job growth of 100 or more jobs within timeframe

#### Cooperatively Developed Plan (CDP)\*

If available, provide a copy of the CDP that incorporates 3rd party data and documents the following:

- Addresses both the housing needs of a growing workforce and related service initiatives
- Describes how the proposed housing development contributes to the CDP

*\*A CDP is a community supported plan that:*

*Refers to a geographically defined area*

*Encompasses workforce housing and related service initiatives (the CDP's impact on community elements, such as local business, local transit, police, fire, schools, parks, environment and/or infrastructure, etc.)*

*Is developed with the cooperation and input of a city or county (or instrumentality thereof) or a regional unit of government and one or more of the following entities:*

- o A neighborhood or community group*
- o Housing providers*
- o Housing funders*

#### City Council Resolution

Provide a city council resolution adopting the CDP or a letter from the mayor referencing the CDP and stating that the proposed project aligns with the plan.

### Economic Integration

The development must be eligible for HTC under Economic Integration.

### Tribal

Provide evidence that the tribal government, tribal corporate entity, or tribally designated entity must be listed as the owner-contact on the development team tab in the Workbook.

Or, provide an organizational chart of the proposed ownership entity describing the tribe's participation and percentage of ownership.

### Planned Community Development

Must be eligible for HTC points under Community Recovery –Planned Community Development.

## **Preservation**

Must be eligible for HTC points under Preservation.

## **Permanent Supportive Housing**

Provide the following for developments that have a portion of the affordable units set aside for long-term homeless (LTH) or are a 100% LTH development:

Supportive housing application materials, including the supportive housing narratives and forms.

Designate the LTH units on the housing income tab of the Workbook by selecting the Program Type “LTH” box next to the appropriate units.

## Required Documentation for Selection Priorities

### Household Targeting

If claiming the Special Population category, provide the following:

A letter from the human services department indicating that its staff reviewed the proposed project, and stating whether there is a need for such housing and if the project would be eligible for funds to assist with the social service needs of the residents.

If the project will deliver supportive services to residents in these units, provide 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 Multifamily Rental Housing Common Application Checklist.

Note: Section 811 units are eligible under the Special Population category.

### Economic Integration

Provide a rental breakdown of the development on the housing income tab in the Workbook, showing that at least 25% but not greater than 80% of the total units in the project are affordable.

If you're claiming HTC points in 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 located [here](#).

### 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 located [here](#).

### Workforce Housing

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

#### Top Job Centers

Data documenting the development is in a Top Job Center or Net Five Year Job Growth community. Maps are available on Minnesota Housing's website.

#### Employer Growth

A letter from a local employer documenting the number of positions being added and the anticipated timeframe for hiring, signed by the CEO or equivalent.

#### Long Commute

Data documenting the percent of the workforce commuting 30 miles or more to work. Find proximity to workforce housing in the [Minnesota Housing Community Profiles tool](#). Additionally, you can refer to the Workforce Housing Methodology located [here](#).

### Federal/Local/Philanthropic 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 memorandum of understanding.

Within six months of the date of selection by the Minnesota Housing Board, provide Minnesota Housing with documentation of a firm commitment, authorization, or approval of the federal/local/philanthropic contribution(s). The documentation must state the amount, terms, and conditions and be executed or approved at a minimum by the contributor. Documentation containing words synonymous with “consider” or “may” (as in “may award”) regarding the contribution will not be considered acceptable. Lack of acceptable documentation will result in the reevaluation and adjustment of the award, up to and including the total recapture of funds.

### **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. Tax increment financing; calculate Net Present Value (NPV) by using NPV discounted by Applicable Federal Rate (AFR).

### **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.

### **Historic Tax Credits**

Provide written documentation of eligibility through evidence of Historic Register listing or approval of Part 1—Evaluation of Significance.

## **Financial Readiness to Proceed**

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
- Contain a projected closing date for the development
- Contain a projected equity price for the purchase of the credit
- Contain a detailed explanation of the assumptions being used by the syndicator to arrive at the projected equity price

## **Intermediary Costs**

Provide intermediary costs on the Development Cost tab of the Workbook. Count other soft costs of similar nature as intermediary costs.

## **Unacceptable Practices**

Minnesota Housing will impose a HTC penalty for unacceptable practices.

## **Eventual Tenant Ownership**

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.

## Community Recovery - Planned Community Development

Provide a Planned Community Development Plan **and** a letter or resolution from the city that identifies the plan and the project's alignment. **The Planned Community Development Plan needs to be highlighted or otherwise clearly indicated for easy identification of the specific language/section.**

### Planned Community Development Plan

The Planned Community Development Plan must include:

- Active community engagement on implementation steps identified in the plan.

- The geographic boundaries and a map. The plan can be several communities or a region; however, the plan's targeted geographic area should be a subset of the community or region.

- Objectives for the target geographic area aimed at creating a vibrant, livable, sustainable community or reversing underinvestment or decline in the area.

- Affordable housing as a key strategy.

- Identification of activities and investments to be pursued.

Note: Land use plans, general neighborhood planning documents, and 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.

### Local Support

Provide evidence that the specific project contributes to the goals of the Planned Community Development Plan. The evidence must come from an appropriate representative of the city or town that represents the geographic area in which the project would be located. The evidence must be in the form of a letter or resolution that identifies the plan and the project's alignment with local goals.

## Preservation

### Risk of Loss Due to Market Conversion

Provide evidence and describe the expiration of contract/use restrictions, the current financing and contracts associated with the property, and the owner's ability to pre-pay or opt-out including required approvals and/or penalties. If there is existing funding from Minnesota Housing, provide the date of expiration for the Minimum Rent Subsidy Period. (MRSP). Provide a market study and complete the **Three Year Conversion Model**.

Describe how existing resources and income generated by conversion would cover the cost of bringing the units up to par with comparable market rate units documented by the market study.

Provide evidence that 15 years or more have passed since initial loan closing or tax credit placed in service date. The evidence must include rent and/or income restrictions.

Provide evidence that the development location is in a job growth or household growth area defined in the Preservation Geographic Priority Areas in the [Minnesota Housing Community Profiles tool](#). Additionally, you can refer to the Preservation Geographic Priority Areas located [here](#).

### Risk of Loss Due to Critical Needs

Provide a Property Needs Assessment (PNA)/Capital Needs Assessment (CNA) to support the critical physical needs of the property. Describe and provide evidence that the repair and replacement of major components will support at least 15 years of operations and the scope of work for the critical needs exceeds the developments available reserves by at least \$5,000 per unit.

Include physical inspection reports from REAC/HUD or Rural Development completed in the last 3 years.

Complete the **Three Year Critical Needs Model**.

Provide evidence that 15 years or more have passed since initial loan closing or tax credit placed in service date.

The evidence must include rent and/or income restrictions.

Provide evidence that the development location is in one of the three **Preservation Geographic Priority Areas**: jobs growth area, household growth area, or an area designated as having a large affordable housing gap as evidenced in the [Minnesota Housing Community Profiles tool](#), or as evidenced by a tribal housing authority waiting list. Additionally, you can also refer to the Preservation Geographic Priority Areas located [here](#).

### **Risk of Loss Due to Ownership Capacity**

Provide evidence that 15 years or more have passed since initial loan closing or tax credit placed in service date. The evidence must include rent and/or income restrictions.

Provide evidence of applicable events, including bankruptcy, insolvency, default, foreclosure action, unpaid property taxes and assessments, on-going lack of compliance with lender requirements and self-determination by nonprofit board (documented by board resolutions) to support that the current ownership will put units at risk of remaining decent, safe, or affordable.

Provide evidence that the development location is in one of the three **Preservation Geographic Priority Areas**: jobs growth area, household growth area, or an area designated as having a large affordable housing gap as evidenced in the [Minnesota Housing Community Profiles tool](#), or as evidenced by a tribal housing authority waiting list. Additionally, you can also refer to the Preservation Geographic Priority Areas located [here](#).

### **Existing Federal Assistance**

Provide written evidence of the development having existing project based rental assistance, operating subsidies, or mortgage interest reduction payments 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.

### **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 tax credit units, existing federal assistance (i.e., 202, 236, etc.), or other programs limiting income and rent restrictions as stated above.

Evidence of at least the three of the following criteria: Economic Integration, Minimizing Transportation Costs and Promoting Access to Transit, Workforce Housing Communities, Temporary Priority-Foreclosed Properties, or QCT/Community Revitalization.

Claim Serves Lowest Income Tenants/Rent Reduction for either Option 1 OR Option 2 AND Option 3.

### **Funder Collaboration**

Provide the following:

Evidence of funders' commitments such as: debt forgiveness, assumption of debt, commitment of new funds, extension of loan term, forgiveness of interest payable or reduction in interest rate (measured as amount of interest saved over term of loan).

Written documentation from the funder justifying the amount and the terms of the contribution must be provided.

Note: You cannot select Funder Collaboration and the Federal/Local/Philanthropic Contributions criterion for the same funding source. Commitments must contain no contingencies other than receipt of the current funding request.

## **Permanent Supportive Housing for Households Experiencing Homelessness**

Provide a signed and dated letter agreeing to pursue and continue renewal of rental assistance, operating subsidy, or service funding contracts for as long as the funding is available. If selected, you will need to comply with Minnesota Housing Long Term Homelessness reporting requirements. Refer to the Continuum of Care Priorities located [here](#).

## **High Speed Internet Access**

Provide a statement that high speed internet will be included in the design requirements.

## 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 [here](#). 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 says “Enter Address, City, County, State, or Zip” and then click “Go”.
3. To add the “**Location Efficiency – Transit Areas**” (Access to Transit) layer to the map select: Add Sites > Multifamily > Location Efficiency – Transit Areas.
4. To determine the type of transit within proximity to the property, click the double arrow (>>) in the Sites box highlighted below.
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](http://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.

#### Parking

Provide a copy of the city’s building code indicating parking requirements and a site plan showing proposed parking.

#### Building Orientation and Connections

Provide a site plan showing proposed pedestrian connection from building to transit station.

#### Density

Provide a local comprehensive plan showing maximum site density at the proposed site.

#### Alternative Means

Car sharing: Provide a letter from the car sharing company indicating that a vehicle will be provided full-time at the site, or a letter from the building owner if the owner will be providing.

Shared parking arrangements: Provide a letter from the adjacent property owner(s) specifying the number of stalls available and outlining terms of use.

## Greater Minnesota

### **Access to Transit**

Provide copies of maps to document the development has access to transit. Refer to the Location Efficiency Methodology [here](#). 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 says “Enter Address, City, County, State, or Zip” and then click “Go”.
3. To add the “**Location Efficiency – Transit Areas**” (Access to Transit) layer to the map select: Add Sites > Multifamily > Location Efficiency – Transit Areas.
4. To determine the type of transit within proximity to the property, click the double arrow (>>) in the Sites box highlighted below.
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](http://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.

### **Census Tract**

Provide a printout of the census tract number to verify the development is located within five miles of 2,000 low and moderate wage jobs (see pages 7-11 of the [Location Efficiency document](#)).

### **Dial a Ride**

Provide documentation of access and availability of Dial a Ride service. Describe how the service is a viable transit alternative that could be used for transportation to work, school, shopping, services, and appointments.

## Universal Design

Submitted preliminary architectural documents must reflect universal design to be eligible for this category.

## 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.

## Serves Lowest Income Tenants/Rent Reduction

Align your rents and incomes in the Workbook with the rent and income category selection for Serves Lowest Income Tenants/Rent Reduction.

Points are contingent upon financial plans demonstrating feasibility, 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% of household income. The assisted units must be located in buildings on the project site.

Examples include:

- Site-based Group Residential Housing
- Project based McKinney Vento Continuum of Care
- A past award of existing Rental Assistance

A development that has existing rental assistance meeting the definition of federal assistance under the Preservation scoring category is not eligible for an award of points under Rental Assistance.

## QCT/Community Revitalization and Tribal Equivalent Areas

Provide evidence of a Planned Community Development Plan and that the specific project contributes to the goals of the plan. The evidence must come from an appropriate representative of the city or town that represents the geographic area in which the project would be located. The evidence must be in the form of a letter or resolution that identifies the plan and its consistency with local goals.

Provide evidence of the proposal's location in a Qualified Census Tract (see pages 7-11 of the Location Efficiency Methodology located [here](#) or the QCT, Tribal Equivalent Areas located [here](#)). Also see the [Minnesota Housing Community Profiles tool](#).

## Cost Containment

Select these points if you believe you have contained your costs using the 2017 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 located [here](#).

## Deferred Loan Priority Checklist

If your application includes a request for deferred loans provide additional information about your development

### Private Investment

Provide signed, written documentation from a private contributor stating the amount and terms of the contribution. The contributor may not have an identity of interest with the developer.

Funding awards from cities, counties, the Met Council, other government entities, or Federal Home Loan Bank, are not considered private investment.

### LTH Rental Assistance

Provide an executed commitment letter stating the amount and terms of the rental assistance

### Serves Lowest Income Tenants/Affordable to the Local Workforce

Align your rents and incomes in the Workbook with the rent and income category selection for Serves Lowest Income Tenants/Affordable to the Local Workforce.

Provide a signed and dated statement agreeing to the rent and income restriction for the term of the deferred loan.

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

### Temporary – Senior Housing Pilot

Provide the following:

- The number of elderly units on the Project Description tab of the Workbook

- The number of 30% units on the Housing Income tab in the Workbook

- Documentation of the development team's capacity and experience serving this population

- Description of how this development promotes aging in place, including a plan for increasing physical supports and support services to meet the future needs of residents

- Description of the support service model

- Architectural plans to support design requirements

- A market study to demonstrate market need

### Permanent Supportive Housing

Complete the supportive housing required submission items.

### Greater Minnesota Workforce Housing – Meaningful Employer Contribution (Deferred)

Developments that claimed Greater Minnesota Workforce Housing Strategic Priority, and have secured meaningful employer contribution are eligible for this category.

Provide a letter from the local employer(s) committing to contribute to the proposed development. The letter must identify the amount and terms of the contribution. The contribution can be, but is not limited to, a donation of land, materials, participation as an equity investor, or capital contribution. The contributor may not have an identity of interest with the developer.

### **Examples of meaningful employer contribution**

A major employer in a small city provided approximately 4% of the costs for the first phase of a major mixed income development including both single and multifamily housing. The company's participation included providing a 0% interest revolving construction loan, offering homebuyer assistance to help with closing costs, and even contributing some land for a townhome development. The value of the contribution from the employer nearly matched the amount of state gap financing required for the project.

A small but primary employer in a very small town was facing a severe workforce housing shortage. In response, the employer contributed approximately 20% of the total development costs for a seven-unit multifamily development. With the assistance of the local EDA and other organizational partners, the local contribution accounted for 50% of the gap financing necessary for the project.

A consortium of local employers and a nonprofit intermediary contributed to a pool to provide forgivable down payment loans to employees of neighborhood businesses. The employer dollars that benefit low-income employees are matched with philanthropic grants of up to \$2,000 per family, up to a maximum of \$150,000 for the program. As a result of this partnership, qualified employees have up to \$4,000 available for downpayment on a home in the neighborhood.