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Instructions

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

The geographic based selection criteria are also mapped in the Community Profiles based on various applicable methodologies. The maps located in the Community Profiles and Methodology do not supersede the language in the Methodologies themselves or in the Housing Tax Credit (HTC) Self-scoring Worksheet and Deferred Loan Priority Checklist. Applicants should cross reference the Housing Tax Credit (HTC) Self-scoring Worksheet and Deferred Loan Priority Checklist prior to claiming points.

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- and income-restricted. In order to provide clarity, guidance is provided throughout this guide 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 of 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 stated in each respective threshold and selection criterion.

Required Documentation for Minimum Threshold Requirements

For applications submitted for Round 1 HTC, all applicants statewide must meet at least one minimum threshold. Refer to the Self-scoring Worksheet for more information, including the full list of minimum threshold options.

- For projects outside of the metropolitan area that meet a locally identified housing need and which are in short supply in the local housing market as evidenced by credible data submitted with the application. 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 project meets. See [HTC sample threshold letter](#).
- 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, at least 50% of the units in the project will be 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 Sites:

- In the Metropolitan Area:
 - Threshold applies to the whole project.
 - Must have 51% of the total units to meet the threshold
- Outside the Metropolitan Area
 - Must have 51% of the total units to meet the threshold
- Supportive Housing
 - Must have 51% of the total units to meet the threshold
- Preserve Existing Subsidized Housing
 - Must have 51% of the total units to meet the threshold
- Rural Development
 - Must have 51% of the total units to meet the threshold

Remaining minimum thresholds will be verified when the full application is reviewed.

Required Documentation for Strategic Priority Thresholds

If you are applying for HTC with or without deferred funding, complete the appropriate worksheet or checklist.

Access to Fixed Transit

Applicant must select the criterion, but the geographic location will be verified by Minnesota Housing staff so supporting documentation is not required to be submitted in the Multifamily Customer Portal (Portal).

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

Greater Minnesota Workforce Housing

Provide a market study or third party data and evidence of employer support.

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

Employer support in the form of a letter of support from an employer with 20 or more full time employees. The letter should discuss the number of full time employees and the difficulty employees have in locating housing in the jurisdiction where the project is located. Also provide a description of employee wages and proposed rents in the project.

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

Economic Integration

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

Applicants must select the criterion, but the geographic location will be verified by Minnesota Housing staff, so supporting documentation is not required to be submitted in the Portal.

Scattered Site: Must have 51% of the total 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 Multifamily Workbook, or the government/entity must provide an organizational chart of the proposed ownership entity describing the tribe’s participation and percentage of ownership.

Community Development Initiative

The development must be eligible under the Community Development Initiative selection criterion.

Provide supporting materials under the Community Development Initiative selection criterion checklist item. Supporting documentation does not need to be resubmitted here in the Portal at the time the full application is submitted.

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

Preservation

The project must be eligible under Preservation selection criterion. Applications for 9% HTCs 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: Must have at least 51% of total units meet the Preservation threshold.

Supportive Housing

The project must be eligible under the Permanent Supportive Housing for High Priority Homeless (HPH) 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. Projects 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 Portal. The applicant must provide all threshold and supporting criteria documentation required in the HTC 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 all information with the submitted Multifamily Workbook. The HPH units must be marked as HPH units on the rent and income grid in the Workbook, 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. Projects must round up to the nearest unit.

NOTE: Rural Development (RD) projects may be prohibited from selecting particular rent and income restrictions and/or tenant household types. Please consult with RD and Minnesota Housing staff if you have this issue.

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 percent 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. This requirement is applicable if the proposed population(s) that will be served includes persons with physical disabilities, but is not limited to persons with mobility impairment. The building code generally meets this requirement except for the following project types: townhomes (new or acquisition/rehab); walkup (new or acquisition/rehab); elevator buildings constructed prior to March 13, 1991 (acquisition/rehab). If your project has these project types, check with Minnesota Housing staff to make sure the scope of work includes the correct design element to meet this statutory requirement.

The application must include the People with Disabilities application materials, including all narratives, forms and submittals identified in the Portal. Supporting documentation does not need to be resubmitted here. The applicant must provide all threshold and supporting criteria documentation required in the Self-scoring Worksheet and the Deferred Loan Priority Checklist in the People with Disabilities materials section of the application checklist.

Minnesota Housing will validate the number of PWD units and all other information with the submitted Multifamily Workbook. The units must be marked as PWD on the rent and income grid in the Workbook, the income limit should 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.

NOTE: Rural Development (RD) projects may be prohibited from selecting particular rent and income restrictions and/or tenant household types. Please consult with RD and Minnesota Housing staff if you have this issue.

Serves Lowest Income Tenants/Rent Reduction

Applicants seeking these points should reflect the rents for these units at or below the 50% MTSP rent limit in the rent and income grid of the Multifamily Workbook. MTSP rent limits are available on Minnesota Housing's website. Projects must round up to the nearest unit and must be financially feasible.

NOTE: Serves Lowest Income and Rental Assistance selection criteria cannot be claimed for the same units. A project with rental assistance cannot be artificially reduced below the payment standard to the 50% MTSP rent limit to receive the points.

- Proposed rents **cannot** be higher than the 50% MTSP rent limit.
- If more than 50% of the project has rental assistance, units and eligibility can be split between Serves Lowest Income and Rental Assistance categories **BUT ONLY IF** gross rent with rental assistance is below 50% MTSP limits.

Rental Assistance

Minnesota Housing will validate the number of rental assistance units and all other information with the submitted Multifamily Workbook. The units must be marked as rental assistance on the rent and income grid in the Workbook and the type of rental subsidy must be indicated. 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 dedicated 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.

Minnesota Housing will consider an alternative rental structure where households may pay more than 30% of their household income when program goals align with the needs of low-income tenants (i.e., Moving to Work and site-based Housing Support). If seeking points and proposing a new alternative rental structure, other than Housing Support, the commitment documentation should include details regarding the rent structure, tenant paid portion of household income, program structure, goals, and population served.

Funding streams that do not reduce the tenants' rent burden will not be counted toward rental assistance. The assisted units must be located in buildings on the project site.

Note for projects with a Section 8 Housing Assistance Payments (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.

Further Restricts Rental Assistance

Commitment documentation must include approval that deeper income restrictions are allowable. Minnesota may consider an exception for rental assistance with program requirements that restrict units to households whose income do not exceed 30% MTSP.

NOTE: Rural Development (RD) projects may be prohibited from selecting particular rent and income restrictions and/or tenant household types. Please consult with RD and Minnesota Housing staff if you have this issue.

Long-term Affordability

The selection criterion is only applicable to HTC 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 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, you must select the criterion, but the geographic location will be verified by Minnesota Housing staff so supporting documentation is not required in the Portal.

Scattered Site: For option 1a. each building must meet the criteria or must have 51% of the total units to qualify. For option 1b. at least 51% of the 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 HTC units, with a minimum of 15 units, are two or more bedroom. Applicants should round up to the nearest unit.

If claiming this criterion, you must select the criterion, but the geographic location will be verified by Minnesota Housing staff so supporting documentation is not required in the Portal. Refer to the [Access to Higher Performing Schools Methodology](#).

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

Workforce Housing Communities

Provide evidence that the proposed development is located in or near a city or township that meets one of the following:

Top Job Centers

If claiming this criterion, you must select the criterion but the geographic location will be verified by Minnesota Housing staff, so supporting documentation is not required in the Portal. Refer to the [Workforce Housing Methodology](#).

Employer Growth

Applicant must provide a letter signed by an authorized representative of a local employer documenting that at least 100 net, new jobs for permanent full- or part-time employees have been added during the previous five years.

Long Commute

If claiming this criterion, you must select the criterion, but the geographic location will be verified by Minnesota Housing staff, so supporting documentation is not required in the Portal. Refer to the [Workforce Housing Methodology](#).

Communities identified in this methodology have at least 2,000 jobs. If you are located in a community with fewer than 2,000 jobs and believe it meets the criteria for long commute communities, visit OnTheMap (<https://onthemap.ces.census.gov/>). Search for your community and complete a Distance/Direction report on **All Jobs** and submit with your application.

NOTE: In each case above, communities are buffered by 10 miles in greater Minnesota and five miles in the Twin Cities metro to account for modest commutes.

Scattered Site: Must have at least 51% of the total units to qualify and then use a weighted average to determine score.

Location Efficiency

Twin Cities Metropolitan Area

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

Access to Transit

If claiming this criterion, you must select the criterion, but the geographic location will be verified by Minnesota Housing staff, so supporting documentation is not required in the Portal. Refer to the [Location Efficiency Methodology](#), **OR**

Walkability

If claiming this criterion, you must select the criterion, but the geographic location will be verified by Minnesota Housing staff, so supporting documentation is not required in the Portal.

Greater Minnesota

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

Access to Transit

- **Urbanized Areas**

If claiming this criterion, you must select the criterion, but the geographic location will be verified by Minnesota Housing staff, so supporting documentation is not required in the Portal. Refer to the [Location Efficiency Methodology](#).

- **Rural and Small Urban Areas**

Provide a copy of maps to document that the project has access to transit. Refer to the [Location Efficiency Methodology](#). Please read the language of the SSW carefully to ensure you provide all necessary information related to the appropriate source of transit.

Walkability

If claiming this criterion, you must select the criterion, but the geographic location will be verified by Minnesota Housing staff, so supporting documentation is not required in the Portal.

Community Development Initiative

Applicant must complete the Community Development Initiative Narrative and submit documentation demonstrating how the initiative meets the requirements. **Submit a full copy of all plans that you are referencing.**

Refer to the HTC Self-scoring worksheet for more details on documentation and narrative requirements, as well as additional requirements for projects in a Qualified Census Tract (QCT).

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

Eventual Tenant Ownership (ETO)

This selection criterion is only applicable to HTC 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

If claiming this criterion, you must select the criterion, but the geographic location will be verified by Minnesota Housing staff, so supporting documentation is not required in the Portal. Refer to the [Rural/Tribal Designated Areas Methodology](#).

Scattered Site: The building or buildings (project) must have at least 51 percent of total units meet/qualify for this criterion, 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 refer to the [Minnesota Housing Community Profiles Tool](#).

Provide supporting materials for a Community Development Initiative under the Community Development Initiative Selection Criterion checklist item. This documentation does not need to be resubmitted in this checklist item.

Scattered Site: The building or buildings (project) must have at least 51 percent of total units meet/qualify for this criterion, 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 how and why they meet the criteria. Board composition does not count. Creation of a new joint venture is allowed as long as the percentage of ownership for the entire structure is in line with the definition in the Self-scoring Worksheet and Deferred Loan Priority Checklist.

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

Preservation

Provide Minnesota Housing'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 it 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 HTC projects eligible to exercise the option to file for a Qualified

Contract, submit the relevant Qualified Allocation Plan, the original HTC application, the Carryover Agreement, the 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 evidence of the vacancy rate by submitting a market study or other third party data.
- 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 that was completed within a year of the application date that shows current rents are below comparable market rents; **OR**
 - A market study approved 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 a comparable location, amenities and condition to convert to market rate.
- Provide evidence that 15 or more years have passed since the award of the existing federal assistance and the HTC 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 HTC 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 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 project'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 three years.
- Document current project reserves with audited financial statements and current updates.
- Provide evidence that 15 or more years have passed since the award of the existing federal assistance and the HTC 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 HTC 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/Program Commitment

- Provide evidence of applicable events:
 - Bankruptcy, insolvency, default, foreclosure action, unpaid taxes and assessments, ongoing 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 three 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. **NOTE:** Must apply within five years of maturity date and within three years of acquisition.
- Provide evidence that 15 or more years have passed since the award of the existing federal assistance and the HTC 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 HTC 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 and affordable.

Existing Federal Assistance

Provide written evidence of the project having existing project-based rental assistance and/or operating subsidies under the U.S. Department of Housing and Urban Development (HUD), U.S. Department of Agriculture-Rural Development (USDA), Native American Housing Assistance and Self-determination Act of 1996 (NAHASDA) or other program that is not scheduled to sunset or expire. . Properties that have converted their type of funding through the Rental Assistance Demonstration Program, Component 2 (RAD 2) and RAD for Project Rental Assistance Contracts (PRAC) are eligible. 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 HTC 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. . Note: Meeting the Serves Lowest Income criteria is not required for RAD 1 developments that have 50% or more of their units covered by a project based Section 8 rental assistance contract.

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

Financial Readiness to Proceed/Leveraged Funds

Provide evidence of all applicable forms of proposed, secured and existing capital funding under this submission requirement. The calculation will be based on the information provided with the source documentation, not on numbers listed in the Multifamily Workbook. Make sure the workbook accurately reflects the commitment documentation. We recommend that applicants complete the [HTC Scoring Calculation Worksheet](#) and submit it with the HTC Worksheet and Deferred Checklist Detail Sheet in the Portal.

Commitment documentation, including first mortgage documentation (with the exception of a first mortgage request from Minnesota Housing) 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 housing tax credits awarded in a previous cycle/round can be an executed Syndicator Agreement or an 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 project
- 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 project at the time of application, including a letter from the city and a city council resolution, and a TIF analysis from the city or its consultant. The amount and term must be stated in either the letter or the resolution.

- See the [HTC sample TIF Resolution](#).
- See the [HTC sample TIF Letter](#).

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 project has received prior approval from the lender via a letter of commitment that clearly demonstrates that the approval is for the resyndication/receipt of a new housing tax credit award and the funding modification meets all terms and requirements in the Self-scoring Worksheet and Deferred Loan Priority Checklist. **For existing Minnesota Housing loans to be included, a Request for Action (RFA) must be approved before application submission.**

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 projects and through construction completion for deferred only projects.

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.

- [See HTC sample deferred loan commitment letter](#)
- [See HTC sample grant commitment letter](#)

Purchase Reserves

The agency needs sufficient documentation to determine that the reserves are available and will be purchased with the property and a commitment that they will be used as a permanent capital source. The applicant documentation could include purchase agreement, financial statements, with a commitment letter from the applicant.

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 (MOU).

Tax Increment Financing (TIF) for Operating Subsidy

Provide satisfactory documentation that the contribution is committed to the project 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 Abatement

Provide satisfactory documentation that the contribution is committed to the project at the time of application. Tax abatement: Calculate Net Present Value (NPV) by using NPV discounted by Applicable Federal Rates (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

This also includes a land write down of the property. 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 an appraisal, tax assessment information, a broker opinion with comparable properties or other reasonable data.

In-Kind Donations

Documentation of the value of all in-kind donations must be submitted, and all donations must be to the benefit of the project.

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 development of the project. 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. Refer to the HTC Self-scoring Worksheet for a detailed list of excluded costs. The agency may request additional documentation for abnormally large costs incorporated into an excludable cost.

Cost Containment

Deferred and HTC projects are eligible for these points. Select these points if you believe you have contained your costs using the 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 total 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 they must be included in the written policy.

Unacceptable Practices

For HTC projects only. Minnesota Housing will impose an HTC penalty for unacceptable practices.