



**Housing Tax Credit  
Market Study Guidelines**  
*(revised to incorporate income averaging)*

*January 2019*



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## Chapter 1 – General Information

Minnesota Housing requires a comprehensive market study of the housing needs of low-income individuals in the area to be served by Low Income Housing Tax Credits (HTC) projects. The market study is to be performed at the developer's expense and must be conducted by a disinterested party. A developer must choose a disinterested party from Minnesota Housing's [Authorized Market Analyst List](#).

For a market study to be considered, and to help project owners, developers and consultants, Minnesota Housing has prepared guidelines that must be met. These guidelines establish the minimum information and analysis required for a satisfactory market study, but meeting them does not ensure acceptance of the study. The methodology used and conclusions drawn must be reasonable. In determining whether a market exists for a proposed project, Minnesota Housing will also consider factors other than the market study. Minnesota Housing reserves the right to deny any application based on such factors.

The study must be a concisely written, report that includes pictures and tables. The market study must have an effective date within six months of the HTC due date. An update may be accepted if the effective date of the original market study is within 12 months of the application date. Market studies submitted in HTC Round 1 will be accepted for Round 2 in the same allocation year, absent material changes to the project between rounds.

If an update is submitted, it must include an updated project concept and it must identify and analyze the impact of additional developments not identified in the prior Market Study report, including projects in the development pipeline. It must also include any changes in the occupancy and rent structure in the marketplace, including an update to the achievable market rent for the proposed subject project. The analyst must address other factors that may have significant impact on the proposed development, such as economic changes and/or demographics, as well as updated demand estimates. The analyst must specify in the update whether any of these changes have occurred, and if so, provide detailed explanations of the changes and their resulting effects on the market area and the proposed project.

## Chapter 2 – Content Standards for Market Studies for Rental Housing

### 2.01 Purpose

The purpose of these standards is to provide uniform content for market studies of affordable rental housing submitted to Minnesota Housing for projects applying for HTC. Other funding requested from Minnesota Housing should be taken into consideration when completing the market study. The standards outline the content, data, analysis and conclusions to be included in market studies for rental housing. The market study must include the following sections and be written in the exact order outlined below (2.02 through 2.11, as well as any addendum(s)).

### 2.02 Executive Summary

Each market study should contain a summary of the data, analysis and conclusions, including the following:

- A concise description of the site and the immediately surrounding area
- A summary of the project, including the proposed number of units, rent levels and population to be served
- A brief description and support of the defined Primary Market Area (PMA)
- A summary of market related strengths and/or weaknesses that may influence the subject property's marketability, performance, lease-up, including compatibility with surrounding uses, the appropriateness of the subject property's location, unit sizes and configurations, number of units, rent levels, amenities and points that will mitigate any negative attributes
- Recommendations or suggested modifications to the proposed project, if appropriate
- A brief summary of key economic and demographic factors for the PMA
- A brief comparison of the subject property to comparable affordable and market rate properties
- A summary of key conclusions of market feasibility, including stabilized occupancy rates, achievable rent levels, and the forecasted absorption period for the subject property. If changes to the subject property are recommended, the forecasted absorption should specify whether the estimate assumes changes are made.

### 2.03 Introduction and Scope of Work

The introduction of the market study should summarize the report's purpose and scope of work conducted during the preparation of the report. This section must include:

- A comprehensive market analysis full narrative report, a comprehensive summary report, a market advisory report, or other (explain)
- Name of client and project developer
- Intended use and users of the report
- Steps taken to complete the report. If any significant steps were not taken, identify and explain
- Date of field work and site visit
- Person conducting field work

- Name of the primary market analyst reaching conclusions of report

## **2.04 Project Description**

The market study report should include a project description to show the analyst understands the project at the time the market study is undertaken. The project description should include:

### **1. Project Structure**

- Number of units listed by unit mix (bedrooms and baths)
- Targeted income and rent limits as a percent of area median income (AMI)
- Each unit size in net square feet (the living area of a unit, exclusive of common areas)
- Proposed contract rents, gross rents, and the maximum allowable rents
- Utility allowance documenting both the type and estimated costs of utilities to be paid by the tenant

### **2. Project Description**

- Target population, including population served, income restrictions and proposed housing assistance (refer to the Additional Requirements for Projects Involving Special Needs Populations, Housing for Homeless/Long-term Homeless Households, and Supportive Housing [Section 2.11], if applicable)
- Number of buildings
- Design type (e.g., walk-up, elevator, townhomes)
- Number of stories
- Exterior finishes
- Unit features and common amenities
- Parking options, including number of spaces and any fees
- Developer's projected dates for construction start and completion, and start of pre-leasing
- A copy of the floor plans and elevations included as an attachment to the report\*

### **3. Additional Requirements for Rehabilitation**

- Identification of any existing subsidized housing programs at the property such as Section 8, Section 202, Section 811, Below Market Interest Rate (BMIR), Section 236, etc., as well as current occupancy levels, current rents and proposed rents. Provide a brief profile of current occupants that includes typical income, household size, age, etc.
- Description of program income and rent limits, and analysis of where current and proposed subsidized rents are relative to the market level
- Description of the rehabilitation and the scope of work, including the phasing of rehabilitation activities, impact of the rehabilitation work, impact of new rent structure on current tenants, and whether the proposed rehabilitation supports post-rehabilitation rent increases

- An estimate of total construction costs and cost per unit, including a breakdown of hard and soft costs, if available
- Information on tenant relocation (if necessary), such as number of tenants to be either permanently and/or temporarily displaced, for how long, and where
- An analysis of the income qualifications of existing residents with the proposed rent changes
- A three-year description of the property's occupancy
- If occupancy has averaged less than 90 percent over the last 12 months, address any of the issues identified as contributing to this
- A rent roll showing tenant incomes for all affordable units as the subject, as well as the household size occupying the unit and the unit's number of bedrooms
- Documentation of the length of time subsidies will remain available at the project, or of the availability of additional rental subsidy at the project (e.g., additional rental assistance (RA) units for Rural Development (RD) Section 515 projects), such as a copy of the applicable portion of the Housing Assistance Payments (HAP) contract or a letter from RD showing that the RA units at the subject project will remain after rehab efforts are finished
- Include the status or date of architectural plans, name of the architect and/or a copy of the floor plans and elevations.\*
- The market analyst should review site and architectural plans, and give a rough opinion on their effects on the marketing of the completed project.\*

\*If plans are not completed at the time of the analysis, identify this condition on the market study.

## **2.05 Location and Market Area Definition**

### **1. Primary Market Area (PMA) and Secondary Market Area (SMA)**

- For the purpose of market studies, the PMA is the local area from which the subject will draw potential renters. It implies that households within the PMA would be willing to move to, or shop for, housing located therein, and that rents, amenities and other aspects of housing would be similar among multifamily complexes in that area.
- Given this definition, the analyst must define the PMA that pertains to the subject project. Identify PMA boundaries by census tracts, school districts, jurisdictions, street names, or other geographic information forming the boundaries. Include a map that clearly shows the borders of the PMA and its major features (towns, cities, counties, metropolitan statistical areas (MSAs), major roadways and the location of the subject project).
- Defend the composition and extent of the PMA. Provide a written narrative detailing the rationale for the PMA, including market specific information rather than generic factors or concepts considered. This narrative should specifically address any issues with the market area including the exclusion of nearby areas or justification for geographically large market areas. In addition, PMAs that cross state borders are allowed only if convincing evidence of cross-border interaction (e.g., migration, commuting, shopping, experience of other projects in the market) is presented in the study.

- Define the SMA, if applicable. To complete your market conclusions, provide, as needed, the same data and information relative to the SMA that was provided to complete your market conclusions for the PMA.

## 2. Site Characteristics

- Provide a description of the site characteristics including size, shape, general topography and vegetation, and proximity to adverse conditions. For scattered site projects, note the differences in quality that may occur between parcels, as well as a map of the parcels showing their geographic distribution.
- Provide photographs of the site and neighborhood including adjacent site uses, and provide a map clearly identifying the location of the project and the closest transportation linkages, shopping, schools, services, public transportation, and other services such as libraries, community centers, banks, etc. In situations where it is not feasible to show all of the categories on a map, the categories may be addressed in the narrative.
- Where applicable, provide evidence of new private or public investment in the area near the proposal. This could include community revitalization plans, other housing developments, new commercial enterprises or other new private or public investments.
- Describe the marketability of the proposed development. Aspects of this include the following:
  - a. Curb appeal
  - b. Non-residential land uses contiguous to the site (landfills, auto salvage yards, heavy industrial uses or other land uses that are generally not compatible to the proposed development)
  - c. An analysis of the linkages between the project and local amenities
  - d. An analysis of the surrounding neighborhood, including the analyst's perception of its residential character, non-residential land uses (if any), the quality of the housing stock, its level of upkeep and its effects on the market performance of the proposal
- Describe and evaluate the visibility and accessibility of the site. Important aspects of this include the following:
  - a. Ease of ingress and egress, including a discussion of traffic controls around the site, difficult left-hand turns against prevailing traffic, excessive curb cuts surrounding the entrance to the development, and unreasonable lines of sight at the entrance. Excessive traffic congestion should be avoided, such as around major employment parking lots, large shopping malls and multi-screen theaters.
  - b. Self-advertising quality of the site, by virtue of its visibility from roadways
  - c. Adequate visual separation from adjacent land uses
  - d. Potential for adequate signage, lighting and landscaping

### 2.06 Demographic Characteristics

Provide recent census demographic data for the PMA (and SMA, if appropriate) using current year estimates and a five-year projection using reputable sources. Use historical data as a baseline (example 2010 census) to demonstrate how the market has changed in recent years. Data from third-party



demographic data providers, such as Claritas, CACI, ESRI, and others, is acceptable. Indicate the source for all data, provide an analysis of trends indicated by the data, and provide a copy of the demographic source data in the appendix.

Detail on the following demographic topics is required:

- Population and household trends
- Population and households by age, including the number of non-elderly (0-61) and elderly (62 and over)
- Building trends in relation to household trends
- Tenure by age of household, including the number of renter and owner households that are headed by seniors (aged 62 and over) and non-seniors
- Income by tenure
- Households by tenure and household size
- Provide a breakdown of households by incomes in \$5,000-\$10,000 increments by tenure, for the current year and the year of market entry. If necessary, the current income distribution by tenure can be applied to the market-entry estimate of households.
- In most cases, elderly households (62 and over) must be removed from these totals when analyzing family projects, and non-elderly households must be removed with senior projects. The only exception for this rule concerns markets where the subject, by virtue of market or unit size (for example, markets with a lack of senior housing, or proposals that feature one- and two-bedroom unit mixes), might indeed attract senior renters. Adequate evidence supporting the exception must be provided.
- Summarize any specific demographic trends that positively or negatively affect rental housing demand, with emphasis on how it may impact the subject project.

## **2.07 Employment and Economy**

Provide data and analysis on the employment and economy of the PMA to give an understanding of the overall economic health of the community in which the PMA is located. List sources for the data and methodology for the analysis, and relate all findings to the market performance of the subject property.

### **1. Employment and Unemployment**

- Provide a description of employment by industry sector for the PMA or smallest geographic area available that includes the PMA, and compare the data to the larger geographic area (e.g., city, county, labor market area, and Metropolitan Statistical Area (MSA)).
- List major employers in the PMA, the type of business and the number employed. Compare the data to the larger geographic area (e.g., city, county, labor market area, MSA).
- Show the historical unemployment rate for the last 10 years (or other appropriate period) for the PMA and appropriate geographic areas and compare to the larger geographic area (e.g., county, SMA, MSA).
- Show employment growth over the same period. Compare to the larger geographic area.

- Comment on future trends for employment as well as general economic conditions in the PMA in relation to the subject property. This would include expected employer expansions or contractions, plant openings and closings, or other similar information. Adequate supporting evidence must be provided.

**2. Workforce Housing**

If relevant, comment on the availability of affordable housing for the local workforce that draws from the PMA.

**3. Wages by Occupation**

Provide a breakdown of typical wages by occupation. These are usually available on an MSA-wide or county level basis, but some sources might exist for smaller areas.

**4. Commuting Patterns**

Provide commuting patterns for workers such as how many workers in the PMA commute from surrounding areas outside the PMA. Comment on what these patterns mean for the marketability of the subject proposal.

**2.08 Existing Rental Housing Stock**

Provide information on other multifamily rental housing in the PMA and any rental housing proposed to be developed in the PMA. Include:

**1. Overview**

- Provide an overview of the rental housing market in the PMA or the larger region, if the overview for the larger region is appropriate.
- Describe the size of the overall rental market in the PMA or region, including the percentage of market rate and affordable housing properties.
- Provide occupancy statistics for the larger market, if available.
- Provide a five-year history of residential building permits, and if available, by housing type, and comment on building trends in relation to household trends included in the study.

**2. Rental Market Information**

- Identify comparable market rate and affordable multifamily rental projects in the PMA. The projects should include all comparable affordable apartments and a sufficient sample of comparable market rate apartments to draw conclusions. Provide a list of affordable projects identified but excluded from the analysis and the reason for the exclusion. Note that apartments with project-based rental assistance should not be considered comparable to subject properties that do not have project-based rental assistance.
- Provide the following information for each comparable project:
  - Name
  - Street address
  - Population served
  - Type of design
  - Age and condition

- Number of units by bedroom type
- Rent levels
- Number of bedrooms and baths for each unit type
- Size in square footage of units
- Unit features (e.g., kitchen equipment, air conditioning, in-unit washers and dryers)
- Type of utilities (state whether paid by tenant or owner and energy sources for hot water, heat and cooking)
- Site amenities that are included
- Site staffing
- Occupancy rate by unit size and AMI, if applicable
- Rental absorption history within the last two years
- Concessions currently offered
- Number of households on waiting list
- Name, address and phone number of property contact
- Date of data collection
- Photos of the property that are large enough to be useful to reviewers
- Include a map identifying the location of each property in relation to the subject property with a useable scale and a northern directional arrow.
- In markets with limited, multifamily rental communities or low-density subject properties, provide an analysis of available scattered site rentals, including pricing and other available/pertinent data.
- Provide a narrative evaluation of the subject property in relation to both the PMA’s comparable market rate apartments and the comparable affordable properties.
  - Evaluate the subject site in comparison to the competition.
  - Provide tables showing how each comparable property compares to the subject property based on unit size (square feet), unit features, common amenities, tenant-paid utilities, location and parking. Separate comparisons should be made between the subject property and market rate units and the subject property and affordable units. Provide a weighted average rent comparison between the subject property and comparable market rate and affordable properties, and address its ramifications related to the marketability of the subject property. Note that in many markets, the level of rent charged in HUD-assisted properties is often not attainable without the provision of rental subsidies, and apartments with project-based rental assistance should not be used as comparable properties to the subject property unless the subject property also includes project-based rental assistance.
  - Discuss any current rental concessions and trends in rent increases or decreases.
  - Calculate the vacancy rate by:
    - Product type (e.g. market rate, HTC, and project-based rental assistance)

- Type of occupancy (e.g. family, seniors, special populations)
- Unit size
- Discuss the availability of affordable housing options, including the purchase or sale of homes and future trends of home prices and impending developments. Include an analysis of the cost to rent versus to own. If applicable, discuss the impact of foreclosures and the shadow single family and condominium rental market. This is important in the case of rural markets or subject properties that contain a high number of larger (three- or four-bedroom) units and for senior projects, in that homeowners must sell their existing homes before moving to the subject property.
- If the subject property has three- or four-bedroom units and the existing multifamily rental stock does not have units with three or more bedrooms, use single family rentals for comparison purposes.
- Discuss rental projects planned or under construction in the market area, providing as much detail as possible.
- Discuss the impact of the subject project on the existing housing stock in terms of conventional multifamily projects and affordable projects.

## **2.09 Local Perspective of Rental Housing Market and Housing Alternatives**

The market study should include a summary of the perspective on the rental market, the need for the proposed housing and the unmet housing need in the market. The local perspective should consider:

- Interviews with local planners, housing and community development officials and market participants to estimate proposed additions to the supply of housing that would compete with the subject project and to evaluate the local perception of the need for additional housing
- Interviews with local public housing authority (PHA) officials to seek comment on the need for housing and possible impact of the proposed development on their housing inventory and waiting lists for assisted housing. Include a statement on the number and availability of housing choice vouchers and the number and types of households on the waiting lists for housing choice vouchers. Compare subject project's proposed rents to local payment standards or median rents.

## **2.10 Analysis/Conclusions**

- To determine the pool of potential renters, provide a detailed analysis of the minimum and maximum income limits to reside at the subject property. Also estimate the number of age and income eligible renter households for the proposed units, accounting for the proposed Multifamily Tax Subsidy Project (MTSP) rent and income level(s) targeted. This analysis should be conducted with minimum income limits derived assuming family populations will pay up to 35 percent of income for gross housing costs (rent plus utility allowance) and seniors (age 62+) will pay up to 40 percent for gross housing costs. Maximum income limits should be determined based on an average of 1.5 persons per bedroom, , the same standard as the calculations of MTSP rent limits, except for senior projects, which should be limited to 2.0 persons.

- Calculate the subject project’s capture rate for each targeted income level and the project overall by dividing the subject units by the number of income and age appropriate renter household at the time of the project’s anticipated opening. The capture rate should be illustrated as a percentage. Analysts should explain what this capture rate means in terms of the depth of support and in context with other market factors (e.g., strength of rental housing market, subject project’s competitive position)
- Calculate the penetration rate for the proposed HTC and market rate units. Penetration rate is determined by dividing the total number of comparable HTC units targeting the same household income segments and age groups by the total number of age and income eligible renter households. The penetration rate should be presented as a percentage and discussed as to whether the analyst believes it is achievable.
- Define and justify the absorption period and absorption rate for the subject property. The absorption rate should be calculated using a standardized and stabilized occupancy rate of 93 percent.
- Provide documentation and descriptions that show the methodology for calculations in the analysis section and relate the conclusions to the data.
- Quantify and address market advantage of the subject and impact on marketability.
- Project and explain any future changes in the housing stock within the market area.
- Identify risks (e.g., competitive properties that may come on line at the same time as the subject property, declining population in the PMA) and unusual conditions and mitigating circumstances. Evaluate the need for rental assistance or HUD contracts.
- Evaluate the demand in two ways: one as an HTC project only, without any subsidy, and the other as if the project were to retain its current subsidy, if applicable.

**Market Study Analysis and Considerations:**

**HTC Set-asides:**

For each floor plan proposed, forecast the:

1. Achievable market rate rent, assuming there are no income or rent restrictions on the property;
2. Maximum achievable rent, assuming the units are rent restricted at the MTSP income level and the rent percentage “tier”; and
3. Maximum allowable rent, assuming the units are rent restricted at the MTSP income level and the rent percentage “tier”.
  - Complete and include the chart shown below, comparing each floor plan and rent level proposed to the achievable market rate rents and achievable contract rent at the rent tier proposed.
  - Conclude whether or not the developer’s proposed rents are achievable.

The achievable rents must be written as “Contract Rent.” Refer below for the definition of “Contract Rents.”

- If the proposed contract rents are not achievable at the rent tier proposed, determine the achievable rent and the highest rent tier under which the property would fall.

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- For example, if the proposed contract rent of \$900 for a one-bedroom unit is not achievable in the 70% of MTSP rent tier, the highest achievable contract rent may be \$705, which is at 55% of MTSP, which is below the 60% of MTSP rent tier. In this example, \$705 would be the achievable contract rent for a one-bedroom unit, and \$770 is the maximum allowable contract rent at the 60% of MTSP rent tier.
- Complete a memo or an addendum, and include the following information:
  - Describe the derivation of achievable HTC rents
  - Describe or revise the capture rates using the new targeting income level
  - Describe or revise the absorption and penetration rate projections
  - Update the conclusions on the marketability of the r

Unit Type (MTSP)	Proposed Subject Contract Rent	Achievable Market Rent	Achievable Contract Rent at the Rent Tier Proposed	Maximum Allowable Contract Rent at Proposed Rent Tier *
Ex) 1 BR (70%)				
Ex) 2 BR (50%)				
*Maximum allowable rent less an allowance for tenant paid utilities and any fees or charges that are a condition of occupancy (e.g., mandatory renter’s insurance, fee for in-unit washer/dryer).				

**Definitions:**

**Multifamily Tax Subsidy Projects (MTSP) Income and Rent Limits:** The MTSP rent and income limits are used to determine qualification levels as well as set maximum rental rates for HTC funded projects authorized under Section 42 of the Internal Revenue Code (Code) and projects financed with tax exempt housing bonds issued to provide qualified residential rental developments under Section 42 of the Code. Rent limits are based on the county in which the property is located and by the allocation date or placed-in-service date, depending on owner’s gross rent floor election (gross rent floor is based on the allocation date if owner does not make an election to use the placed in service date). Income limits are always based on a project’s placed in service date.

- **Instructions for determining Maximum Allowable Contract Rent:** Request the development’s earliest placed-in-service or gross rent floor election date, the current utility allowance, and any fees or charges that will be a condition of occupancy from the owner. Using the placed-in-service date, open [this link](#) to find the corresponding MTSP table. If no buildings have been placed in service, use the MTSP income and rent limit table for projects on or after the effective date of the most recently published limits (usually the last MTSP table displayed on the web page). Open the PDF and locate the county the property is located in. Find the maximum gross rents by bedroom size for the various MTSP percentages proposed in the application. Subtract the corresponding utility allowance and any non-optional charges and enter these figures as the maximum allowable contract rent into the chart.

**Proposed Subject Contract Rent:** Contract rent proposed in the application.

**Achievable Market Rents or Market Rents:** Rent that an apartment, without rent restrictions, income restrictions or rent subsidies would command in the primary market area (PMA) considering its location, features and amenities.

**Achievable Contract Rent:** Maximum rent that an apartment with restrictions would be able to charge less the value of tenant paid utilities at the proposed rent tier. **NOTE:** If the achievable contract rent is not achievable at the proposed rent tier, state the achievable rent at the nearest rent tier.

**Utility Allowance:** This is a deduction from a renter’s gross rent to assist in paying their utilities. The allowance is an average utility cost (not including phone or cable) by unit size and set by the administering agency, which will vary by housing authority. The owner may also choose utility benchmarking to determine the utility allowance. This consists of tracking, analyzing and reporting utility consumption at a development. Obtain the utility allowance from the developer.

**Maximum Allowable Contract Rent:** Maximum allowable rent that could be charged at either the proposed rent tier (Income Averaging chart) or the 50% or 60% rent limit (Non-income Averaging chart) as calculated by subtracting the utility allowance from the MTSP rent limits for the proposed bedroom type.

## 2.11 Additional Requirements for Projects Involving Special Needs Populations, Housing for Homeless/Long-term Homeless Households, and Supportive Housing

- Identify and describe the population to be served by the proposed housing as well as the amount and type of subsidy, which will be made available to make this rental housing more affordable to the population to be served. If no such subsidy will be made available, state that fact, and justify the rents based on the incomes of the target population.
- Location of relevant support service providers and the distance in miles from the site. Detail on the types of services to be provided, experience at providing these services, and the ability of the service provider to sustain these services over time. Indicate any other entities that will be involved in providing services to the targeted population.
- Provide data on the current number of persons and households in the special needs category or categories to be served. Identify the sources for these estimates (e.g. service providers, human service agencies, Wilder Survey). Indicate changes in these populations and household counts from previous years, and provide projections for future years. To the extent possible, provide data on household size, age distribution, current place of residence and tenure.
- The overview of the local economy should include the level of employment in unskilled and semi-skilled occupations. Supportive work settings should be identified and their capacity of providing additional work opportunities addressed.
- Provide estimates on the current income of the targeted population, and indicate the sources of income.
- Estimate the time it will take to fill all of the proposed units. Explain how this estimate was derived.
- Identify any existing rental housing specifically targeted to meet the needs of the targeted population. This includes conventionally financed rental housing that serves a significant special needs population and those in the target market who currently live in group quarters/facilities. Identify any existing special needs housing where leases may not be renewed due to either investor influence or significant increases in area rental rates.

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- Identify other proposed developments that focus on the same target population or have the potential to be competitive. Describe each in detail, including information on location, unit types and rents. If no other potentially competitive developments are in the planning stages, a statement to that effect must be provided.

### **2.12 Other Requirements**

- Date report was prepared, date of site visit and name and telephone number of analyst preparing study
- Minnesota Housing Market Study Checklist (Addendum A)
- Minnesota Housing Market Study Certification (Addendum B)
- Statement of qualifications, including a résumé
- List of sources for data in the market study

**NOTE:** These guidelines were adopted in part from the National Council of Housing Market Analysts recommended practices.



## Chapter 3 – Fair Housing Policy

It is the policy of Minnesota Housing to affirmatively further fair housing in all its programs so that individuals of similar income levels have equal access to Minnesota Housing programs, regardless of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, familial status, gender identity or sexual orientation.

Minnesota Housing's fair housing policy incorporates the requirements of the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988, as well as the Minnesota Human Rights Act. Housing providers are expected to comply with the applicable statutes, regulations, and related policy guidance. Housing providers should ensure that admissions, occupancy, marketing and operating procedures comply with non-discrimination requirements.

In part, the Fair Housing Act and the Minnesota Human Rights Act make it unlawful, because of protected class status, to:

- discriminate in the selection/acceptance of applicants in the rental of housing units;
- discriminate in terms, conditions or privileges of the rental of a dwelling unit or services or facilities;
- engage in any conduct relating to the provision of housing that otherwise make unavailable or denies the rental of a dwelling unit;
- make, print or publish (or cause to make, print or publish) notices, statements or advertisements that indicate preferences or limitations based on protected class status;
- represent a dwelling is not available when it is in fact available;
- deny access to, or membership or participation in, associations or other services organizations or facilities relating to the business of renting a dwelling or discriminate in the terms or conditions of membership or participation; or
- engage in harassment or quid pro quo negotiations related to the rental of a dwelling unit.

Minnesota Housing has a commitment to affirmatively further fair housing for individuals with disabilities by promoting the accessibility requirements set out in the Fair Housing Act, which establish design and construction mandates for covered multifamily dwellings and requires housing providers to make reasonable accommodations and to allow persons with disabilities to make reasonable modifications.

## **Chapter 4 – Fraud Disclosure and Suspension**

### **4.01 Fraud Disclosure**

The recipient must report all known or suspected instances of fraud in connection with the awarding or receipt of Minnesota Housing funds to Minnesota Housing’s Chief Risk Officer as soon as evidence of fraud is discovered by the recipient. “Fraud” means an intentional deception made for personal gain or to damage another.

### **4.02 Suspension**

By entering into any agreement with Minnesota Housing, accepting any award of funds from Minnesota Housing, or otherwise conducting any business with Minnesota Housing, a party represents that the party or any principal of the party, has not been suspended from doing business with Minnesota Housing pursuant to the Minnesota Housing Finance Agency Board of Directors Participant Suspension Policy. A principal is defined as: (a) an officer, director, owner, partner, principal investigator, or other person within an organization or entity doing business with Minnesota Housing with management or supervisory responsibilities; or (b) a consultant or other person, who: (1) is in a position to handle Minnesota Housing funds; (2) is in a position to influence or control the use of those funds; or (3) occupies a technical or professional position capable of substantially influencing the development or outcome of an activity required to be performed under contract with Minnesota Housing. A party must contact Minnesota Housing for a list of all suspended individuals and organizations.

## Addendum A – Market Study Checklist

**Attach this fully completed checklist as an addendum to the submitted market study.**

This checklist references the components of the market study and is intended to assist in locating information relevant to its analysis. Please indicate the page number(s) where each component is fully addressed. Where the item is not relevant, indicate NA or not applicable. Where a conflict or variation from Minnesota Housing market study guidelines exists, indicate a V (variation), and provide a comment explaining the conflict.

	<b>COMPONENT</b>	<b>PAGES</b>
1.	Unit mix and pro forma rents	
2.	Description and justification of Primary Market Area (PMA)	
3.	Income band for subject property	
4.	Demand projections	
5.	Comparison of subject property to comparable market rate properties	
6.	Comparison of subject property to comparable affordable properties	
7.	Forecasted achievable market rents for the subject property	
8.	Non-Income Averaging Chart or the Income Averaging Chart	
9.	Required capture rate	
10.	Forecasted lease up schedule	
11.	Recommended changes to the subject property	

## Addendum B – Minnesota Housing Market Study Certification

**Attach this certification, fully completed, as an addendum to the submitted market study.**

The undersigned certify that the following is true and correct:

1. That the market analyst is knowledgeable and experienced in the development of affordable rental properties.
2. That the market analyst conducted and was the primary author of the attached Low-Income Housing Tax Credit Market Study Report (Report) for \_\_\_\_\_ (Project name) (Project) for \_\_\_\_\_ (developer/owner name).
3. That the Report was completed on \_\_\_\_\_.
4. That to the best of the market analyst’s knowledge, all data contained in the Report is accurate.
5. That the market analyst has made a physical inspection of the area in which the Project will be located, has reviewed all relevant data and has independently established the conclusions for the Report.
6. That all projections contained in the Report were based on current, professionally accepted methodology.
7. That the market analyst has no financial interest in the proposed Project.
8. That the market analyst’s fee for conducting the Report, and the findings and conclusions contained therein , were not contingent upon the proposed Project being selected by the Minnesota Housing Finance Agency.

By: \_\_\_\_\_  
(Market Analysts)

By: \_\_\_\_\_  
(Authorized Representative)

Title: \_\_\_\_\_

Date: \_\_\_\_\_