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A. All Proposals – Intent to Apply

A-1 Intent to Apply

All applicants must submit the Intent to Apply form, supporting documentation and the Appraisal Fee, if applicable, by June 2. Upon receipt of the Intent to Apply form, upload instructions and an access code for Box.com will be provided.

An electronic copy of the Intent to Apply form, along with all required supporting documentation, must be emailed to mhfa.app@state.mn.us. In addition, a copy of the Intent to Apply Appraisal Fee Cover Sheet form (without supporting documentation), along with the appraisal fee, must be delivered to:

Minnesota Housing
400 Sibley Street, Suite 300
St. Paul, MN 55101-1998

B. All Proposals – Development Team Qualification Forms

B-1 Development Team Qualification Forms

The qualifications of Architect, Attorney, Community Housing Development Organizations (CHDO), Developer, Sponsor, General Contractor, Management and Marketing Agent, Processing Agent, and Service Provider must be submitted for each entity proposed as part of the development team. HOME funding has a priority for eligible Community Housing Development Organizations (CHDO). Qualification forms should be submitted separately from the application and emailed to mhfa.app@state.mn.us.

The Qualifications of Sponsor form requires the submittal of the following financial information:

Individuals:

1. Three years of tax returns, including all schedules and K-1s
2. Personal Financial Statements, acceptable to Minnesota Housing and similar to HUD Form 92417
3. MHFA Minnesota Housing Schedules
 - a. Real Estate Owned, stabilized
 - b. Real Estate Owned, under development or not stabilized (as defined by construction lender)
 - c. Contingent Liabilities, other debt (line of credit, revolving credit)

Corporations:

1. Three years of external audits
2. MHFA Minnesota Housing Schedules
 - a. Real Estate Owned, stabilized
 - b. Real Estate Owned, under development or not stabilized (as defined by construction lender)
 - c. Contingent Liabilities, other debt (not needed, if included in external audit)
3. Owner Certification

Failure to submit the Qualification of Developer and Qualification of Sponsor forms, along with all financial and supporting materials, will deem the application ineligible for funding.

C. All Proposals – Common Application Forms

C-1 Multifamily Workbook

Submit one original signed copy and one Microsoft Excel version electronically to Box.com. A development number (“D number”) and application number (“M number”) will be provided by Minnesota Housing following receipt of the Intent to Apply form, and should be included on the Workbook.

C-2 Multifamily 2017 Housing Tax Credit Self-Scoring Worksheet and 2016 Request for Proposals Deferred Loan Priority Checklist

The Housing Tax Credit Self-Scoring Worksheet and the Deferred Loan Priority Checklist has been combined into one Excel worksheet for the 2016 RFP. Only one scoresheet or checklist needs to be submitted for a development, even if you are submitting a Dual Application.

If you are submitting a Dual Application, please complete the scoresheet and/or checklist to match all sources requested. For example, if your Dual Application is asking for 9%, and for 4%/deferred, select “Both - Minnesota Housing Tax Credits and a Deferred Loan Request” to ensure that the scores and priorities cover all sources. Please refer to Section I of this document or the RFP Guide.

Minnesota Housing will give priority in awarding deferred loan funding to developments that best meet the greatest number of Selection Priorities and Strategic Priorities, with Strategic Priorities being of primary importance in the evaluation of applications. To be eligible to apply for Minnesota Housing funding, the proposal **must meet at least one Agency Strategic Priority**. All selected proposals will be subject to a legal restriction incorporating the Selection and Strategic Priorities for the term of the loan.

For each Strategic Priority and Selection Priority selected, the applicant must fully support the claim by documentation, as identified in each category.

For applicants requesting Housing Tax Credits, submit one original signed self-scoring worksheet **in addition to a separate detail sheet justifying points claimed, and applicable documentation supporting all points claimed.**

In addition, for proposals including a request for 9% tax credits, provide evidence of meeting one of the threshold types defined in Article 6.2 of the Minnesota Housing Tax Credit Qualified Allocation Plan (QAP) Minnesota State Statute 462A.221 through 462A.225. (State statute requirement for any HTC application submitted to Minnesota Housing, the Suballocator or Suballocator participation in Joint Power Agreement with Minnesota Housing.)

Please note that answers to questions in both the Self-Scoring Worksheet and the Deferred Loan Priority Checklist will be used to ascertain the competitiveness of the proposal for deferred loan funding.

C-6 Evidence of Site Control

Acceptable evidence of title/site control includes the following: purchase commitment, option or letter of intent from governmental body for sole developer, etc. If no transfer of ownership, then the warranty deed or contract for deed is acceptable. The evidence of site control must be current, fully executed, include the legal description of land, and extend to anticipated date of funding recommendation.

Loss of site control could result in withdrawal of a funding recommendation.

Minnesota Housing will not accept applications from different applicants for the same site.

C-7 Site Location Map

Minnesota Housing encourages proposed developments that are or will be located near current and proposed regional and interregional transportation corridors, transit ways, services and jobs.

Provide a location map (e.g., www.walkscore.com) with exact distances indicating that the project is located within a 1/4 mile of at least two, or 1/2 of at least four, of the following facilities:

- Parks
- Elementary, secondary and high schools
- Sources of employment
- Shopping and retail services
- Public transit routes and stops
- Regional and interregional transportation corridors and transit ways
- Recreational facilities
- Social and special service institutions
- Hospitals and health clinics
- Day care centers

C-8 Photographs

Provide clear photographs of exterior and interior of building for existing buildings. For New Construction provide clear photographs of the site and surrounding areas.

C-9 Green Communities Criteria

The Minnesota Housing Multifamily Intended Methods Worksheet for compliance with the 2016 version of the MN Overlay and 2015 Enterprise Green Communities Criteria (EGCC) must be provided. All applicable “Mandatory” Criteria and “Optional Points” Criteria must be provided per the 2016 MN Overlay. New construction must include 35 “Optional Points”. Substantial and Moderate Rehabilitation must include 30 “Optional Points”. Ensure all energy modeling and construction costs required to meet building energy performance requirements are included in the project work scope and budget. See Chapter 6 of the 2016 MN Overlay for multifamily project requirements.

Exception: Projects voluntarily seeking certification through EGCC are not required to complete or submit the Minnesota Housing Multifamily Intended Methods Worksheet. Projects seeking EGCC certification must register on the Enterprise website and provide at RFP application verification that the project is registered.

Go to Minnesota Housing’s [Building Standards](#) web page to download the 2016 MN Overlay, Multifamily Intended Methods Worksheet, and Waiver Request form (if a waiver is being requested). Go to the [Enterprise web page](#) to download the new 2015 version of Green Communities Criteria.

Note: As of April 2016, the 2011 version of EGCC and the 2011 Certification Workbook are no longer allowed. Minnesota Housing has adopted the 2015 version of EGCC with the 2016 version of the MN Overlay.

C-11 Rental Assistance Payment Standards

Attach a copy of the Payment Standards or Payment Standard Exceptions for the community in which the housing is proposed.

C-13 Utility Allowance from Local HRA/PHA

Provide a current utility allowance in a manner consistent with the options provided in IRC 1.42-10 (i.e., as appropriate, a utility allowance form RD, HUD, PHA/HRA, local utility company, an Agency estimate, a HUD Utility Schedule Model, and Energy Consumption Model). Include a breakdown of the utilities that a tenant pays directly (e.g., heat, electricity), the utility allowance for each type of utility (e.g., gas, electric), for the various unit types (e.g., one bedroom, two bedroom) and housing types (e.g., apartments, townhomes) Also include a list of each unit type, total tenant paid utilities, contract rent and gross rent.

C-14 Management and Operating Expenses

The proposed M&O expenses should be based on the developer/management company's current portfolio and supported by:

- Actual audited operating data provided by the developer/management company for similar developments
- Circumstances and or significant changes to the economics of the development's current marketplace, such as increased utility costs and property insurance
- Operating trends of the developer or management company

The owner supporting the proposed M&O expense should include:

- **For new construction proposals:** The New Construction Comparable Property Form must be filled out for each comparable property that aligns with the proposed development. A copy of the year-end audit is required to be submitted and coincide with the financial information written in the form. If either the New Construction Comparable Property Form or the supporting audit is missing from the submission, the documents will not be accepted.
- **For existing properties:** Copies of audited financial operating expense statements for at least 3 stabilized years.

C-15 Energy Rebate Analysis

Submit a preliminary draft explanation of Energy Rebates being considered with estimated rebate amounts at the time of application. An Energy Rebate Analysis prepared by a third-party entity will be required prior to loan closing/commitment. Reference Minnesota Housing's [Rental Housing Design/Construction Standards](#) for further details. Detailed information on the utility incentive application process is available on the Agency website.

D. Supplemental Requirements – New Construction

D-1 Preliminary Architectural/Construction Requirements for New Construction

For building schematics/concept design review:

- *Site Plan* (generally no less than 1/32" per foot scale for the original, printable on no larger than 11X17 for electronic submission);
- *Building Plans* (generally no less than 1/16" per foot scale and printable on no larger than 11X17 for electronic submission);

- *Typical dwelling unit plans* (generally no less than 1/8” per foot scale and printable on no larger than 11X17 for electronic submission);
- *Building elevations* (generally no less than 1/16” per foot scale and printable on no larger than 11X17 for electronic submission);
- *Building Section* (generally no less than 1/16” per foot scale and printable on no larger than 11X17 for electronic submission);

Refer to the Minnesota Housing [Architect Guide](#).

Cost Estimate: The borrower must have a third-party entity (Architect, Professional Engineer, General Contractor, or Cost Estimator) prepare a cost estimate that conforms to all applicable Minnesota Housing Standards. There cannot be any identity of interest between the borrower/owner/developer and the entity preparing the cost estimate. The cost estimate must be an itemized, schedule of values format with major systems and components itemized. **It must include** costs for General Conditions, Overhead, Profit and any other work typically included in the construction contract.

E. Supplemental Requirements – Rehabilitation

E-1 Rent Roll

For proposals involving an existing property, provide a rent roll including unit type, rent, household income and household size, if available.

E-2 Tenant Relocation Plan

All existing developments must submit a relocation plan that addresses both temporary relocation and permanent voluntary displacement. The plan must include:

- A description of the project
- Whether another funding source will require compliance with the Uniform Relocation Act
- A description of any temporary relocation, if any, that will occur based upon the scope of work
- A description of how tenants’ needs will be accommodated while they are temporarily relocated
- The anticipated desire for permanent voluntary displacement based upon, as applicable, proposed rents, future income restrictions, current tenant incomes or current tenants’ qualifications to reside in an LIHTC qualified unit
- If persons with special needs will be affected, include a description of how those needs will be accommodated
- A description of what the development team will do to help displaced persons who may be hard to house, for example, because of family size
- Any social or other services to be used, as appropriate
- The assistance and compensation that will be offered to tenants who will either be temporarily relocated or permanently and voluntarily displaced
- An estimated budget identifying relocation/displacement expenses and an identified funding source
- A timeline

E-3 Preliminary Architectural Requirements for Rehabilitation

Scope of Work for Rehabilitation of Existing Buildings: Provide current work scope with enough detail to communicate scale and scope of improvements.

Refer to the Minnesota Housing [Architect Guide](#).

Cost estimate: The borrower must have a third-party entity (Architect, Professional Engineer, General Contractor, Cost Estimator) prepare a cost estimate which conforms to all applicable Minnesota Housing Standards. The third-party entity may be a Qualified Rehab Specialist for moderate rehab. There cannot be an identity of interest between the borrower/owner/developer and the entity preparing the cost estimate. The cost estimate must be an itemized, schedule of values format with major systems and components itemized. **It must include** costs for General Conditions, Overhead, Profit and any other work typically included in the construction contract. A cost per sf, per dwelling unit, or other large metric not allowed. It is acceptable to use and submit a properly completed Minnesota Housing 20-Year Capital Expenditure Template to meet the Cost Estimate submittal requirement.

E-4 Physical Needs Assessment (PNA) with a 20-Year Capital Expenditure template OR Capital Needs Assessment (CNA)

Age of PNA/CNA: The age of any needs assessment report from time of Preservation Pre-application or Application shall be one year or less. If over one year, but less than two years, the needs assessment report may be used to comply with this needs assessment requirement; however, an updated 20-Year Capital Expenditure (20YCE) (less than 6 months old) must be included. Provide new assessments if older than two years.

Developments not required to complete a PNA or CNA are new construction projects, gut rehabilitation projects and adaptive re-use projects.

Both the PNA and CNA must provide a Life Expectancy analysis (over a 20 year term) including Estimated Age, Expected Useful Life (EUL), and Effective Remaining Life (ERL) of the following minimum elements: roof; siding/exterior walls; windows; doors (interior/exterior, and overhead garage); plumbing fixtures; HVAC Systems; electrical systems, light fixtures and kitchen appliances.

The inspection shall be conducted to identify deficiencies under applicable state and local codes, ordinances, and The Minimum Essential Physical Needs as per Chapter 3 of Minnesota Housing' Rental Housing Design/Construction Standards

Applicants shall submit either a full Capital Needs Assessment or a Physical Needs Assessment.

Provide a Capital Needs Assessment (CNA) or Property Needs Assessment per Chapter 3 of the Rental Housing Design/ Construction Standards.

G. Supplemental Requirements – Miscellaneous

G-1 Alternative Energy Options

If the proposal includes any alternative energy options such as geothermal, photovoltaic, wind, etc., said systems shall be clearly noted in the Minnesota Housing Intended Methods Work under applicable criteria.

G-2 HUD Risk Share Application Certification

Applicants seeking LMIR first mortgage financing must certify that they will not complete site acquisition or engage in any site work prior to receiving NEPA Part 58 Environmental Review clearance and Minnesota

Housing’s approval, or if acquisition has already taken place, that no site work will begin prior to NEPA Part 58 Environmental Review clearance and Minnesota Housing’s approval.

In addition, if an applicant intends to apply for LMIR funding at the time the purchase agreement is signed OR if the applicant intends to enter into a purchase agreement after the publishing of the 2015 Multifamily RFP Guide, the purchase agreement must include the following language:

Optional Contracts/Agreements - “Agreement is subject to environmental review in accordance with 24 CFR Part 58 and final determination of desirability by the responsible entity.”

Conditional Contracts/Agreement - “Notwithstanding any other provision of this Contract, Purchaser shall have no obligation to purchase the Property, and no transfer of title to the Purchaser may occur, unless and until Responsible Entity has provided purchaser and/or Seller with a written notification that: (1) it has completed a federally required environmental review and its request for release of federal funds has been approved and, subject to any other Contingencies in this Contract, (a) the purchase may proceed, or (b) the purchase may proceed only if certain conditions to address issues in the environmental review shall be satisfied before or after the purchase of the property; or (2) it has determined that the purchase is exempt from federal environmental review and a request for release of funds is not required. Responsible Entity shall use its best efforts to conclude the environmental review of the property expeditiously.”

G-4 Bond Tests Analysis

The Bond Tests Analysis is required for all proposals requesting tax-exempt bonds, including Housing Infrastructure Bonds, to be issued by Minnesota Housing, as well as all 4% dual applications. This workbook will provide a preliminary analysis of several of the required tests that must be met for tax-exempt bonds as well as 4% Housing Tax Credits allocated in conjunction with such bonds. Much of the information will be imported from the development’s Multifamily Workbook, with some manual data entry also required. Detailed instructions are included in the first tab of the Analysis workbook.

H. Housing Tax Credits

H-2 Preliminary Determination of Preservation Eligibility

Applicants claiming points under Preservation must participate in a mandatory technical assistance session and provide required submissions prior to May 2, 2016 for HTC Round 1 and prior to December 16, 2016 for HTC Round 2, as detailed in the Housing Tax Credit Procedural Manual Section 7.A.4. Applicant must provide the Agency’s “Preliminary Determination of Preservation Eligibility” letter, which reflects threshold and points taken below.

H-3 Market Study

If applying for HTC, a comprehensive market study of the housing needs of low-income individuals in the area to be served by the project conducted by a disinterested party at the developer’s expense who is on the Minnesota Housing Authorized Contractor list must be submitted with the application.

Developers/owners will contact and hire the contractor of their choice from the Authorized Contractor list to perform the required market study in the form and format outlined in Minnesota Housing’s [Market Study Guidelines](#).

Schedules and fees will be arranged between the developer/owner and the Authorized Contractor. Minnesota Housing will not endorse or recommend any contractor on the Authorized Contractor list and will not be a party to the individual transactions.

H-4 State Basis Boost

For Housing Tax Credit developments requesting the state designated 30 percent basis boost, provide clear reasons supporting the request and demonstrate how the proposal meets the criteria established by Minnesota Housing (refer to the HTC Program Procedural Manual).

H-7 For Acquisition, Evidence of Compliance with 10 year rule - Existing Buildings

Existing Buildings - In order for an existing building to qualify for the 30 percent acquisition credit in connection with rehabilitation, there must have been a period of at least 10 years between the date the building was acquired and the date it was last placed in service. Please note that the 10-year rule also applies to existing tax credit projects applying for a new allocation of acquisition credits at the end of the original 15-year compliance period.

H-8 For Acquisition, Evidence of Compliance with exception to the 10 year rule

Exception to the 10-year Rule - Exceptions to the 10-year rule are provided in Section 42(d)(6) for federally or state assisted buildings, certain low-income buildings subject to mortgage prepayment and buildings acquired from insured financial institutions in default. Certain other situations are exempt from the 10-year rule, such as:

- A person who inherits a property
- Acquisition by a government unit or qualified nonprofit group if income from the property is exempt from federal income taxation
- A person who gains a property through foreclosure (or instrument in lieu of foreclosure) of any purchase money security interest, provided the person resells the building within 12-months after placing the building in service following foreclosure
- Single family residences that had no use during the prior 10-year period except as an owner-occupied principal residence will not be treated as being placed in service for purposes of the 10-year holding period. Note that although the 10-year rule does not apply, the property must still be rehabilitated to claim the acquisition costs of such a property

H-9 Nonprofit Proof of Status, Non-Profit Intended Participation: Articles of Incorporation, IRS Election Status

- A description of the nonprofit's intended participation in the development and operation of the project
- Articles of Incorporation
- Internal Revenue Service (IRS) documentation of status.
- A nonprofit must have IRS 501(c)(3) or (4) approval from the IRS or expect to receive such designation prior to carryover and meet requirements of Internal Revenue Code (42(h)(5))

I. Dual Applications

Who should submit a Dual application?

9%/4% Dual Applications are **required** for proposals that include any of the following Strategic Priorities as defined in the Strategic Priorities section of the Deferred Loan Priority Checklist:

- Preservation

- Permanent Supportive Housing
- Greater Minnesota Workforce Housing

And meet one of the following size criteria:

- Has more than 40 units and \$2.5 million in equity proceeds; or
- Has less than 40 units or less than \$2.5 million in equity proceeds, and the application includes a detailed Letter of Interest from an investor or syndicator that documents that initial underwriting has taken place, includes preliminary terms and is signed by both the investor and applicant.
- Where Minnesota Housing will be the tax exempt bond issuer, the project must utilize at least \$2 million in bond proceeds. The \$2 million minimum may include short term bonds to meet the 50 percent test and to bridge equity.

NOTE: All tax credit proposals requesting points under Preservation are required to submit a Dual Application.

- 9%/4% Dual Applications are **optional** for proposed projects that do not meet one of the Strategic Priorities identified above, but do meet the size criteria.
- 9%/Deferred Only Dual Applications are optional for projects that do meet one of the Strategic Priorities but not the size criteria. These proposals may submit a second application requesting deferred funding only with no tax credits.

Applicants submitting a dual application should provide the following:

- One set of application materials as a 9% structure
- Dual Application Certification Letter
- 4% HTC/Deferred Only Workbook (including a list of all adjustments made to the Workbook between the 9% application and the dual application should be provided with an explanation for each adjustment)
- 4% HTC Syndicator/Investor Letter of Intent
- Bond Tests Analysis

I-1 Dual Application Certification Letter

The Dual Application Certification Letter provides that the applicant grants Minnesota Housing sole discretion to determine the type of funding source for the project, should it be selected. If submitting a dual application, Minnesota Housing will review both applications independent of one another, and score each application per the respective criteria and priorities as outlined in its QAP and RFP Guide. The Agency explicitly reserves the right to determine the appropriate funding source(s) for competitive projects **regardless of the project's ranking under either process.**

I-2 4% HTC/Deferred Only Workbook

For dual applicants, two Workbooks should be provided showing the two proposed financing structures. The 9% HTC Workbook should be included in tab C.1. and the 4% HTC or Deferred Only Workbook should be provided in this tab. A list of all adjustments made to the Workbook between the 9% application and the dual application should be provided, with an explanation for each adjustment.

The development number ("D number") and application number ("M number") provided by Minnesota Housing following receipt of the Intent to Apply must be included on the Workbook.

I-4 Bond Tests Analysis

The Bond Tests Analysis is required for all proposals requesting tax-exempt bonds, including Housing Infrastructure Bonds, to be issued by Minnesota Housing, as well as all 4% dual applications. This workbook will provide a preliminary analysis of several of the required tests which must be met for tax-exempt bonds as well as 4% Housing Tax Credits allocated in conjunction with such bonds. Much of the information will be imported from the development's Multifamily Workbook, with some manual data entry also required. Detailed instructions are included in the first tab of the Analysis workbook.

J. Supportive Housing

Supportive housing is affordable housing linked with social services tailored to the needs of the population served in order to foster housing stability and improved outcomes for the target population. Applicants that will provide supportive housing for specific target populations in some or all units in a development must complete the supportive housing documents.

J-1 County or Tribal Human Services Letter of Confirmation

The applicant and the county or tribal human services departments complete this form to provide information about proposals with supportive housing.

Instructions:

- The applicant completes Section 1 and provides this document and a copy of the completed Multifamily Workbook and the Multifamily Rental Housing Narrative Questions to the human service representative for review **at least 21 days PRIOR** to the application due date.
- The local county or tribal human service representative will complete Section 2 of this form and return the completed form to the applicant.
- This completed form must be submitted to Minnesota Housing by the application deadline.

J-2 Continuum of Care Confirmation

The Continuum of Care (CoC) Confirmation is required for all developments in Greater Minnesota and the Suburban Metro Counties (not required in Hennepin and Ramsey Counties). The developer must coordinate with the local CoC Coordinator to obtain the Confirmation.

Provide the following information to the CoC Coordinator:

- The Supportive Housing Narrative from the Multifamily Application
- The Service Provider Qualification Form (215A)

Developers are expected to present their proposals to the CoC Committee before a Confirmation form will be approved for signature by the CoC. Be advised that the CoC may request additional information about the development and committee members will ask questions. Please consider the local CoC meeting schedule, and submit your request to the coordinator **at least one month in advance** of the application due date.

Continuum of Care (CoC) Priorities

All of the CoCs have determined priorities for household types and sub-populations for supportive housing units in their region, [as published on the Agency website](#). Applications that address a CoC's top two priorities will be more competitive.

J-3 Supportive Housing Narrative Questions

Applicants whose proposal includes supportive housing are required to complete the Supportive Housing Narrative Questions section of the Multifamily Rental Housing Narrative Questions, item C.3. Narrative responses should reflect a joint response by the developer, primary service provider, and management agent, and must be signed by the service provider.

J-4 Qualification of Service Provider

Applicants whose proposal includes supportive housing are required to complete the Qualification of Service Provider form noted under item B.1. Qualification forms must be submitted separately from the application and emailed to mhfa.app@state.mn.us.

K. Section 811 Project-Based Rental Assistance

K-1 Section 811 Project-Based Rental Assistance Narrative Questions

Applicants requesting Section 811 Project-Based Rental Assistance must complete a pre-application to determine the property’s eligibility for the program. **The pre-application is due Monday May 2, 2016 at 4:30 p.m.**

L. National Housing Trust Fund (NHTF) Operating Subsidy (OS)

L-1 NHTF OS Narrative Questions

Applicants whose proposal includes a request for NHTF OS are required to complete the NHTF OS Narrative Questions section of the Multifamily Rental Housing Narrative Questions, item C.3.

L-2 NHTF OS Multifamily Workbook Instructions

Applicants requesting NHTF OS should complete the following instructions on the Multifamily Workbook, item C.1.:

Funding Request Tab

- On the bottom of the page, click on the radio button to indicate Operating Subsidy Request

Housing Income Tab

- Program Type- Indicate OpSubs for all units that will be subsidized by the Operating Subsidy
- Source of Rental Assistance or Operating Subsidy- enter “NHTF OS”

Program Type								Rooms Per Unit	Total Rooms	Source of Rental Assistance or Operating Subsidy
HOME	LTH		Empl Occ	Owner Occ	Rent Asst	Op Subs				
						x			NHTF OS	

Sources Tab

- Complete the section for proposed operating subsidy as shown below:

PROPOSED RENTAL ASSISTANCE OR OPERATING SUBSIDY FUNDING

Type of Source	Name of Source	OS Funding Use	Term	# of Units	Annual Amount	Per Unit
Operating Subsidy	Other	Revenue shortfall	15	Enter the number of units subsidized by the NHTF OS	Put TOTAL request amount here for all years (this transfers to summary page for the Operating Subsidy Request)	

L-3 NHTF OS Calculation Tool

1. Include rental revenue for just the units assisted by the NHTF Operating Subsidy in section a.
2. Refer to the Multifamily Underwriting Standards and enter the appropriate vacancy rate in section b.
3. Include in item c. the total maintenance costs for the project (Cell J55 in the Income and Expense tab of the Workbook)
4. Include the total utilities costs to be paid by the development in item d. (Cell J60 in the Income and Expense tab of the Workbook)
5. Include the total insurance costs for the project in item e. (Cell J64 in the Income and Expense tab of the Workbook)
6. Include the total property tax costs for the project in item f. (Cell J68 in the Income and Expense tab of the Workbook)
7. Include the total property costs for operation of a front desk, if applicable, in item g. (Cell J62 in the Income and Expense tab of the Workbook, net of other supportive housing related costs)
8. Include the total cost of scheduled payments to the replacement reserve for replacement of major systems to be paid by the development in item g. (Cell J69 in the Income and Expense tab of the Workbook)
9. Include the total rooms for the development in item h. (Cell V41 in the Housing Income tab of the Workbook).

L-4 NHTF OS Certification

Applicants are required to comply with all applicable federal cross cutting requirements when applying for the National Housing Trust Fund (NHTF). No choice limiting actions can be taken after the Initiation of Negotiation (ION) has been triggered for these specific funds. For applicants requesting NHTF Operating Subsidy, the ION is triggered and the owner must provide the signed NHTF OS Certifications form.

M. Senior Rental Housing Pilot

M-1 Senior Pilot Narrative Questions

Applicants submitting a proposal for the Senior Pilot are required to complete the Senior Rental Housing Pilot Narrative Questions section of the Multifamily Rental Housing Narrative Questions, item C.3.

M-2 Senior Pilot Workbook Instructions

Applicants submitting a proposal for the Senior Pilot should include the following on the “Income and Expense” tab of the Multifamily Workbook, item C.1.:

- Include services income in the “Other” line item under “Other Income from Operations.”
- Include service-related expenses on the “Unique Operating Expenses” line item under “Supportive Housing.”

M-3 Senior Pilot Services Budget

Applicants submitting a proposal for the Senior Pilot are required to provide detailed budgets supporting the service-related income and expense entered into the Multifamily Workbook as described in item M-2.

Other Income from Operations:

- Provide a detailed budget breakout for the income entered in the other income line item. Provide information on the target population, bedroom size, services income anticipated for each unit, and source of service funding.
- Provide backup documentation for the reimbursement rates assumed.

Example Breakout Table:

Unit Type*	Unit Size	# of Units	Income Restriction	Acuity Levels Served	Anticipated service income source	Average Anticipated Service Income per Unit	Anticipated Total Service Income	Notes
AL, IL, etc.	1 BR	8	30% AMI	0-3 ADLs** (grooming, toileting, transferring, et.)	Elderly Waiver, Private Pay, etc.	\$3,000	\$24,000	Assumes weighted average for service income

*Describe whether the unit will be assisted living (AL), independent living (IL), etc.

**Activities of Daily Living

Unique Operating Expenses

- Provide a detailed breakout for the costs entered on the unique operating cost line item. Items that would typically be included are costs not related to the maintenance and operation of housing. Include detailed expense estimates for line items such as services administration, wellness, food service, housekeeping, resident care, marketing and community life.
- Complete the Senior Pilot Staffing Worksheet.

M-4 Senior Pilot Staffing Worksheet

Applicants submitting a proposal for the Senior Pilot must provide the Senior Pilot Staffing Worksheet. Information on the top portion of the form should be completed for Management and Administration staffing. The bottom portion should include information for Supportive Services staffing. Reference the Multifamily Workbook, Income and Expense tab to detail which line items on the Workbook contain each staffing expense entered on the Staffing Worksheet. The totals on the Staffing Worksheet should align with the information completed in the Income and Expense tab of the Multifamily Workbook

Example:

	Management and Administration Staffing	# of FTE Positions	Operating Budget Total Expense	Line(s) in Workbook that detail expense	Service Budget Total Expense	Line(s) in Workbook that detail expense	Total
Position	Executive Director	1	\$35,000	On-Site management payroll	\$45,000	Unique Operating Expense – Oversight of Service Staff & Operations	\$80,000
Position	Business Office Manager	1	\$20,000	On-Site management payroll	\$24,000	Unique Operating Expense – Business for Services	\$44,000

M-5 Commitment for Services

Applicants submitting a proposal for the Senior Pilot who will be using an external partner, contractor, provider, etc. for the delivery of service must provide a Memorandum of Understanding (MOU) outlining the partnership, including each party’s roles and responsibilities. Proposals not using an external entity do not need to submit an MOU.

M-6 Market Study

Applicants submitting a proposal for the Senior Pilot must provide a comprehensive market study of the housing needs of low-income individuals in the area to be served by the project conducted by a disinterested party at the developer’s expense who is on the Minnesota Housing Authorized Contractor list.

Developers/owners will contact and hire the contractor of their choice from the Authorized Contractor list to perform the required market study in the form and format outlined in Minnesota Housing’s [Market Study Guidelines](#).

Schedules and fees will be arranged between the developer/owner and the Authorized Contractor. Minnesota Housing will not endorse or recommend any contractor on the Authorized Contractor list and will not be a party to the individual transactions.

M-7 Housing Tax Credits Assisted Living Certification by Owner

Applicants submitting a proposal for the Senior Pilot that includes housing tax credits and an assisted living component must provide this Certification.

M-8 Operator Financials

Applicants submitting a proposal for the Senior Pilot must provide the following:

Individuals:

1. Three years of tax returns, including all schedules and K-1s
2. Personal Financial Statements, acceptable to Minnesota Housing and similar to HUD Form 92417
3. Minnesota Housing Schedules
 - a. Real Estate Owned, stabilized
 - b. Real Estate Owned, under development or not stabilized (as defined by construction lender)
 - c. Contingent Liabilities, other debt (line of credit, revolving credit)

Corporations:

1. Three years of external audits
2. Minnesota Housing Schedules
 - a. Real Estate Owned, stabilized
 - b. Real Estate Owned, under development or not stabilized (as defined by construction lender)
 - c. Contingent Liabilities, other debt (not needed, if included in external audit)

M-9 Draft Tenant Selection Plan, Marketing Plan, Management/Operator Agreement and Lease

Minnesota Housing requires each applicant for the Senior Pilot to provide a Tenant Selection Plan and Screening Criteria describing procedures for accepting applications, the process used to determine how residents will be selected and the basis for rejecting applicants. The plan should address policies, standards, preferences for residency, how applicants will be selected from a waiting list and tenant screening criteria. The Tenant Screening Criteria are objective criteria used to determine whether a prospective applicant is qualified for residency. The criteria should describe the minimum qualifications that a prospective tenant must have to be considered eligible to live in the building.

Submission of a Marketing Plan is also required, describing how each applicant will carry out an effective and efficient marketing program in order to ensure a satisfactory absorption rate and avoid a protracted initial rent-up period.

A draft Agreement outlining the agreed upon terms between the operator and owner of the property, as well as a sample lease to be used between the building operator and the lease holder, must also be provided.

N. Preliminary Determination Letter for 4% Housing Tax Credits (Not required at the time of RFP application)

N-2 Preliminary Determination Letter- Submit if bonds are not being issued by Minnesota Housing

The determination by the issuer shall be made in a manner consistent with the tax credit allocating agency (Minnesota Housing or appropriate suballocator) Qualified Allocation Plan and Housing Tax Credit Procedural Manual. IRS Code Section 42 requires that the issuer evaluation must consider:

- The sources and uses of funds and the total financing planned for the project
- Any proceeds or receipts expected to be generated by reason of tax benefits
- The percentage of the housing credit dollar amount used for project costs other than the costs of intermediaries
- The reasonableness of the developmental and operations costs of the project
- A comprehensive market study of the housing needs of low-income individuals in the area to be served by the project, conducted before the credit allocation is made, and at the developer's expense by a disinterested party approved by the allocating agency
- This determination must be made prior to the issuance of the bonds

N-3 Evidence of State allocation of tax-exempt bond volume cap if not being issued by Minnesota Housing

Evidence of the Issuance of the Tax Exempt Bonds - Evidence from the issuer of the bonds that the project received an approval of an allocation of tax-exempt bond volume cap from the State of Minnesota.