2020 RFP/2021 HTC
Multifamily Scoring Training

MINNESOTA HOUSING

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MINNESOTA HOUSING

Our Mission
The Core Purpose

Housing is the foundation for success, so we collaborate with individuals, communities and partners to create, preserve, and finance housing that is affordable.

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Agenda and Overview

- Introduction
- Minimum Thresholds
- Strategic Priorities
- Selection Categories and Criteria

NOTE: Technical assistance provided by Minnesota Housing staff is only advisory and does not guarantee that a development will receive points under a particular category or be selected for funding. While every effort is made to ensure the accuracy of the technical assistance, such assistance is subject to, and does not modify or override, the requirements of Minnesota Housing's Qualified Allocation Plan, Housing Tax Credit Program Procedural Manual, the Housing Tax Credit Self-Scoring Worksheet and/or the Request for Proposals Deferred Loan Priority Checklist, the Multifamily Request for Proposals Guide, Multifamily Underwriting Standards or other documents related to applications for funding. Applicants are encouraged to review the materials available on the Minnesota Housing website and consult with legal counsel, and if applicable, a knowledgeable tax professional, to ensure compliance with all applicable application, submission, and project requirements.

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Introduction

Scoring Basics

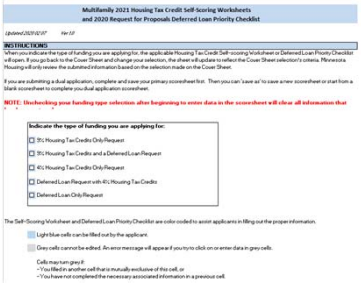
- 9% HTC projects must achieve a 70 point minimum.
- Deferred with 4% HTC projects must achieve a 40 point minimum.
- Minnesota Housing will only award points if claimed by the applicant.
- Minnesota Housing will reduce points if the documentation does not meet requirements.

Introduction

Key Scoring Reference Documents

- Multifamily 2021 HTC Self-Scoring Worksheet and 2020 Deferred Loan Priority Checklist
- 2021 HTC and 2020 Deferred Scoring Guide

Introduction



Multifamily 2021 Housing Tax Credit Self-Scoring Worksheets and 2020 Request for Proposals Deferred Loan Priority Checklist

Updated 2/27/2020 *Ver 1.0*

INSTRUCTIONS

When you indicate the type of funding you are applying for, the applicable Housing Tax Credit Self-scoring Worksheet or Deferred Loan Priority Checklist will open. If you go back to the Cover Sheet and change your selection, the sheet will update to reflect the Cover Sheet selection's criteria. Minnesota Housing will only review the submitted information based on the selection made on the Cover Sheet.

If you are submitting a dual application, complete and save your primary scoresheet first. Then you can 'save as' to save a new scoresheet or start from a blank scoresheet to complete you dual application scoresheet.

NOTE: Unchecking your funding type selection after beginning to enter data in the scoresheet will clear all information that

Indicate the type of funding you are applying for:

- ☐ 9% Housing Tax Credits Only Request
- ☐ 9% Housing Tax Credits and a Deferred Loan Request
- ☐ 4% Housing Tax Credits Only Request
- ☐ Deferred Loan Request with 4% Housing Tax Credits
- ☐ Deferred Loan Only Request

The Self-Scoring Worksheet and Deferred Loan Priority Checklist are color coded to assist applicants in filling out the proper information.

- Light blue cells can be filled out by the applicant.
- Grey cells cannot be edited. An error message will appear if you try to click on or enter data in grey cells.

Cells may turn grey if:
- You filled in another cell that is mutually exclusive of this cell, or
- You have not completed the necessary associated information in a previous cell.

Introduction

MINNESOTA HOUSING

2021 Housing Tax Credit and 2020 Deferred Scoring Guide

Table of Contents

INSTRUCTIONS 3
REQUIRED DOCUMENTATION FOR MINIMUM THRESHOLD REQUIREMENTS 5
REQUIRED DOCUMENTATION FOR STRATEGIC PRIORITY THRESHOLDS 6

A. Access to Fixed Transit 6
B. Greater Minnesota Workforce Housing 6
C. Economic Integration 6
D. Tribal Governments, Tribal Corporate Entities or Tribally Designated Housing Entities 6
E. Community Development Initiative 6
F. Preservation 6
G. Supportive Housing 7
H. Tax-Exempt Bond Allocation 7
I. Minimum Point Requirement 7
1(A) Large Family 8
1(B) Permanent Supportive Housing for High Priority Homeless (HPH) 8
1(C) People with Disabilities (PWD) 8
2(A) Serves Lowest Income Tenants/Rent Reduction 8
2(B) Rental Assistance 8
2(C) Long-Term Affordability 9

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Minimum Threshold Requirements

In the Metropolitan Area	Outside the Metropolitan Area	People with Disabilities	Preserve Existing Subsidized Housing	Rural Development
• At least 75% of the total tax credit units are single-room occupancy, efficiency, or 1BR units with rents affordable to households whose income does not exceed 35% AMI • Family housing projects that are not age restricted with at least 75% of the total tax credit units contain 2-bedrooms and at least one-third of the 75% contain 3+ bedrooms • Substantial rehabilitation projects in neighborhoods targeted by the	• Projects which 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	• Projects that are not restricted to persons of a particular age group and in which, for the term of the extended use period (term of the Declaration of Land Use Restrictive Covenants), a percentage of the units are set aside and rented to persons that meet a PWD definition	• Projects, whether or not restricted to persons of a particular age group, which preserve existing subsidized housing, if the use of tax credits is necessary to (1) prevent conversion to market rate use; or (2) to remedy physical deterioration of the project which would result in loss of existing federal subsidies	• Projects financed by Rural Development, which meet statewide distribution goals

Minimum Thresholds

Minimum Thresholds Overview

Overview

- Applicants seeking 9% tax credits in Round 1 must meet at least one threshold
- Five threshold categories:
  - Projects in the Metropolitan Area
  - Projects Outside of the Metropolitan Area
  - Supportive Housing (People with Disabilities)
  - Preservation
  - Rural Development
- Projects may meet more than one threshold

Minimum Thresholds
Projects in the Metropolitan Area

Option One

Minimum threshold options for projects in the metropolitan area

- New construction or substantial rehabilitation in which at least 75% of the total HTC units are single room occupancy, efficiency, or one bedroom units with rents affordable to households whose income does not exceed 30% of the area median income (AMI)
- New construction or substantial rehabilitation family housing projects that are not restricted to persons 55 years old or older in which at least 75% of the total HTC units contain two or more bedrooms and at least one-third of the 75% contain three or more bedrooms

OR

- Substantial rehabilitation projects in neighborhoods targeted by the city for revitalization

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Minimum Thresholds
Projects Outside of the Metropolitan Area

Option Two

Minimum threshold options for projects outside the metropolitan area

- Projects 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

April 2020 Minnesota Housing | mnhousing.gov 11

Minimum Thresholds
People with Disabilities

Option Three

Minimum threshold for projects that are not restricted to persons of a particular age group and in which, for the term of the extended use period (term of the LURA), a percentage of the units are set aside and rented to people with disabilities.

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Minimum Thresholds Preservation and Rural Development

The remaining two thresholds include:

- Projects that preserve existing subsidized housing
- Rural Development projects

Strategic Priorities

Strategic Priorities Overview

Overview

Nine Priorities

- Access to Fixed Transit
- Greater Minnesota Workforce Housing
- Economic Integration
- Tribal
- Community Development Initiative
- Preservation
- Supportive Housing
- **new** Tax-Exempt Bond Allocation
- **new** Minimum Point Requirement

Strategic Priorities
Access to Transit

Strategic Priority One

Access to Fixed Transit

- Projects within one-half mile of a planned or existing LRT, BRT or commuter rail station

D. **Location Efficiency (1 to 9 points):**

1. For projects in the **Twin Cities 7-County Metropolitan Area**, indicate whether the project will promote location efficiency based on access to transit and walkability.

a. Access to Transit: To claim access to transit in the Twin Cities 7-County Metropolitan Area, a project must be (select one):

i. ☐ Located within one half mile of a planned[11] or existing LRT, BRT, or commuter rail station **(7 points)**;

Strategic Priorities
Greater Minnesota Workforce Housing

Strategic Priority Two

Greater Minnesota Workforce Housing

- Projects in Greater Minnesota that demonstrate the following:
  - Need
  - Employer support

Strategic Priorities
Economic Integration

Strategic Priority Three

Economic Integration

- Projects located in higher income communities with access to low and moderate wage jobs

b. Promotes economic integration for projects that are located in higher income communities that are in the Twin Cities 7-County Metropolitan Area and areas in or around Duluth, Rochester and St. Cloud. First and second tier economic integration areas are outside of racially and ethnically concentrated areas of poverty.

i. ☐ **First Tier** - The proposed housing is located in a first tier census tract **(9 points)**

ii. ☐ **Second Tier** - The proposed housing is located in a second tier census tract **(7 points)**

Strategic Priorities Tribal

Strategic Priority Four

Tribal

- Projects sponsored by tribal governments, tribally designated housing entities or tribal corporate entities.

Strategic Priorities Community Development Initiative

Strategic Priority Five

Community Development Initiative

- Projects that contribute to active implementation of a Community Development Initiative

A. **Community Development Initiative (3 points):**

1. ☐ Project contributes to active implementation of a Community Development Initiative to address locally identified needs and priorities, with active engagement by local stakeholders. The initiative can be created by, and involve engagement from, a wide variety of public and private local community development partners such as cities, counties, employers, private foundations, public housing authorities, or other community stakeholders. The plan must contain more components than the project itself. Documentation must be provided that addresses four requirements for the Community Development Initiative:

   a. Targeted Geographic Area and Map
   b. Current implementation plan with goals or outcomes specific to the need identified by the initiative
   c. Affordable housing as a key strategy of the initiative
   d. A list of stakeholders, including their role in active implementation of the initiative

Strategic Priorities Preservation

Strategic Priority Six

Preservation

- Projects that preserve existing federally assisted housing or other critical affordable housing

Applicants must meet one of the following thresholds:

- 5(A)(1)Risk of Loss Due to Market Conversion
- 5(A)(2)Risk of Loss Due to Critical Physical Needs
- 5(A)(3)Risk of Loss Due to Ownership Capacity/Program Commitment

Additionally, applicants must be eligible for one of the following criteria to meet this threshold:

- 5(B)(1)Existing Federal Assistance – Tier 1 – project based rental assistance/operating subsidies
- 5(B)(2)Existing Federal Assistance – Tier 2
- 5(B)(3) Critical Affordable Units at Risk of Loss

Strategic Priorities
Supportive Housing

Strategic Priority Seven

Supportive Housing

- Projects that will serve People with Disabilities (PWD) or High Priority Homeless (HPH) households

B. Permanent Supportive Housing for High Priority Homeless (HPH)[4] (7 to 22 points):

1. A minimum of 5% of the total units, but no fewer than four units are set aside and rented to High Priority Homeless who are households prioritized for permanent supportive housing by the Coordinated Entry System[5] (HPH Units) and targeted to the populations indicated below. Select one and complete the unit count below:

C. People with Disabilities (PWD) (7 to 10 points):

1. Select the number of units set aside for people with disabilities:

Strategic Priorities
Tax-Exempt Bond Allocation

Strategic Priority Eight

Tax-exempt Bond Allocation

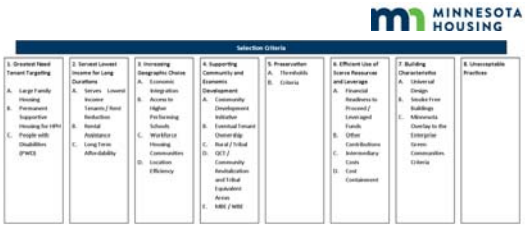
- Projects financed with an allocation of tax-exempt bonds

Strategic Priorities
Minimum Point Requirement

Strategic Priority Nine

Minimum Point Requirement

- Projects that are eligible for a minimum of 70 points



Selection Categories and Scoring Criteria

Selection Categories Overview

Overview

Eight Categories

- Greatest Needs Tenant Targeting
- Serves Lowest Income for Long Durations
- Increasing Geographic Choice
- Supporting Community and Economic Development
- Preservation
- Efficient Use of Scarce Resources
- Building Characteristics
- Unacceptable Practices

Selection Categories Greatest Need Tenant Targeting

Three scoring categories

- Large Family Housing
- Permanent Supportive Housing for High Priority Homeless
- Supportive Housing/People with Disabilities

Greatest Need Tenant Targeting
Large Family Housing

A. Large Family Housing (5 to 7 points):

1. **Large Family Housing** - The proposal is for a project that provides family housing that is not restricted to persons 55 years old or older. The owner agrees to market to families with minor children. Select all that apply:

a. ☐ At least 75% of the total assisted[3] units contain two or more bedrooms. **(5 points)**

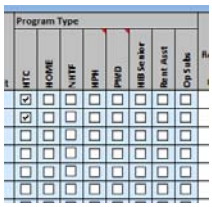
Number of units with
2 Bedrooms_____
3 Bedrooms_____
4 Bedrooms_____

b. ☐ For Greater Minnesota proposals if eligible under 1. a. above, at least one-third of the 75% contain three or more bedrooms. **(2 points)**

Number of units with
3 Bedrooms_____
4 Bedrooms_____

Greatest Need Tenant Targeting
Large Family Housing Continued

- Calculation based on the number of assisted units
- Minnesota Housing will validate units with the Workbook



Greatest Need Tenant Targeting
Permanent Supportive Housing for High Priority Homeless

B. Permanent Supportive Housing for High Priority Homeless (HPH)[4] (7 to 22 points):

1. A minimum of 5% of the total units, but no fewer than four units are set aside and rented to High Priority Homeless who are households prioritized for permanent supportive housing by the Coordinated Entry System[5] (HPH Units) and targeted to the populations indicated below. Select one and complete the unit count below:

a. ☐ 50% to 100%, but no fewer than 20 units **(20 points)**
Number of units _____

b. ☐ 10% to 49.99%, but no fewer than 7 units **(10 points)**
Number of units _____

c. ☐ 5% to 9.99%, but no fewer than 4 units **(7 points)**
Number of units _____

2. **Continuum of Care**
Proposals that are eligible for B. 1 above can claim this selection criterion if units will be available for populations consistent with local needs identified by the local Continuum of Care. (Published Priorities are available on Minnesota Housing's website at: **[insert link]**)

a. ☐ 5% of units or more, but no fewer than four units, targeted to Continuum of Care Household Type Priority One **(2 points)**
Number of units _____
Priority Type: _____
(Families with children, youth singles, youth with children or single adults)

Greatest Need Tenant Targeting
Permanent Supportive Housing for HPH Continued

- Calculation based on the number of total units
- Minnesota Housing will validate units with the Workbook
- HPH and PWD points cannot be claimed on the same units

Program Type								Rooms Per Unit	Total Rooms	Source of Rental Assistance or Operating Subsidy
HTC	HOME	NHTF	HPH	PWD	HIB Senior	Rent Asst	Op Subs			
☐	☐	☐	☑	☐	☐	☑	☐			Section 8

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Greatest Need Tenant Targeting
People with Disabilities (PWD)

C. **People with Disabilities (PWD) (7 to 10 points):**

1. Select the number of units set aside for people with disabilities:

   a. ☐ 15% to 25% of units, but not fewer than six units **(10 points)**
   Number of units _____

   b. ☐ 10% to 14.99% of units, but not fewer than five units **(9 points)**
   Number of units _____

   c. ☐ 5% to 9.99%, but no fewer than four units **(7 points)**
   Number of units _____

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Greatest Need Tenant Targeting
People with Disabilities (PWD) Continued

- Calculation based on the number of total units
- Minnesota Housing will validate units with the workbook
- PWD and HPH points cannot be claimed on the same units

Income Limit	Program Type								Rooms Per Unit	Total Rooms	Source of Rental Assistance or Operating Subsidy
	HTC	HOME	NHTF	HPH	PWD	HIB Senior	Rent Asst	Op Subs			
30% MTSP	☐	☐	☐	☐	☑	☐	☑	☐			Housing Support

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Selection Categories
Serves Lowest Income for Long Durations

Three scoring categories

- Serves Lowest Income Tenants/Rent Reduction
- Rental Assistance
- Long-term Affordability

Serves Lowest Income for Long Durations
Serves Lowest Income Tenants/Rent Reduction

A. Serves Lowest Income Tenants/Rent Reduction (8 to 13 points):

1. Eligibility is based on gross rent level, including utilities before rental assistance. Eligible units must have rents affordable to households whose incomes do not exceed 50% of MTSP income limits as published by HUD without rental assistance for the duration of the LURA. MTSP rent limits are available on Minnesota Housing's website.

   The applicant agrees to maintain the deeper rent structuring for which selection points are requested.

   This selection will restrict rents only (tenant incomes will not be restricted to the 50% income level by claiming this section).

   a. ☐ 100% of the restricted unit rents affordable to households with incomes at the county 50% HUD MTSP income limit **(13 points)**

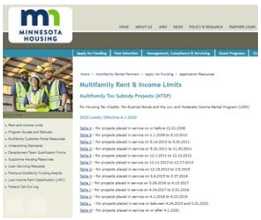
      Number of units _____

   b. ☐ At least 50% of the restricted unit rents affordable to households with incomes at the county 50% HUD MTSP income limit **(8 points)**

      Number of units _____

Serves Lowest Income for Long Durations
Serves Lowest Income/Rent Reduction Continued

- Calculation based on the number of assisted units
- Minnesota Housing will validate units with the Workbook
- Units cannot be claimed on units that have rental assistance



Serves Lowest Income for Long Durations
Rental Assistance

B. Rental Assistance (6 to 26 points):

1. Priority is given to an owner who submits with the application a **fully executed binding commitment** (i.e., binding Resolution/binding Letter of Approval from the governing body) for project-based rental assistance awarded in accordance with 24 CFR Ch. IX, Section 983.51 or which is effectively project-based by written contract. For the purposes of this category, project-based rental assistance is defined as a project-specific funding stream that supports the operations of the property, reduces the tenant rent burden, and provides for the tenant paid portion of rent to be no greater than 30% of household income.
2. Projects that are eligible under B. 1. a - f above and have rental assistance (as described above), that agree to further restrict units to households whose incomes do not exceed 30% of MTSP income limit for a 10 year period[9]. **Rental Assistance Commitment documentation must indicate that deeper income restrictions on project based units are allowable.**[10] Select one:
   - a. ☐ 75.1% to 100% of the total units **(7 points)**
     Number of units
   - b. ☐ 50.1% to 75% of the total units **(6 points)**
     Number of units_____
   - c. ☐ 25.1% to 50% of the total units **(5 points)**
     Number of units
   - d. ☐ 15.1% to 25% of the total units **(4 points)**
     Number of units _____

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Serves Lowest Income for Long Durations
Rental Assistance Continued

- Units must be marked as rental assistance in the Workbook
- Commitments must be fully binding
  - Commitments contingent on an award from Minnesota Housing are acceptable
  - Commitment subject to a third-party RFP to award vouchers are not acceptable

Program Type								Rooms Per Unit	Total Rooms	Source of Rental Assistance or Operating Subsidy
9% LIHTC	HOME	NHTF	HPRI	PWED	HHB-Senior	Rent Asst	Op Subs			
☐	☐	☐	☐	☐	☐	☑	☐			Housing Support
☐	☐	☐	☐	☐	☐	☑	☐			Section 8

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Serves Lowest Income for Long Durations
Long-Term Affordability

C. Long Term Affordability (3 to 9 points):

1. The owner agrees that the Qualified Contract provisions of IRC §§ 42(h)(6)(E)(i)(II) and 42(h)(6)(F) (which provision would permit the owner to terminate the restrictions under this agreement at the end of the compliance period in the event Minnesota Housing does not present the owner with a qualified contract for the acquisition of the project) do not apply to the project and, where applicable, agrees to extend the long-term affordability of the project by extending the term of the LURA beyond 30 years (beginning on the first day of the compliance period in which the building is a part of a qualified low income housing project). Select one:
   - a. ☐ Extend the term of the LURA and waive the right to Qualified Contract for a minimum of 40 years. **(9 points)**
   - b. ☐ Extend the term of the LURA and waive the right to Qualified Contract for a minimum of 35 years. **(8 points)**
   - c. ☐ Waive the right to Qualified Contract for a minimum of 30 years. (4% projects only) **(7 points)**
   - d. ☐ Waive the right to Qualified Contract for a minimum of 25 years. (4% projects only) **(3 points)**

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Selection Categories
Increasing Geographic Choice

Four scoring categories

- Economic Integration
- Access to Higher Performing Schools
- Workforce Housing Communities
- Location Efficiency

Areas of Opportunity
Economic Integration

A. Economic Integration (2 to 9 points):

1. Projects that meet the requirements under economic integration include (select one):

   a. ☐ Provides the project economic integration by providing at least 25% but not greater than 80% of the total units in the project as qualified assisted low-income units (does not include full-time manager or other common space units). **(2 points)**

   Number of units _____

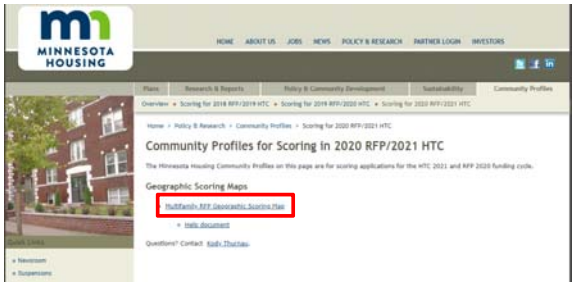
   b. Promotes economic integration for projects that are located in higher income communities that are in the Twin Cities 7-County Metropolitan Area and areas in or around Duluth, Rochester and St. Cloud. First and second tier economic integration areas are outside of racially and ethnically concentrated areas of poverty.

      i. ☐ **First Tier** - The proposed housing is located in a first tier census tract **(9 points)**

      ii. ☐ **Second Tier** - The proposed housing is located in a second tier census tract **(7 points)**

Areas of Opportunity
Economic Integration Continued

www.mnhousing.gov > Policy & Research > Community Profiles



Areas of Opportunity
Access to Higher Performing Schools

B. Access to Higher Performing Schools (4 points):

1. Projects serving families in locations that will provide access to higher performing schools must have at least 25% of total assisted units, with a minimum of 15 units, contain two or more bedrooms, and the owner agrees to market the units to families with minor children. Eligible areas are in the Twin Cities 7-County Metropolitan Area and areas in and around Duluth, Rochester and St. Cloud.

   a. ☐ The proposed housing will serve families and is located in an area considered to have Access to Higher Performing Schools **(4 points)**

   Number of units to be marketed to families with minor children:
   2 Bedrooms: ____
   3 Bedrooms: ____
   4 Bedrooms: ____

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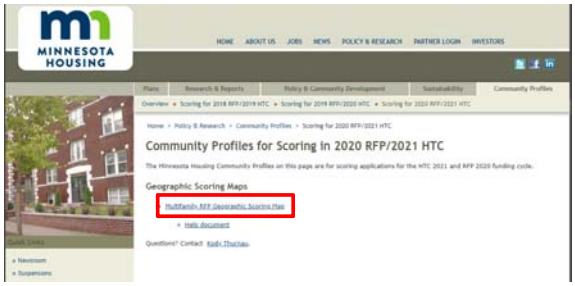
Areas of Opportunity
Higher Performing Schools Continued

www.mnhousing.gov > Policy & Research > Community Profiles



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Areas of Opportunity
Workforce Housing Communities

C. Workforce Housing Communities (3 to 6 points):

1. Projects located in or near a city or township needing workforce housing (communities having a large number of jobs or job growth, individual employer growth, or having a large share of their workforce commuting long distances, as outlined in the Workforce Housing Communities Methodology). Select one:

   a. ☐ The proposed housing is in a Top Job Center or Net Five Year Job Growth Community **(6 points)**

   b. ☐ The proposed housing is in an Individual Employer Growth community where an individual employer has added at least 100 net jobs (for permanent employees of the company) during the previous five years, as evidenced by documentation signed by an authorized representative of the company, subject to validation by Minnesota Housing **(6 points)**

   c. ☐ The proposed housing is in a Long Commute Community **(3 points)**

In the Twin Cities 7-County Metropolitan Area, project locations must be within five miles of a workforce housing city or township. In Greater Minnesota, project locations must be within ten miles of a workforce housing city or township.

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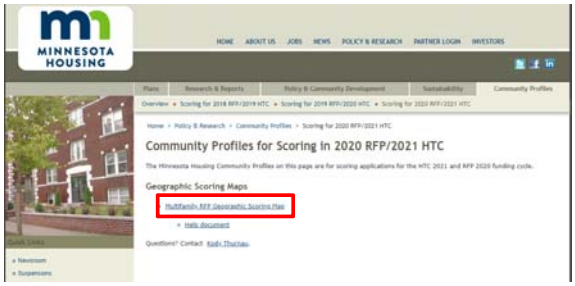
Areas of Opportunity
Workforce Housing Communities Continued

www.mnhousing.gov > Policy & Research > Community Profiles



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Areas of Opportunity
Location Efficiency

Two key components

- Access to Fixed Transit
- Walkability

Three geographic categories

- Metropolitan Area
- Greater Minnesota Urbanized Areas
- Greater Minnesota Rural and Small Urban Areas

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Areas of Opportunity
Location Efficiency Continued

D. **Location Efficiency (1 to 9 points):**

1. For projects in the **Twin Cities 7-County Metropolitan Area**, indicate whether the project will promote location efficiency based on access to transit and walkability.

   a. Access to Transit: To claim access to transit in the Twin Cities 7-County Metropolitan Area, a project must be (select one):

      i. ☐ Located within one half mile of a planned[11] or existing LRT, BRT, or commuter rail station **(7 points)**;

      ii. ☐ Located within one quarter mile of a fixed route stop on Metro Transit's Hi-Frequency Network **(4 points)**

      iii. ☐ Located within one quarter mile of a high service[12] public transportation fixed route stop **(2 points)**;

      iv. ☐ Located within one half mile of an express bus route stop **(2 points)**

      v. ☐ Located within one half mile of a park and ride facility **(2 points)**

   b. Walkability: To claim walkability in the Twin Cities 7-County Metropolitan Area, a project must be (select one):

      i. ☐ Located in an area with a Walk Score of 70 or more according to www.walkscore.com **(2 points)**

      ii. ☐ Located in an area with a Walk Score between 50 and 69 according to www.walkscore.com **(1 point)**

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Areas of Opportunity
Location Efficiency Continued

2. For projects in **Greater Minnesota**, choose from **urbanized areas** and **rural and small urban areas**. Urbanized areas, according to the U.S. Census are places with populations greater than 50,000, and are defined by the Minnesota Department of Transportation (MnDOT)[13] as areas in and around Duluth, East Grand Forks, La Crescent, Rochester, Moorhead, Mankato and St. Cloud. Rural and small urban areas are places with populations fewer than 50,000.

   a. Urbanized Areas (population greater than 50,000):
      i. Access to Transit: To claim access to transit, a project in Greater Minnesota must be (select one, see the Location Efficiency Methodology to determine points):

         1. ☐ Located within one quarter mile of a planned [14]or existing public transportation fixed route stop **(7 points)**;

         2. ☐ Located between one quarter mile and one half mile of a planned or existing public transportation fixed route stop **(4 points)**;

         3. ☐ Located less than one half mile of an express bus route stop or park and ride lot **(4 points)**

      ii. Walkability: To claim walkability, a project in Greater Minnesota must be (select one):

         1. ☐ Located in an area with a Walk Score of 70 or more according to www.walkscore.com **(2 points)**;

         2. ☐ Located in an area with a Walk Score between 50 and 69 according to www.walkscore.com **(1 point)**

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Areas of Opportunity
Location Efficiency Continued

b. Rural and Small Urban Areas (population fewer than 50,000). For rural and small urban areas, applicants may claim Location Efficiency by having access to route deviation service or demand response/dial-a-ride, and walkability. Route deviation service is different from fixed route transit in that the vehicle may leave its predetermined route upon request by passengers to be picked up or returned to destinations near the route, after which the vehicle returns to the predetermined route. Passengers may call in advance for route deviations similar to that of demand response/dial-a-ride or access the service at designated route stops without advanced notice. Demand response usually involves curb-to-curb or door-to-door service with trips scheduled in advance (also known as "Dial-A-Ride").

   Go to MnDOT's website (http://www.dot.state.mn.us/transit/riders/index.html) to locate a project's transit service provider.

   i. Access to Transit: To claim access to transit, a project in Greater Minnesota must be (select one):

      1. ☐ Located within one half mile of an existing or planned[15] designated stop that has service every 60 minutes OR within one half mile of a commuter rail station OR served by demand response/dial-a-ride with same day service available. **(7 points)**

      2. ☐ Served by demand response/dial-a-ride with prior day notice. **(4 points)**

      3. ☐ The proposed housing has access to demand response/dial-a-ride service not meeting the scheduling terms above **(2 points)**

   ii. Walkability: To claim walkability, a project in Greater Minnesota must be (select one):

      1. ☐ Located in an area with a Walk Score of 50 or more according to www.walkscore.com **(2 points)**

      2. ☐ Located in an area with a Walk Score between 35 – 49 according to www.walkscore.com **(1 point)**

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Supporting Community and Economic Development

Five scoring categories

- Community Development Initiative
- Eventual Tenant Ownership
- Rural/Tribal
- QCT/Community Revitalization and Tribal Equivalent Areas
- MBE/WBE

April 2020 Minnesota Housing | mnhousing.gov 51

Supporting Community and Economic Development
Community Development Initiative

- Applicants must submit:
  - Map
  - Copy of the plan or initiative
  - Stakeholder list
  - Additional supporting documentation required for projects in a Qualified Census Tract (QCT)
- Community Development Initiative Narrative

REQUIRED	DESCRIPTION OF REQUIREMENT	REQUIRED DOCUMENTATION
1. Targeted Geographic Area + Map	A Targeted Geographic Area and map of the area. The Targeted Geographic Area boundaries must be larger than the proposed rental project site, yet within a measurable impact area. For larger geographic areas, the Targeted Area must be small enough that one municipality or county (or a small conglomerate of municipalities or counties) can exercise jurisdiction over it.	Yes
2. Current implementation plan with goals or outcomes specific to the need identified by the initiative	Include milestones or steps of the plan that have been: 1. Completed 2. Underway 3. Planned	Yes
3. Affordable housing as a key strategy	Affordable housing is identified as a key strategy of the initiative.	Yes
4. Stakeholder List and Role	Provide a list of local stakeholders involved and a description of their role in the active implementation of the initiative.	Yes
REQUIRED FOR PROJECTS IN A QCT		
5. Public or Private Investment (non-housing)	Demonstrated strategy for obtaining commitments of public or private investment (or both) in non-housing infrastructure, amenities, or services that could include, but is not limited to: • Commercial/retail development • Economic development • Education-related initiatives/development • Environmental clean-up • Public works/infrastructure • Parks, green space and recreation • Transit-oriented development or transit initiatives	Required if the project is in a QCT

Supporting Community and Economic Development
Community Development Initiative

1. Targeted Geographic Area + Map	A Targeted Geographic Area and map of the area. The Targeted Geographic Area boundaries must be larger than the proposed rental project site, yet within a measurable impact area. For larger geographic areas, the Targeted Area must be small enough that one municipality or county (or a small conglomerate of municipalities or counties) can exercise jurisdiction over it.	Yes

2. Describe the boundaries of the targeted geographic area (include a map as supporting documentation). Geographic boundaries of the targeted geographic area must be identified by the plan or initiative. Qualifying plans or initiatives in small communities may encompass the entire community or region, although the plan's targeted geographic area should be a subset of the community or region.

Page number(s) in plan for reference:

Supporting Community and Economic Development
Community Development Initiative

2. Current implementation plan with goals or outcomes specific to the need identified by the initiative	Include milestones or steps of the plan that have been: 1. Completed 2. Underway 3. Planned	Yes

4. Provide a timeline of current implementation activities. Include dates for milestones or steps of the plan or initiative that have been completed, are underway, and/or are planned. Provide key dates for implementation steps, including activities that run past the anticipated selection date.

Page number(s) in plan for reference:

Supporting Community and Economic Development Community Development Initiative

3. Affordable housing as a key strategy	Affordable housing is identified as a key strategy of the initiative.	Yes

1. Describe the objectives of the initiative or plan, including how affordable housing is a key strategy. The initiative or plan should respond to a crisis or opportunity for the community to pursue various community, economic, educational or transit oriented objectives for the target geography. The initiative or plan must be larger in scope than the proposed housing development itself and include housing that is affordable.

Page number(s) in plan for reference:

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Supporting Community and Economic Development Community Development Initiative

4. Stakeholder List and Role	Provide a list of local stakeholders involved and a description of their role in the active implementation of the initiative.	Yes

3. Describe the stakeholder list and role. Include a list of various local stakeholders and each stakeholder's role.

Page number(s) in plan for reference:

April 2020 Minnesota Housing | mnhousing.gov 56

Supporting Community and Economic Development Community Development Initiative

REQUIRED FOR PROJECTS IN A QCT		
1. Public or Private Investment (non-housing)	Demonstrated strategy for obtaining commitments of public or private investment (or both) in non-housing infrastructure, amenities, or services that could include, but is not limited to: • Commercial/retail development • Economic development • Education-related initiatives/development • Environmental clean-up • Public works/infrastructure • Parks, green space and recreation • Transit-oriented development or transit initiatives	Required if the project is in a QCT

5. **For projects in a Qualified Census Tract (QCT):** Describe public or private investment and how they will contribute to an added benefit to the neighborhood outside of the project itself. Outline key investments, in kind, or other financial contributions that have been made or are pending. Investments should include activities other than the proposed housing development itself. Include the dates for investments, activities, etc.

Page number(s) in plan for reference:

April 2020 Minnesota Housing | mnhousing.gov 57

Supporting Community and Economic Development Community Development Initiative

Examples of initiatives or plans

- Neighborhood plans
- County plans
- Comprehensive plans (as long as the Community Development Initiative Narrative is completed)

Not eligible

- Housing studies
- Market studies

Supporting Community and Economic Development Eventual Tenant Ownership

- Only available for tax credit projects
- Must meet the requirements listed in the Eventual Tenant Ownership (ETO) Guide

B. Eventual Tenant Ownership (1 point):

1. ☐ Projects with detached single-family units are eligible for homeowner conversion. The project owner must submit a preliminary conversion plan with their application that is consistent with the requirements of the Eventual Tenant Ownership (ETO) Guide. The plan must address the transfer of 100% of the HTC unit ownership after the end of the 15-year compliance period from the initial ownership entity (or Minnesota Housing approved "Transfer of Ownership" entity) of the project to tenant ownership. **(1 point)**

Supporting Community and Economic Development Rural / Tribal

C. Rural/Tribal (10 points):

Projects located in Rural/Tribal Designated Areas outside of the Twin Cities 7-County Metropolitan Area and areas in and around Duluth, Rochester and St. Cloud.

1. ☐ The proposed housing is located in a census tract eligible as a Rural/Tribal Designated Area outside of the Twin Cities 7-County Metropolitan Area. **(10 points)**

- No supporting documentation required

Supporting Community and Economic Development
QCT / Community Revitalization and Tribal Equivalent Areas

- Located in a QCT Community Revitalization Area or Tribal Equivalent Area
- Must also receive Community Development Initiative points

D. QCT/Community Revitalization and Tribal Equivalent Areas (3 points):

1. ☐ The proposed housing is located in a QCT Community Revitalization Area or a Tribal Equivalent Area **(3 points)**

   To be eligible for the QCT/Community Revitalization criterion, the project must be located in a Qualified Census Tract (See Qualified Census Tract – Reference Materials Index) and be part of a concerted plan that provides for community revitalization consistent with the definition described in the Community Development Initiative selection criteria.

Supporting Community and Economic Development
MBE/WBE

E. Minority-owned/Women-owned Business Enterprise (MBE/WBE) (4 points):

1. ☐ The project sponsor, executive director of a non-profit, general contractor, architect, or management agent is a MBE/WBE[16], as certified by the owner. **(4 points)**

- One or more of the following are at least 51% minority or women owned:
  - Sponsor, executive director of a nonprofit, general contractor, architect, management agent
- Not eligible:
  - Managers, board composition

Preservation Thresholds

Risk of Loss Thresholds

- Market Conversion
- Critical Physical Needs
- Owner Capacity/Commitment

Preservation Thresholds

Scoring Criteria

- Existing Federal Assistance – Tier I – Project-based Rental Assistance/Operating Subsidies
- Existing Federal Assistance – Tier 2
- Critical Affordable Units at Risk of Loss

Efficient Use of Scarce Resources and Leverage

Four scoring categories

- Financial Readiness to Proceed/Leveraged Funds
- Other Contributions
- Intermediary Costs
- Cost Containment

Efficient Use of Scarce Resources and Leverage Financial Readiness to Proceed/Leveraged Funds

A. Financial Readiness to Proceed/Leveraged Funds (4 to 16 points):

1. Applicants who have secured funding commitments for one or more **permanent capital funding sources** at the time of application must count the source in this calculation. Funding from Minnesota Housing and Funding Partners (i.e., Greater Minnesota Housing Fund, Metropolitan Council Local Housing Incentive Account) can only be included in the calculation if it was committed in a previous funding cycle/round.

Total eligible funding secured, awarded or committed (excluding amortizing first mortgage financing net of the Tax Increment Financing (TIF) portion, if applicable, any anticipated proceeds from the current HTC request, and sales tax rebate[17]) **$_____divided by Total Development Cost** (excluding amortizing first mortgage financing net of the Tax Increment Financing (TIF) portion, if applicable, any anticipated proceeds from the current HTC request, and sales tax rebate) **$_____ equals Percentage of Funds Committed _____% (round to nearest tenth):**

Efficient Use of Scarce Resources and Leverage Financial Readiness to Proceed/Leveraged Funds

- Use the Scoring Calculation Worksheet linked on page 15 of the Scoring Guide

MINNESOTA HOUSING — Scoring Calculation Worksheet

Instructions: White cells are fillable. Refer to the Self-scoring Worksheet and Scoring Guide for documentation requirements to count sources of funding.

(Name of Project)

Level of Funding Secured:	#DIV/0!
Step 1: Sources	
List each permanent source of funds that meets the commitment requirements:	**Amount**
ex. First Mortgage	$ 1,000,000
Total Committed Sources	**$1,000,000**
Step 2: Project Information	
Total Development Costs (TDC)	
Syndication Proceeds	
First Mortgage (excluding the TIF)	
Sales Tax Rebate (see calculation below)	$0
TDC minus 1st, proceeds	$0
Percentage	**#DIV/0!**
Sales Tax Rebate (applicable for nonprofit owners only)	
Construction Costs - GC Contract Only - Line 35 of Development Summary Tab in the Workbook	
40% of Construction Costs	$0
Contingency - Line 40 of the Development Summary Tab in the Workbook	$0
Local Sales Tax Rate	
Total Sales Tax Rebate	**$0**

Efficient Use of Scarce Resources and Leverage Financial Readiness to Proceed/Leveraged Funds

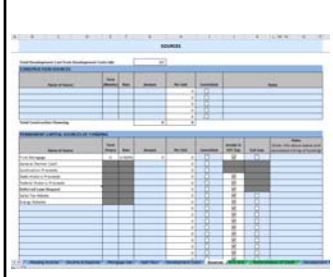
MINNESOTA HOUSING — Scoring Calculation Worksheet

Instructions: White cells are fillable. Refer to the Self-scoring Worksheet and Scoring Guide for documentation requirements to count sources of funding.

ABC Project

Level of Funding Secured:	81.95%
Step 1: Sources	
List each permanent source of funds that meets the commitment requirements:	**Amount**
XYZ Bank - First Mortgage	$ 1,500,000
Hennepin County HOME Funds	$ 250,000
Developer Cash	$ 160,000
LMN Business Contribution	$ 80,000
Total Committed Sources	**$1,930,000**
Step 2: Project Information	
Total Development Costs (TDC)	$4,500,000
Syndication Proceeds	$2,000,000
First Mortgage (excluding the TIF)	$20,000
Sales Tax Rebate (see calculation below)	$124,800
TDC minus 1st, proceeds	$2,355,200
Percentage	**81.95%**
Sales Tax Rebate (applicable for nonprofit owners only)	
Construction Costs - GC Contract Only - Line 35 of Development Summary Tab in the W	$3,850,000
40% of Construction Costs	$1,540,000
Contingency - Line 40 of the Development Summary Tab in the Workbook	$300,000
Local Sales Tax Rate	6.500%
Total Sales Tax Rebate	**$124,800**

Efficient Use of Scarce Resources and Leverage Financial Readiness to Proceed/Leveraged Funds



Efficient Use of Scarce Resources and Leverage Other Contributions

B. Other Contributions (2 to 10 points):

1. For projects that receive **non-capital contributions**. Contributions can come from any entity including the federal government; a local unit of government; an area employer; and/or a private philanthropic, religious or charitable organization. Calculate your total using the formula below, and then select the appropriate option.

   Total "Other" non-capital funding contributions and sources $_____ divided by Total Development Cost $_____ equals Other Contributions (rounded to the nearest tenth):

Efficient Use of Scarce Resources and Leverage Intermediary Costs

C. Intermediary Costs (1 to 6 points):

1. Intermediary costs are third-party service costs related to the project development. Excluded costs are Park Dedication Fees, Surveys, Soil Borings, Payment and Performance Bond Premium, Sewer-Water Access Charge, Furnishing and Equipment, and Hazard and Liability Insurance.

   Projects with the lowest intermediary costs on a sliding scale based on percentage of total development costs. For selected projects, this percentage will be enforced at the time of closing for deferred loans or at issuance of the IRS Form 8609 for HTC developments. Calculate your total using the formula below.

   Intermediary cost amount $_____ divided by Total Development Costs $_____ Equals Intermediary Percentage _____% (rounded to the nearest tenth):

Efficient Use of Scarce Resources and Leverage Cost Containment

D. Cost Containment (6 points):

1. ☐ 50% of developments with the lowest costs within each development type/location group will receive priority (subject to the methodology described in Cost Containment Methodology.

   Applicants may claim this criterion and Minnesota Housing will review costs for all applications to confirm eligibility in the funding round. **(6 points)**

   A different process occurs for the second round of 9% HTC selections. For each of the four competition groups, the cost per unit of the proposal at the 50th percentile in Round 1 will determine the cut-off point or threshold for receiving points in Round 2.

NOTE: Proposals that believe they have contained their costs should select this criterion. Only proposals that claim cost containment and are awarded through the process described above will be eligible for cost containment.

Building Characteristics

Three scoring categories

- Universal design
- Smoke-free buildings
- Minnesota Overlay to the Enterprise Green Communities Criteria

Building Characteristics Universal Design

A. Universal Design (3 points):

1. A unit that includes all Minimum Essential Universal Design Features below, along with eight Optional Features for units in a new construction or adaptive re-use project, and four Optional Features for units in a rehabilitation project. Type A accessible units (as referenced in Minnesota Housing's Rental Housing Design and Construction Standards) also meet the definition of a Universal Design Unit.

   Select one:

   a. ☐ An elevator building with 100% of assisted units meeting the definition of a Universal Design Unit **(3 points)**; **OR**
   Number of units

   b. ☐ A non-elevator building with at least 10% of assisted units meeting the definition of a Universal Design Unit **(3 points)**
   Number of units

Building Characteristics Smoke Free Buildings

B. Smoke Free Buildings (1 point):

1. ☐ The projects will institute and maintain a written policy[19]* prohibiting smoking in all the units and all common areas within the building/s of the project. The project must include a non-smoking clause in the lease for every household. Projects awarded a point in this scoring criteria will be required to maintain the smoke-free policy for the term of the LURA. **(1 point)**

Building Characteristics
Minnesota Overlay to the Enterprise Green Communities Criteria

C. Minnesota Overlay to the Enterprise Green Communities Criteria (1 to 2 points):

As indicated in the Multifamily Intended Methods Worksheet, all multifamily projects must include all applicable "Mandatory" Criteria and meet the baseline minimum number of Optional Criteria points for the most current version of the Minnesota Overlay to the Enterprise Green Communities Criteria. More information on the Minnesota Overlay to the Enterprise Green Communities Criteria can be found on the Building Standards tab of the Minnesota Housing website.

1. ☐ For projects that include at least three times the minimum number of Optional Criteria points, in addition to the Required Mandatory Criteria, as outlined above and as indicated in the Multifamily Intended Methods Worksheet **(2 points)**
2. ☐ For projects that include at least two times the minimum number of Optional Criteria points, in addition to the Required Mandatory Criteria, as outlined above and as indicated in the Multifamily Intended Methods Worksheet **(1 point)**

Unacceptable Practices

8. Unacceptable Practices (-4 to -25 points)

Minnesota Housing will impose penalty points for unacceptable practices as identified in Chapter 2.G. of the HTC Program Procedural Manual.

MINNESOTA HOUSING

Questions?

Contact your assigned underwriter.

If applicants do not have an assigned underwriter, email TechnicalAssistanceRequest.mhfa@state.mn.us