2026-2027 Self-Scoring Worksheet

Housing Tax Credits and Deferred Projects[1]

Last Updated: November 2024

[1] Includes all 4% and 9% Housing Tax Credit (HTC) projects and deferred funds awarded through the annual Multifamily Consolidated Request for Proposals (RFP) as well as available financing throughout the year.

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Instructions and Requirements

The Self-Scoring Worksheet sets the selection criteria and funding priorities that Minnesota Housing will use to prioritize applications requesting 4% and 9% Housing Tax Credits (HTCs) and/or deferred funds that are selected through the Multifamily Consolidated Request for Proposals (RFP) or on a pipeline basis for available financing that may be available throughout the year.

Applicants must meet the requirements outlined in the Self-Scoring Worksheet, Qualified Allocation Plan (QAP), Scoring Guide, and Methodology Guide documents to be eligible for points. In the event of any conflict between the Self-Scoring Worksheet and the Scoring Guide or Methodology Guide, the Self-Scoring Worksheet controls. To submit the Self-Scoring Worksheet for an application, all applicants must use the Scoring Wizard in the Multifamily Customer Portal website. All documents referenced in this Self-Scoring Worksheet can be found on Minnesota Housing's website or in the Multifamily Customer Portal.

When selecting projects for funding in the Multifamily Consolidated RFP/HTC Round 1 and HTC Round 2, Minnesota Housing considers the total amount of points achieved in conjunction with such factors as feasibility, amount of total funding requested, available resources, geographic distribution and ability to complete the development in a timely manner.

A. Strategic Priority

1. All projects must meet at least one of the HTC statutory strategic priorities or a strategic objective contained in Minnesota Housing's current Strategic Plan as published on the Minnesota Housing website. Applicants must demonstrate how the project meets the Strategic Plan in the Multifamily Rental Housing Narrative.
2. Residential rental housing projects financed with an allocation of tax-exempt bonds under Minnesota Statutes, chapter 474A are the highest strategic priority for tax credits in accordance with Minnesota Statutes, section 462A.222, subdivision 3(d), and such projects are not required to meet a separate strategic priority.

B. Pre-Application

A pre-application may be required for specific selection preferences or selection criteria. The applicant must provide the required pre-application prior to the application deadline according to the due date established by Minnesota Housing and published on Minnesota Housing's website. Failure to submit required pre-application materials may result in rejection of the pre-application.

C. Preference for Eventual Tenant Ownership

HTC projects are eligible for homeowner conversion. These projects will receive a preference during the selection process when reviewing tie breakers. The Declaration of Land Use Restrictive Covenants (LURA) may contain provisions ensuring compliance with these ETO commitments by the owner, including a right of first refusal allowing tenants to purchase their units.

☐ The project will have an ETO component and agrees to follow the requirements of the ETO Guide.

D. Minimum Point Requirements

1. Requests for Minnesota Housing-administered 9% HTCs from the state's HTC credit ceiling must demonstrate the project is eligible for no fewer than 80 points, excluding projects funded through the Rural Development/Small Projects set-aside.
2. Requests for Minnesota Housing-administered 4% HTCs in association with tax-exempt volume limited bonds must demonstrate the project is eligible for no fewer than 40 points.
3. Minnesota Housing reserves the right to reject applications not meeting its project selection requirements as contained in the QAP, to revise proposal features and associated scoring and to help ensure the project meets the requirements.

E. Claiming of Points

An award and/or allocation is based upon the information provided in the application. The project is required to comply with all selection criteria that are claimed and awarded. This includes any due diligence/reporting requirements after selection and for the term of the declaration. Failure to comply could result in the loss of the award and/or allocation as well as the assessment of penalty points.

F. Documentation of Points

Scoring is submitted in the Multifamily Customer Portal via the Scoring Wizard. In the Scoring Wizard, mark the selection criteria expected for your project. **Where indicated in the Minnesota Housing Self-Scoring Worksheet, the applicant must also submit documentation that clearly supports the points claimed. Refer to the Scoring Guide and Multifamily Customer Portal for additional details. Minnesota Housing will determine the eligible points; points may not be awarded unless the required documentation is provided along with the application to justify the points claimed.**

During the competitive process, Minnesota Housing's review of the submitted Self-Scoring Worksheet is only to validate that the points claimed are eligible, to reduce points claimed if not eligible and to determine points awarded. Minnesota Housing will not award additional points that are not initially claimed by the applicant. Many performance obligations are created by the claiming of certain scoring points. As such, Minnesota Housing will not assume the position of creating any such performance obligations on behalf of the applicant.

G. Documentation of Units

In the Scoring Wizard, mark the number of units for each selection criteria expected for your project. Minnesota Housing will not award points if the necessary number of units is not included in the Self-Scoring Worksheet. The number of units will also be validated in the Multifamily Workbook and may result in a loss of points if the documentation is not consistent. When calculating a percentage for the criterion, all units must be rounded up to the next full unit.

H. Extended Duration

Request for Minnesota Housing-administered HTCs from the state’s HTC credit ceiling and in association with tax-exempt volume limited bonds must maintain the low-income use for a minimum of 30 years or longer, if a longer duration is selected. The owner agrees that the Qualified Contract provisions of Internal Revenue Code, sections 42(h)(6)(E)(i)(II) and 42(h)(6)(F) (which provisions would permit the owner to terminate the LURA 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 the owner also agrees the Section 42 income, rental and occupancy restrictions must apply for the term of the LURA.

I. Design Standards

The project must meet the requirements in the Minnesota Housing Rental Housing Design/Constructions Standards. Additional design requirements will be imposed if points are claimed/awarded that require specific design elements (e.g., Innovative Construction Techniques, Universal Design, Enhanced Sustainability).

J. Declarations

1. A LURA covering the income and rent restrictions and occupancy requirements presented at selection may be recorded against the property.
2. A deferred loan declaration covering the income and rent restrictions and occupancy requirements presented at selection may be recorded against the property.

K. Deeper Rent Targeting

All applicants must meet the minimum deeper rent targeting unit requirements outlined below.

1. Requests for Minnesota Housing deferred financing or Minnesota Housing-administered HTCs from the state’s credit ceiling or in association with tax-exempt volume limited bonds must restrict at least 2% of the total units, with a minimum number of one unit, to rents at or below the county 30% Multifamily Tax Subsidy Project (MTSP) rent limit. Units with project-based rental assistance count toward this requirement. Projects where 100% of the units include project-based rental assistance are exempt from this requirement.

   Number of Units: _____

2. Requests for Minnesota Housing deferred financing or Minnesota Housing-administered HTCs from the state’s credit ceiling or in association with tax-exempt volume limited bonds must restrict at least 3% of the total units, with a minimum number of one unit, to rents at or below the Housing Assistance Payment (HAP) payment standard as determined by the responsible entity in the jurisdiction. The units must generally be evenly distributed by bedroom type. Projects that are 100% project-based rental assistance or are located on Tribal Reservations, Dakota Communities and Tribal trust lands are exempt from this requirement.

   0 Bedroom Units: _____
   1 Bedroom Units: _____
   2 Bedroom Units: _____
   3 Bedroom Units: _____
   4 Bedroom Units: _____
   5 Bedroom Units: _____
   6 Bedroom Units: _____

   Total Number of Units: _____

L. Hold Harmless Provision

Applicants that apply but that are not selected for funding in the 2025 Multifamily Consolidated RFP/2026 HTC Round 1 and/or 2026 HTC Round 2 (First Cycle) can reapply in the 2026 Multifamily Consolidated RFP/2027 HTC Round 1 and/or 2027 HTC Round 2 (Second Cycle) using EITHER the scores from the First Cycle OR new scores from the Second Cycle for the Increasing Housing Choice selection criteria (3.A, 3.B, and 3.C). Applicants may not mix and match scores from the First Cycle and scores from the Second Cycle.

Round 1 – Minimum Threshold Requirements

In accordance with Minnesota Statutes, section 462A.222, subdivision 3(e), all 9% HTC applications submitted statewide in HTC Round 1 must meet one of the following threshold types. Please indicate the threshold item your project meets:

A. In the Metropolitan Area[2]

1. ☐ New construction or Substantial Rehabilitation in which, for the term of the extended use period (term of the LURA), 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);
2. ☐ New construction or Substantial Rehabilitation family housing projects that are not restricted to persons 55 years old or older in which, for the term of the extended use period (term of the LURA), 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;
3. ☐ Substantial Rehabilitation projects in neighborhoods targeted by the city for revitalization;

B. Outside the Metropolitan Area

1. ☐ 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;

C. People with Disabilities (Inside or Outside Metropolitan Area)

1. ☐ 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 persons:
   a. With a serious and persistent mental illness as defined in Minnesota Statutes, section 245.462, subdivision 20, paragraph (c);
   b. With a developmental disability as defined in the United States Code, Title 42, Section 6001, paragraph (8), as amended through December 31, 1990;

[2] As set out in Minnesota Statutes, section 473.121, subdivision 2, Metropolitan Area means the area over which the Metropolitan Council has jurisdiction, including the counties of Anoka, Carver, Dakota (excluding the cities of Northfield and Cannon Falls), Hennepin (excluding the cities of Hanover and Rockford), Ramsey, Scott (excluding the city of New Prague) and Washington.

c. Who have been assessed as drug dependent persons as defined in Minnesota Statutes, section 254A.02, subdivision 5, and are receiving or will receive care and treatment services provided by an approved treatment program as defined in Minnesota Statutes, section 254A.02, subdivision 2;
d. With a brain injury as defined in Minnesota Statutes, section 256B.093, subdivision 4, paragraph (a);
e. With permanent physical disabilities that substantially limit major life activities, if at least 50% of the units in the project are accessible as provided under Minnesota Rules, chapter 1341;

NOTE:

- Minnesota Housing considers accessible units to be Type A and/or Type B units as identified in the referenced Chapter 1341, also known as the Minnesota Accessibility Code.
- This definition is not limited to persons with mobility impairment.

D. Preserve Existing Subsidized Housing (Inside or Outside Metropolitan Area)

1. ☐ Projects, whether or not restricted to persons of a particular age group, which preserve existing subsidized housing, if the use of HTCs 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; **OR**

E. Rural Development (Inside or Outside Metropolitan Area)

1. ☐ Projects financed by United States Department of Agriculture (USDA) Rural Development (RD), which meet statewide distribution goals.

2026 – 2027 Housing Tax Credit and Deferred Funding Selection Criteria

1. Greatest Need Tenant Targeting

A. Large Family Housing (12 to 15 Points)

1. 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 units contain two or more bedrooms and at least one-third of the 75% contain three or more bedrooms. **(12 points)**
      Number of units with:
      2 Bedrooms: _____
      3 Bedrooms: _____
      4 Bedrooms: _____
      5 Bedrooms: _____
      6 Bedrooms: _____

   b. ☐ If eligible under 1.a. above, at least one-third of three or more bedrooms required above must contain four or more bedrooms. **(3 points)**
      Number of units with:
      4 Bedrooms: _____
      5 Bedrooms: _____
      6 Bedrooms: _____

B. Senior Housing (2 to 8 Points)

1. The proposal is for a project that provides housing that is restricted to persons 55 years of age or older.

   a. ☐ Select one:
      i. ☐ 100% of the total units **(4 points)**
         Number of Units: _____
      ii. ☐ 90% to 99.99% of the total units **(3 points)**
         Number of Units: _____
      iii. ☐ 80% to 89.99% of the total units **(2 points)**
         Number of Units: _____

b. ☐ Projects eligible under 1.a. above that agree to restrict the units to households with incomes at or below the county 30% MTSP income limit. The applicant agrees that if units are occupied by households without rental assistance, the gross rents, including an allowance for tenant-paid utilities, will be restricted to at or below the county 30% MTSP rent limit.

Select one:

i. ☐ 30% to 100% of the total units **(4 points)**
Number of Units: _____
ii. ☐ 20% to 29.99% of the total units **(3 points)**
Number of Units: _____
iii. ☐ 10% to 19.99% of the total units **(2 points)**
Number of Units: _____
iv. ☐ 5% to 9.99% of the total units **(1 point)**
Number of Units: _____

NOTE: The Senior Housing selection criterion 1.B.1.b. cannot be claimed for units that are claimed under the Rental Assistance selection criterion 2.B. Further Restricting Rental Assistance.

C. Permanent Supportive Housing for Households Experiencing Homelessness (7 to 37 Points)

1. High Priority Homeless (HPH)[3] **(7 to 30 Points)**

[3] **Specific performance requirement relief provisions are available for projects eligible for the Permanent Supportive Housing for High Priority Homeless selection criterion for "HPH Units."** Reference Chapter 6.A. of the QAP for additional details. Specific performance requirements may be incorporated into the LURA and deferred loan documents recorded with the property. Alternative referral and prioritization options are available with approval from Minnesota Housing when there is not an eligible household on the Coordinated Entry waiting list. Reference the relief provisions in Chapter 6.A. of the QAP for additional details.

A minimum of 5% of the total units, but no fewer than four units, are set aside for and rented to High Priority Homeless households, who are households prioritized for permanent supportive housing by the Coordinated Entry System[4] (HPH Units).

Minnesota Housing, at its sole discretion, in consultation with the owner of a selected project and the local community, will consider alternative referral and prioritization processes for populations that have a demonstrated need for supportive housing but are not included in the Coordinated Entry System.

Select one:

a. ☐ 50% to 100% of the total units, but no fewer than 20 units **(30 points)**
   Number of Units: _____
b. ☐ 10% to 49.99% of the total units, but no fewer than 7 units **(10 points)**
   Number of Units: _____
c. ☐ 5% to 9.99% of the total units, but no fewer than 4 units **(7 points)**
   Number of Units: _____

NOTE: The Permanent Supportive Housing for High Priority Homeless (1.C.1.) and People with Disabilities (1.D.) selection criteria cannot be claimed for the same units.

2. Other Homeless **(5 to 7 Points)**

Projects that are eligible for the High Priority Homeless selection criterion 1.C.1. and agree to set aside and rent additional units to serve Other Homeless households which includes individuals leaving institutions that do not have a permanent residence or other homeless populations not referred by the Coordinated Entry System. The criterion is based upon the total number of Permanent Supportive Housing units for Households Experiencing Homelessness in the project.

Select One:

a. ☐ 100% of the total units set aside and rented to HPH and Other Homeless Households **(7 points)**
   Number of Other Homeless Units: _____

[4] Coordinated Entry System is defined by the statewide Coordinated Entry standards and protocol as adopted by the local Continuum of Care, or such successor system as determined by Minnesota Housing.

b. ☐ 75% - 99.9% of the total units set aside and rented to HPH and Other Homeless Households **(5 points)**
Number of Other Homeless Units: _____

Requirements for High Priority Homeless and Other Homeless

The applicant agrees to pursue and continue the renewal of rental assistance, operating subsidy or service funding contracts for as long as the funding is available. If units set aside for High Priority Homeless or Other Homeless are occupied by households without rental assistance, the gross rents, including an allowance for tenant-paid utilities, cannot exceed the greater of 30% of the household's monthly income or the most current Supportive Housing Standard for the unit size, as published annually by Minnesota Housing in the Multifamily Underwriting Standards in the Supportive Housing Standards section. The owner must establish and implement policies and procedures to specify the calculation method used to determine the appropriate rent amount and periodic income recertification to adjust rents.

The documentation requirements to be eligible for Permanent Supportive Housing points is based upon the percentage of total units that are HPH, PWD and Other Homeless households in the project.

The classification determines the Supportive Housing application materials that must be submitted, including the narratives, forms, certifications and submittals identified in the Application Checklist in the Multifamily Customer Portal.

Projects are classified as either:

- Primarily Supportive Housing: 50% or more of the total units will serve HPH, PWD or Other Homeless households.
    - The market need for the proposed HPH units must be verified and documented on the Continuum of Care (CoC) Confirmation form. Minnesota Housing, at its sole discretion, will determine if there is market need for HPH units based upon a number of factors including location, household type, Coordinated Entry waiting list, pending projects, resources etc.
- Partially Supportive Housing: Less than 50% of the total units will serve HPH, PWD or Other Homeless households.
    - Minnesota Housing, at its sole discretion, will determine if there is a market need for HPH units based upon a number of factors including location, household type, Coordinated Entry waiting list, pending projects, etc. This will be verified with the local Continuum of Care during the application review process. If Minnesota Housing determines that there is not a need for additional HPH units within the local market, the applicant agrees that Minnesota Housing may remove the proposed HPH units from the

project and convert the proposed units to units with rent restricted to 30% MTSP and maintain a priority to serve homeless households.

A proposal that claims this criterion and is selected will be required to comply with any due diligence/reporting requirements after selection and for the term of the declaration. Failure to comply could result in the loss of the award and/or allocation as well as the assessment of penalty points. The LURA and Minnesota Housing loan documents may contain performance requirements related to these permanent supportive housing units for High Priority Homeless and Other Homeless may be recorded with the property.

D. People with Disabilities (PWD) (7 to 19 Points)

1. Tier 1: Permanent supportive housing proposals that **are not restricted to persons of a particular age group** and in which a minimum of 5% of the total units, but no fewer than four units, are set aside and rented to **people with a disability as defined below**. The applicant agrees that the units are restricted to households with incomes at or below the county 30% MTSP income limit.

   The applicant agrees that if units set aside for People with Disabilities are occupied by households without rental assistance, the gross rents, including an allowance for tenant-paid utilities, cannot exceed the greater of 30% of the household's monthly income or the most current Supportive Housing Standard for the unit size, as published annually by Minnesota Housing in the Multifamily Underwriting Standards in the Supportive Housing Standards section. The owner must establish and implement policies and procedures to specify the calculation method used to determine the appropriate rent amount and periodic income recertification to adjust rents.

   Select one:

   a. ☐ 15% to 25% of the total units, but no fewer than six units **(10 points)**
   Number of Units: _____
   b. ☐ 10% to 14.99% of the total units, but no fewer than five units **(9 points)**
   Number of Units: _____
   c. ☐ 5% to 9.99% of the total units, but no fewer than four units **(7 points)**
   Number of Units: _____

OR

2. Tier 2: People with Disabilities (PWD) units that will use Housing and Urban Development Section 811 Project-Based Rental Assistance (HUD Section 811 PRA): Permanent housing proposals that are not restricted to people of a particular age group and in which a minimum of

5% of the total units, but no fewer than four units, are set aside and rented to **people with a disability as defined below**. The applicant agrees that the units are restricted to households with incomes at or below the county 30% MTSP income limit.

Projects that are applying for HUD Section 811 PRA and do not have a current eligibility determination must **provide the required HUD Section 811 PRA pre-application by the established deadline.** Failure to submit all required pre-application materials may result in rejection of the pre-application. Minnesota Housing will further evaluate the feasibility of the HUD Section 811 PRA units during the formal application review process and reserves the right not to award the PWD points for HUD Section 811 PRA units.

Select the number of units set aside for People with Disabilities that will use HUD Section 811 PRA. The total number of HUD Section 811 PRA units **cannot** exceed 11 units. HUD Section 811 program requirements limit the percentage of supportive housing units. The total number of supportive housing units (HPH, homeless, PWD) in the project **cannot** exceed 25% of the total units.

Select one:

a. ☐ 15% to 25% of the total units, but no fewer than six units **(19 points)**
   Number of Units: _____
b. ☐ 10% to 14.99% of the total units, but no fewer than five units **(17 points)**
   Number of Units: _____
c. ☐ 5% to 9.99% of the total units, but no fewer than four units **(15 points)**
   Number of Units: _____

Requirements for Tier 1 and Tier 2

A percentage of the units are set aside and rented to persons with any of the following disabilities:[5]

1. A serious and persistent mental illness as defined in Minnesota Statutes, section 245.462, subdivision 20, paragraph (c);
2. A developmental disability as defined in United States Code, Title 42, Section 6001, paragraph (8), as amended through December 31, 1990;

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[5] **Specific performance requirement relief provisions are available for projects that meet the People with Disabilities selection criterion for "PWD Units."** Reference Chapter 6.A. of the QAP for additional details. Specific performance requirements may be incorporated into the LURA and deferred loan documents recorded with the property.

3. Assessed as drug dependent as defined in Minnesota Statutes, section 254A.02, subdivision 5, and are receiving or will receive care and treatment services provided by an approved treatment program as defined in Minnesota Statutes, section 254A.02, subdivision 2;
4. A brain injury as defined in Minnesota Statutes, section 256B.093, subdivision 4, paragraph (a); **OR**
5. Permanent physical disabilities that substantially limit major life activities, if at least 50% of the units in the project are accessible as provided under Minnesota Rules, chapter 1341.

NOTE:

- Projects that claim Round 1 Minimum Threshold C.5. (persons with physical disabilities) and meet any other Round 1 Minimum Threshold Requirement serving People with Disabilities, may count any units rented to persons with a physical disability in their total units, even if the statutory 50% requirement of Threshold C.5. is not met.
- Projects that meet the Round 1 Minimum Threshold only with Threshold C.5. must meet the statutory requirement that 50% of units be accessible. Minnesota Housing considers accessible units to be Type A and B units as identified in the referenced Minnesota Rules Chapter 1341, also known as the Minnesota Accessibility Code.
- If the minimum threshold is not required, then the statutory requirement pertaining to accessible units is not applicable.
- The definition of permanent physical disability is not limited to people with mobility impairment.
- The Permanent Supportive Housing for High Priority Homeless (1.C.1) and People with Disabilities (1.D.) selection criteria may not be claimed for the same units. These units cannot be layered; they must be separate and distinct.
- Projects with unit(s) that are age restricted cannot claim the People with Disabilities (1.D.) selection criterion.

The project must submit documentation that meets all of the following conditions:

1. The applicant must submit the forms and submittals identified in the Application Checklist in the Multifamily Customer Portal.
2. The population, market need and resource plan for the PWD units will be determined after selection in consultation with the county or Tribal human services.
3. The applicant agrees to pursue and continue renewal of rental assistance, operating subsidy or service funding contracts for as long as the funding is available.

A proposal that claims and is eligible for the People with Disabilities selection criterion and is selected will be required to comply with any due diligence/reporting requirements after selection and term of the declaration. Failure to comply could result in the loss of the award and/or allocation as well as the assessment of penalty points. The LURA and Minnesota Housing loan documents may contain performance requirements related to these permanent supportive housing units for People with Disabilities and may be recorded with the property.

2. Serves Lowest Income for Long Durations

Projects with existing rental assistance that has been in place for 15 years or more can only take points under Preservation (2.A.). Projects with new rental assistance that has been in place for less than 15 years can only take points under Rental Assistance (2.B.). The Serves Lowest Income selection criterion (2.C.) can only be claimed for units that do not have rental assistance. The definitions explained below determine which criteria the project qualifies for, and the project is only eligible for points in those criteria.

The earliest starting point for the reference to 15 years or more is the following:

- For projects applying in the 2025 Multifamily Consolidated RFP/2026 HTC Round 1, the Year 1 must be 2010 or earlier.
- For projects applying in the 2026 HTC Round 2 and/or the 2026 Multifamily Consolidated RFP/2027 HTC Round 1, Year 1 must be 2011 or earlier.
- For projects applying in 2027 HTC Round 2, Year 1 must be 2012 or earlier.

A. Preservation (15 to 45 Points)

Thresholds

Applicants seeking points under the Preservation (2.A.) selection criterion must read the descriptions and then select one of the following three thresholds:

1. ☐ Risk of Loss Due to Market Conversion
    a. Expiration of contract/use-restrictions
        i. Existing property at risk of conversion to market rate housing within five years of application date, and conversion is not prohibited by existing financing or use restrictions; **OR**
        ii. Existing HTC projects eligible to exercise their option to file for a Qualified Contract that have not previously exercised their option; **AND**
    b. Risk of market conversion evidenced by a low physical vacancy rate (4% or lower) for market rate comparable units (comparable units to be validated by Minnesota Housing at Minnesota Housing's sole discretion); **AND**
    c. Risk of market conversion evidenced by one or more of the following:
        i. For properties with Section 8 contracts, a Rent Comparability Study acceptable to Minnesota Housing staff and reviewers that was completed within a year of

the application date that shows current rents are below comparable market rents;

ii. A market study approved by Minnesota Housing completed within a year of the application date that shows current rents are below comparable market rents and that the property has a comparable location(s), amenities and condition to convert to market rate; **OR**

iii. Other verifiable third-party data on comparable properties (dated within one year of application due date) approved by Minnesota Housing.

NOTE: Minnesota Housing, at its sole discretion, must agree that a market exists for a conversion to market rate housing.

2. ☐ Risk of Loss Due to Critical Physical Needs
    a. Critical Physical Needs identified by third party assessment to support one of the following conclusions:
        i. Identified scope of Critical Physical Needs, consistent with the definition in the Minnesota Housing Rental Housing Design/Construction Standards, exceeds the available annual cash flow and reserves, as evidenced by documentation submitted with the application. In the case of distressed properties with negative cash flow, the negative cash flow will offset the reserves balance in the calculation.
        ii. 50% or more of the units within the project are condemned or determined to be no longer habitable, as evidenced by official documentation from a local building official.

NOTE: Minnesota Housing may conduct an inspection of the project and must agree with applicant scope of work, severity levels and cost estimates.

3. ☐ Risk of Loss Due to Ownership Capacity/Program Commitment
    a. One of the following four conditions exist:
        i. Existing conditions created by the current owner such as bankruptcy, insolvency, default, foreclosure action, unpaid taxes and assessment, ongoing lack of compliance with lenders or terms of the existing federal assistance or self-determination by a nonprofit board are severe enough to put the property at significant risk of not remaining decent, safe and affordable. Ownership must be transferred to an unrelated party;
        ii. The property has been or will be acquired from an unrelated party within three years of the application date after being offered for sale on the open market after an opt-out notice for the HAP contract has been submitted to Minnesota Housing;

iii. The property has been or will be acquired from an unrelated party within three years of the application date as a result of a Preservation Affordable Rental Investment Fund (PARIF) Right of First Refusal being exercised; **OR**
iv. The acquisition of a property with USDA RD rental assistance has occurred or will occur when the current or previous owner intends or intended to allow the existing USDA RD mortgage to mature and has turned down offers from USDA RD to re-amortize the mortgage. Must apply within five years of maturity date and within three years of acquisition.

NOTE: Minnesota Housing, at its sole discretion, must agree that a change in ownership is necessary for units to remain decent, safe or affordable.

Criteria

Applicants that meet one of the above thresholds must select either Tier 1: Existing Federal Assistance – Projects with Existing Project-Based Rental Assistance or Tier 2: Other Existing Federal Assistance and Critical Affordable Units to be eligible for points under Preservation. Applicants that select either Tier 1 or Tier 2 may also claim points under selection criterion 2.A.1.3: Severity of Critical Physical Needs.

1. ☐ Tier 1: Existing Federal Assistance – Projects with Existing Project-Based Rental Assistance **(20 to 40 points)**

   This includes projects receiving project-based rental assistance or operating subsidies under a program of U.S. Department of Housing and Urban Development (HUD), USDA RD or the Native American Housing Assistance and Self Determination Act (NAHASDA). Properties that have converted their type of federal rental assistance through the Rental Assistance Demonstration Program (RAD), Component 2 (RAD 2) and RAD for Project Rental Assistance Contracts (PRAC) are eligible. Project-based voucher contracts through a local public housing authority or housing and redevelopment authority are eligible. Such assistance must have been committed to the property at least 15 years prior to the year of application.

   For eligible projects, 15 or more years must have passed since the award of the federal project based rental assistance.

   The owner will continue renewals of the existing project-based rental assistance contract(s) for as long as the assistance is available. Except for “good cause,” the owner will not evict existing subsidized residents and must continue to renew leases for those residents.

   Developments with qualified existing federal assistance and which have secured additional federal rental assistance (including through a Section 8bb transfer) must count the total number of assisted units below. Such units are not eligible to be counted under Rental Assistance (2.B).

Select one:

a. Existing Federally Assisted Units:
   i. ☐ 50.01% to 100% of the total units are federally assisted **(40 points)**
      Number of Units: _____
   ii. ☐ 50% or Less of the total units are federally assisted **(20 points)**
      Number of Units: _____

NOTE:

- The Rental Assistance (2.B.) selection criterion cannot be claimed if the project is of a type covered under Preservation – Tier 1: Existing Federal Assistance, even if the project is not claiming Preservation points because it does not meet a risk of loss threshold.
- Rental assistance for preservation projects under the Rental Assistance Demonstration Program (Component I) or the Public Housing Program are not eligible under Preservation - Tier 1: Existing Federal Assistance. Any public housing repositioning for preservation projects that results in project-based vouchers or project-based rental assistance is also not eligible.
- The Serves Lowest Income Tenants/Rent Reduction selection criterion (2.C.) cannot be claimed for units that have new or existing rental assistance. This would include People with Disabilities – Tier 2 – HUD Section 811 PRA (1.D.2.), Preservation – Tier 1 and Tier 2 (2.A.1. and 2.A.2.) and Rental Assistance (2.B.).

OR

2. ☐ Tier 2: Other Existing Federal Assistance and Critical Affordable Units **(15 points)**

   This includes rental housing with existing federal, state, local or intermediary funding with a current recorded deed restriction that limits rents for at least 50% of the total units to at or below the county 60% MTSP limit (or utilizes another rent limitation whose current maximum is at or below the 60% MTSP limit) without long-term project-based rental assistance. This may include units with HTCs, RD units without Rental Assistance, other existing federal assistance not described above or a loan funded by federal, state, local or intermediary sources. This includes current and former public housing units converted under RAD Component I or under Section 18 Demolition and Disposition and any other successor programs developed for public housing. Applicants who claim these points must agree to continue to limit the rents to at or below 60% MTSP for the term of the deferred declaration or the LURA.

For eligible projects, 15 or more years must have passed since the award of the existing federal assistance, the most recent HTC placed in service date or the closing of the loan that created rent restrictions.

AND

3. ☐ Severity of Critical Physical Needs **(3 to 5 points)**

   Projects that are eligible for 2.A.1 and 2.A.2 and have documented critical physical needs that meet the requirements of the Risk of Loss Due to Critical Physical Needs threshold may also claim points based on particularly severe Critical Physical Needs. This applies to Tier 1 and 2, regardless of the Risk of Loss.

   Select one:

   a. ☐ Critical Physical Needs greater than $25,000 per unit **(5 points)**
   b. ☐ Critical Physical Needs greater than $15,000 per unit **(3 points)**

NOTE:

- The Serves Lowest Income Tenants/Rent Reduction selection criterion (2.C.) cannot be claimed for units that have new or existing rental assistance. This would include People with Disabilities – Tier 2 –HUD Section 811 PRA (1.D.2.), Preservation – Tier 1 and Tier 2 (2.A.1. and 2.A.2) and Rental Assistance (2.B.).
- Preservation – Tier 2 (2.A.2) and the Serves Lowest Income Tenants/Rent Reduction selection criterion (2.C.) may not be claimed for the same units. These units cannot be layered; they must be separate and distinct.

B. Rental Assistance[6] (6 to 26 Points)

1. Project-Based Rental Assistance

For projects that have a commitment for project-based rental assistance. This includes:

- New or transferred project-based rental assistance that was executed within the past 15 years.

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[6] **Specific performance requirement relief provisions are available for projects claiming the Rental Assistance selection criterion 2.B. for "RA Units."** Reference Chapter 6.A. of the QAP for additional details. Specific performance requirements may be incorporated into the LURA and deferred loan documents recorded with the property.

- Transfers of existing Section 8 contracts under the 8bb notice to new construction projects or existing developments that currently have no existing federal assistance. Refer to the 15 years definition at the beginning of the Preservation selection criterion.

The binding commitment is project-based by written contract or for project-based vouchers awarded in accordance with 24 Code of Federal Regulations, Chapter IX, Section 983.51. For the purposes of this category, project-based rental assistance is defined as a project-specific funding stream that supports the operations of the property, reduces the tenant rent burden and provides for the tenant paid portion of rent to be no greater than 30% of household income.

The project agrees to continue renewals of the existing project-based rental assistance contract(s) for a minimum of 15 years from the later of the last placed-in-service date for any building in the property or loan closing. The applicant agrees that rents will remain affordable at the county 50% MTSP income limit for a 15-year period if the rental assistance is not available for the full period.

Minnesota Housing, at its sole discretion, will consider rental assistance programs with alternative rent structures as proposed by the applicant, where households may pay more than 30% of their household income when the program goals align with the needs of low-income populations such as with the Moving to Work and site-based Housing Support programs. For all other types of rental assistance programs with an alternative rent structure, the applicant must submit commitment documentation that includes details regarding the rent structure, tenant-paid portion of rent as a percentage of household income, program structure, goals and population served.

The list below includes potential programs that may be considered project-based rental assistance, but the list is not all-inclusive:

- Moving to Work
- Site-based Housing Support[7]
- Project-based McKinney Vento Continuum of Care funding will be considered project-based rental assistance.

[7] Formerly known as Group Residential Housing.

- Project-based rental assistance provided by a Tribe, Tribally designated housing[8] entity or Tribal corporate entity[9].
- Native American Housing Assistance and Self Determination Act (NAHSDA)
- A past award of existing rental assistance, including HUD Section 811 PRA, will be counted toward meeting the required percentages.

Minnesota Housing has determined that the following do not qualify for this selection criterion:

- An operating subsidy will not be considered project-based rental assistance.
- Privately funded rental assistance does not qualify an applicant to claim this criterion.
- A current request for rental assistance, such as HUD Section 811 PRA, does not qualify an applicant to claim this criterion. The HUD Section 811 PRA letter of determination letter is only a notice of eligibility determination and is not a commitment.

Select one:

a. ☐ 100% of the total units will have project-based rental assistance **(19 points)**
Number of Units: _____

b. ☐ 51.1% to 99.9% of the total units **(16 points)**
Number of Units: _____

c. ☐ 20.1% to 51% of the total units **(13 points)**
Number of Units: _____

d. ☐ 10.1% to 20% of the total units, but no fewer than four units **(10 points)**
Number of Units: _____

e. ☐ 5% to 10% of the total units, but no fewer than four units **(7 points)**
Number of Units: _____

f. ☐ Fewer than 5% of the total units, but no fewer than four units **(6 points)**
Number of Units: _____

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[8] Tribally designated housing entities are entities designated by the Tribe to administer its housing programs funded by HUD.

[9] For purposes of this Self-Scoring Worksheet, "Tribal corporate entity" means a business entity formed by a Tribe under Tribal, state, or federal law and wholly owned by such Tribe.

2. **Further Restricting Rental Assistance**

   Projects that are eligible under 2.B.1. a-f above that agree to further restrict units to households whose incomes do not exceed the county 30% MTSP income limit for a 15-year period.

   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: _____
   e. ☐ 5% to 15% of the total units, but no fewer than four units **(3 points)**
      Number of Units: _____

NOTE:

- The Rental Assistance (2.B.) selection criterion cannot be claimed if the project is of a type covered under Preservation - Tier 1 criterion Existing Federal Assistance (2.A.1), even if the project is not claiming Preservation points because it does not meet a risk of loss threshold. Rental assistance for preservation projects under the Rental Assistance Demonstration Program (Component I) or the Public Housing Program are also not eligible. Any public housing repositioning for preservation projects that results in project-based vouchers or project-based rental assistance is also not eligible.
- The Serves Lowest Income Tenants/Rent Reduction selection criterion (2.C.) cannot be claimed for units that qualify as units that have new or existing rental assistance. This would include units that meet the requirements of People with Disabilities – Tier 2 – HUD Section 811 PRA (1.D.2.), Preservation – Tier 1 – Existing Federal Assistance (2.A.1.) or Rental Assistance (2.B.).

C. Serves Lowest Income Tenants/Rent Reduction (8 to 20 Points)

1. The project agrees to restrict the rents for a percentage of the units in the project. Eligible units **cannot** have project-based rental assistance, and the rents must be based on the monthly gross rent level, including tenant paid utilities. Rents will be affordable to households whose incomes do not exceed the county 30% MTSP or 50% MTSP income limit as published by HUD. 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 for the term of the LURA or deferred declaration.

This selection will restrict rents only. (Tenant incomes will not be restricted to the county 50% MTSP income limit by claiming this selection criterion).

Select one:

a. ☐ 100% of the total units will restrict rents at or below the county 50% MTSP rent limit. **(13 points)**
Number of Units: _____

b. ☐ At least 50% of the total units will restrict rents at or below the county 50% MTSP rent limit. **(8 points)**
Number of Units: _____

2. ☐ Projects that are eligible for 1.a. or 1.b. above and agree to further restrict the following percentage of units to the county 30% MTSP rent limit:

Select one:

a. ☐ 30% to 40% of the total units **(7 points)**
Number of Units: _____

b. ☐ 20% to 29.99% of the total units **(6 points)**
Number of Units: _____

c. ☐ 10% to 19.99% of the total units **(5 points)**
Number of Units: _____

d. ☐ 5% to 9.99% of the total units **(4 points)**
Number of Units: _____

NOTE: The Serves Lowest Income Tenants/Rent Reduction (2.C.) selection criterion cannot be claimed for units that qualify for units that have new or existing project-based rental assistance. This would include units that meet the requirements of People with Disabilities – Tier 2 –HUD Section 811 PRA (1.D.2.), Preservation – Tier 1 – Existing Federal Assistance (2.A.1.) or Rental Assistance (2.B.).

D. Long-Term Affordability (8 to 9 Points)

1. For an HTC project, the owner agrees to extend the long-term affordability of the project by agreeing to extend the term of the LURA beyond 30 years by choosing an option below. The owner also agrees that the Qualified Contract provisions of IRC Sections 42(h)(6)I(i)(II) and 42(h)(6)(F) (which provisions 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 for the term of the LURA.

For a deferred loan project, the owner agrees to extend the term of the Declaration beyond 30 years.

Select one:

a. ☐ The HTC project will extend the term of the LURA and waive the right to a Qualified Contract for a minimum of 50 years and/or the deferred loan project will extend the term of the deferred loan Declaration to 50 years. **(9 points)**
b. ☐ The HTC project will extend the term of the LURA and waive the right to a Qualified Contract for a minimum of 40 years and/or the deferred loan project will extend the term of the deferred loan Declaration to 40 years. **(8 points)**

3. Increasing Housing Choice

A. Access to More Affordable Housing (2 to 6 Points)

1. Projects located in communities where there is a low share of affordable rental housing compared to all housing options or a large share of renters that are cost burdened by their rent, as outlined in the Access to More Affordable Housing Methodology in the Methodology Guide. Projects that were previously not selected may be eligible for Hold Harmless provisions. See Section 1.L of the Self-Scoring Worksheet and Methodology Guide for additional details.

Select one:

a. ☐ The proposed housing is in a Tier 1 Tract or City(ies), Tribal Reservation(s), Dakota Communities or Tribal trust lands**:** Those in the 66.67th percentile or higher for the share of cost burdened renters or in the 0 to 33.33rd percentile for having a low share of affordable rental housing compared to all housing options in a community. Tribal Reservations, Dakota Communities and Tribal trust lands are also considered Tier 1 for having a need for more affordable housing. **(6 points)**
b. ☐ The proposed housing is in a Tier 2 Tract or City(ies)**:** Those in the 33.34th to 66.66th percentile for the share of cost burdened renters or in the 33.34th to 66.66th percentile for having a low share of affordable rental housing compared to all housing options in a community. **(4 points)**
c. ☐ The proposed housing is in a Tier 3 Tract or City(ies): Those in the 0 to 33.33rd percentile for the share of cost burdened renters or in the 66.67th to 100th percentile for having a low share of affordable rental housing compared to all housing options in a community. **(2 points)**

B. 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 in the Methodology Guide). Projects that were previously not selected may be eligible for Hold Harmless provisions. See Section 1.L of the Self-Scoring Worksheet and Methodology Guide for additional details.

   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) in that community 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 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.

C. Transit and Walkability (1 to 9 Points)

Communities with access to transit, either fixed route or demand response and/or walkable areas with nearby amenities.

If applicants would like to request revisions of a location's Walk Score, they should email Walk Score directly with details of the request to mhfa-request@walkscore.com. Walk Score staff will review the request and make any necessary adjustments to scoring with 45 business days. If an address cannot be found in the Walk Score tool, use the closest intersection within one-quarter mile of the proposed location.

Projects that were previously not selected may be eligible for Hold Harmless provisions. See Section 1.L of the Self-Scoring Worksheet and Methodology Guide for additional details.

Select one:

1. ☐ **Metropolitan Area.** For projects in the Metropolitan Area, indicate if the project is located in a community with transportation, access to transit and/or walkability.

a. Access to Transit: To claim access to transit in the Metropolitan Area, a project must be (Select one):
   i. ☐ Located within one-half mile of a planned or existing Light Rail Transit (LRT), Bus Rapid Transit (BRT), commuter rail station or a Metro Transit Hi-Frequency Network transit stop. Planned stations include those eligible for Metropolitan Council Livable Communities Demonstration Account (LCDA) Transit Oriented Development (TOD) Grants but does not include express bus stations; **(7 points)**
   ii. ☐ Located within one-quarter mile of a high service public transportation fixed route stop, which is defined as those with service from 6 a.m. to 7 p.m. that have a frequency of service approximately every half hour during that time, located within one-half mile of an express bus route stop or located within one-half mile of a park and ride lot; or **(4 points)**
   iii. ☐ Served by demand response/dial-a-ride with prior day notice. This excludes Metro Transit's Transit Link Service. Transit service must be available daily, Monday through Friday, for a minimum of 8 hours per day. **(2 points)**

b. Walkability: To claim walkability in Minneapolis and Saint Paul, a project must be (Select one):
   i. ☐ Located in an area with a Walk Score of 80 or more according to www.walkscore.com; or **(2 points)**
   ii. ☐ Located in an area with a Walk Score between 60 and 79 according to www.walkscore.com. **(1 point)**

c. Walkability: To claim walkability in Metropolitan Area communities other than Minneapolis and Saint Paul (Suburban Communities), a project must be (Select one):
   i. ☐ Located in an area with a Walk Score of 60 or more according to www.walkscore.com; or **(2 points)**
   ii. ☐ Located in an area with a Walk Score between 50 and 59 according to www.walkscore.com. **(1 point)**

2. ☐ **Greater Minnesota Urbanized Areas.** For projects in Greater Minnesota urbanized areas (population greater than 50,000), indicate if the project is located in a community with transportation, access to transit and/or walkability.

   Urbanized areas are defined by the U.S. Census as places with populations greater than 50,000, and urbanized areas in Greater Minnesota are defined by the Minnesota Department of Transportation (MnDOT) (Greater Minnesota Transit Investment Plan) as areas in and around Duluth, East Grand Forks, La Crescent, Rochester, Moorhead, Mankato and St. Cloud.

a. Access to Transit: To claim access to transit, a project in a Greater Minnesota urbanized area must be (Select one; refer to the Transit and Walkability Methodology of the Methodology Guide to determine points):
   i. ☐ Located within one-quarter mile of a planned or existing public transportation fixed route stop. For a planned transit stop to be eligible, applicants must provide detailed location and service information, including time and frequency of service, along with evidence of service availability from the transit authority providing service. Both planned and existing stops must be available daily, Monday through Friday, and provide service every 60 minutes for a minimum of 10 hours per day. **(7 points)**
   ii. ☐ Located between one-quarter mile and one-half mile of a planned or existing public transportation fixed route stop. For a planned transit stop to be eligible, applicants must provide detailed location and service information, including time and frequency of service, along with evidence of service availability from the transit authority providing service. Both planned and existing stops must be available daily, Monday through Friday, and provide service every 60 minutes for a minimum of 10 hours per day. **(4 points)**
   iii. ☐ Located less than one-half mile from an express bus route stop or park and ride lot. **(4 points)**

b. Walkability: To claim walkability, a project in a Greater Minnesota urbanized area must be (Select one):
   i. ☐ Located in an area with a Walk Score of 70 or more according to www.walkscore.com; or **(2 points)**
   ii. ☐ Located in an area with a Walk Score between 50 and 69 according to www.walkscore.com. **(1 point)**

3. ☐ **Greater Minnesota Rural and Small Urban Areas.** For projects in Greater Minnesota rural and small urban areas (population fewer than 50,000), indicate if the project is located in a community with transportation, access to transit and/or walkability.

According to the U.S. Census, rural and small urban areas are places with populations 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 advance notice. Demand response usually involves curb-to-curb or door-to-door service with trips scheduled in advance (also known as "Dial-A-Ride").

a. Access to Transit: To claim access to transit, a project in a Greater Minnesota rural and small urban area must be (Select one):
   i. ☐ Within one-half mile of a designated transit stop **OR** served by demand response/dial-a-ride **OR** within one-half mile of a commuter rail station, and the applicable transit option is available daily, Monday through Friday, providing same day service. Commuter rail stations include the Elk River and Big Lake Stations serviced by Metro Transit's Northstar Commuter Rail. **(7 points)**
   ii. ☐ Served by demand response/dial-a-ride with prior day or greater notice needed, and service is available daily, Monday through Friday. **(4 points)**
b. Walkability: To claim walkability, a project in a Greater Minnesota rural and small urban area must be (Select one):
   i. ☐ Located in an area with a Walk Score of 50 or more according to www.walkscore.com; or **(2 points)**
   ii. ☐ Located in an area with a Walk Score between 30 and 49 according to www.walkscore.com. **(1 point)**

4. Supporting Community and Economic Development

A. Community Development Initiative (3 Points)

1. ☐ The project contributes to the **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 initiative must contain more components than the project itself.

Applicants must complete the Community Initiative Narrative (using the Minnesota Housing template). The narrative must clearly identify the Community Development Initiative and articulate how the applicant's proposed project contributes to the active implementation of that Community Development Initiative. Applicants must also provide a full copy of at least one of the Community Development Initiative supporting documents (CDI Documentation) referenced in the Community Development Initiative Narrative. Acceptable forms of CDI Documentation includes neighborhood plans, city or county plans, charters, or comprehensive plans. To qualify for the points under this selection criterion, the CDI Documentation must meet the requirements set forth in Table 1 and Table 2, as applicable, below.

Table 1: CDI Documentation Requirements

Required Elements of CDI Documentation	Description of Requirement
Description and Map of Targeted Geographic Area	The CDI Documentation must describe the geographic area to be targeted by the Community Development Initiative (Targeted Geographic Area) and include a map of the Targeted Geographic 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 Geographic Area must be small enough that one municipality or county (or a small conglomerate of municipalities or counties) can exercise jurisdiction over it.
Current Implementation Plan	The CDI Documentation must describe an implementation plan with goals or outcomes specific to the need(s) identified by the Community Development Initiative. Within the Community Development Initiative Narrative, describe milestones or steps of the plan that are: 1. Completed; 2. Underway; and 3. Planned.
Affordable Housing as a Key Strategy	The CDI Documentation must clearly identify affordable housing, not housing generally, as a key strategy of the Community Development Initiative.
List of Stakeholders and Their Roles	The CDI Documentation must list local stakeholders involved and a description of their role in the active implementation of the Community Development Initiative.

Table 2: CDI Documentation Requirements – Additional Requirements for Projects in a QCT

Required Element of CDI Documentation	Description of Requirement
Public or Private Investment (non-housing) Required if the Project is Located in a QCT	The CDI Documentation must demonstrate a strategy for obtaining commitments of public or private investment (or both) in non-housing infrastructure, amenities or services that could include, but are not limited to: • Commercial/retail development; • Economic development; • Education-related initiative/ development; • Environmental clean-up; • Public works/infrastructure; • Parks, green space and recreation; and • Transit-oriented development or transit initiatives.

B. Equitable Development (3 Points)

1. ☐ The project will address the needs of a Community Most Impacted (CMI) by housing disparities and a Qualified Stakeholder Group (QSG), with meaningful participation from that CMI, has a significant role in the project proposal as defined below. Occupancy restrictions or services provided as a result of the selection criteria are excluded.

A QSG:

- Is not required to be a registered nonprofit organization and could consist of a group of community members, advocates, people with lived experiences, etc.;
- Must demonstrate meaningful and inclusive representation and participation of a CMI;
- Must include at least three participants who belong to the CMI the project is proposing to serve; and
- Must be an independent body separate and apart from the proposed project owner, sponsor, developer, development team, service provider and management agent of record for the project. The developer or other members of the development team may initiate or convene a QSG, but the participants and opinions of the group must be independent of the development team organizations.
    - Federally Recognized Tribes of Minnesota or Tribally designated housing entities or Tribal corporate entities developing on Tribal Reservations, Dakota Communities or Tribal trust lands meet the definition of a QSG and are not required to be an independent body separate and apart from the proposed project owner, sponsor,

developer, development team, service provider and management agent of record for the project due to the Tribal ownership structure.

Examples of a QSG include:

- A local nonprofit organization that serves the needs of indigenous individuals and families;
- A neighborhood organization concerned about healthcare access and inequities;
- A parent group formed to influence a youth-centered development;
- A group of individuals with lived experience of homelessness informing the service model of a supportive housing development; and
- Tenants of an existing building, either a tenant association or individual tenants organized, informing on the rehabilitation of an existing building or construction of a new development.

To be eligible for Equitable Development, applicants must complete the Equitable Development Narrative and submit documentation into the Multifamily Customer Portal that meets all the following threshold criteria:

1. Housing Disparity Addressed by the project.
    a. Identity which of the following CMI(s) this project proposes serving. If the project is focused on serving multiple populations, select the CMI(s) participating in the QSG that have a significant role in the proposal.
        i. Lowest Income (e.g., <= 30% of MTSP);
        ii. People of Color;
        iii. Indigenous People;
        iv. LGBTQ+ People;
        v. People Experiencing Homelessness;
        vi. People with Disabilities;
        vii. Immigrants;
        viii. Large Families;
        ix. Seniors; and/or
        x. Families with Children.
2. Meaningful Participation of Communities Most Impacted: A QSG must have meaningful participation of the CMI that is the focus of the project proposal as documented in the narrative.
    a. Describe the QSG’s mission and purpose in elevating the voices of the identified CMI.
    b. Identify and describe what leadership and/or advisory roles people belonging to the identified CMI have in the QSG, which must include one or more of the following:
        i. A paid leadership position; list position (if applicable);
        ii. A member of the board (if applicable);

        iii. A paid staff position (if applicable);
        iv. A member role, such as serving on an advisory committee; and/or
        v. Other meaningful role, such as a volunteer (describe).
   c. Provide a list of the QSG's previous activities related to the identified CMI and community development. If there have been no previous activities, describe who formed the QSG and why.
3. Meaningful Engagement with the Identified CMI through the QSG: The development team must evidence that the QSG and specifically the CMI participants have been meaningfully engaged in the project concept by conducting, at minimum, two engagement opportunities with the same QSG prior to submission of the current application. Engagement opportunities can be in person or virtual and may include meetings, focus groups, surveys, or similar venues where the QSG is participating in the development process.
   a. Documentation must be provided to evidence attendance and engagement. Acceptable evidence of attendance includes sign-in sheets or attendance confirmation. Acceptable evidence of engagement includes meeting minutes, meeting notes, survey results, presentation slides, etc.
   b. **NOTE:** Any in-process engagement with the QSG must include a detailed timeline for work done to-date, next steps and future completion.
4. Significant Involvement of the QSG**:** The developer or other members of the development team must partner with the QSG and the identified CMI to develop the project proposal. Identify and submit a narrative explaining how the QSG was involved in one or more of the following aspects of the development, the specific input they provided and how the project addresses or responds to that input. These must be in addition to any mandatory minimum requirements of the QAP and in addition to the minimum requirements for which points are claimed in other selection criteria, such as Serves Lowest Income Tenants and/or Large Families. Applicants may select more than one of the following:
   a. Design;
   b. Services;
   c. Community Benefits: An agreement, between the developer and local community, to provide a benefit as identified by CMI(s). (i.e., projects that support paying a competitive wage, employing union workers and/or individuals from the neighborhood, or participating in a Worker-Driven Social Responsibility compliance and monitoring system, community services, training, shared green space, etc.); and/or
   d. Other (describe in the narrative).
5. Provide a signed letter from the QSG. The letter must be signed by group participants who are willing to sign the document. The letter must address each of the following questions:

a. How has the developer or other members of the development team engaged with the QSG and the identified Communities Most Impacted to create a project responsive to the vision of the group and needs of the CMI?
b. How will this project help in fulfilling a need in your community?
c. How often did the QSG engage with the developer or other members of the development team and what was discussed?
d. How has the project changed in response to the input from the QSG?
e. If the development is selected, what are your expectations for the QSG's continued involvement in the project?

C. Rural/Tribal (4 to 8 Points)

1. Projects located in Rural/Tribal Designated Areas outside of the Metropolitan Area as defined by the 2026-2027 QAP and urbanized areas in Greater Minnesota. Urbanized areas in Greater Minnesota are areas with population over 50,000. They include Duluth, East Grand Forks, La Crescent, Mankato, Moorhead, Rochester and St. Cloud. Projects that were previously not selected may be eligible for Hold Harmless provisions. See Section 1.L of the Self-Scoring Worksheet and Methodology Guide for additional details.

   Select one:

   a. ☐ Tier 1: The project is located in a Rural/Tribal Designated Area that is outside of the Metropolitan Area and within a community that has a population fewer than or equal to 2,000. Tribal Reservations, Dakota Communities and Tribal trust lands are also considered Tier 1. **(8 points)**
   b. ☐ Tier 2: The project is located in a Rural/Tribal Designated Area outside of the Metropolitan Area and within a community that has a population between 2,001 and 5,000. **(6 points)**
   c. ☐ Tier 3: The project is located in a Rural/Tribal Designated Area outside of the Metropolitan Area and within a community that has a population between 5,001 and 10,000. **(5 points)**
   d. ☐ Tier 4: The project is located in a Rural/Tribal Designated Area outside of the Metropolitan Area and within a community that has a population greater than 10,000. **(4 points)**

D. Qualified Census Tracts/Community Revitalization or Tribal Equivalent Areas (3 Points)

Select one:

1. ☐ The proposed housing is located in a Qualified Census Tract (QCT)/Community Revitalization Area. To be eligible as a QCT/Community Revitalization component, the project must be in a Qualified Census Tract (refer to Qualified Census Tract – Reference Materials Index on the Minnesota Housing website) **and** be part of a concerted plan that provides for community revitalization consistent with the definition described in the Community Development Initiative selection criteria. **(3 points)**

2. ☐ The proposed housing is located in a Tribal Equivalent Area. Projects located in a Tribal Equivalent Area are eligible for the criteria solely based on geographic location. **(3 points)** Projects that were previously not selected may be eligible for Hold Harmless provisions. See Section 1.L of the Self-Scoring Worksheet and Methodology Guide for additional details.

E. Multifamily Award History (4 Points)

1. ☐ Projects located in communities that have not received an award or allocation of funding or HTCs from Minnesota Housing for a resource offered through the Multifamily Consolidated RFP/HTC Round 1, HTC Round 2, in any pipeline funding round if the funding source is available in the RFP/HTC Round 1 or for projects receiving an allocation of bonding authority from Minnesota Management and Budget (MMB) with an award of 4% Minnesota Housing HTCs in the last five years. Projects that received Low and Moderate Income Rental (LMIR)-only financing are excluded. Refer to the Multifamily Award History Methodology in the Methodology Guide for more information. **(4 points)**

F. Black-, Indigenous-, People of Color-owned Business Enterprises or Women-owned Business Enterprises (1 to 20 Points)

Projects that include business entities that are owned or led by individuals who are Black-, Indigenous or other Person of Color or business entities that are owned or led by one or more women. A Person of Color includes a person from Native and Indigenous North and South American, Black and African-descendant, Hispanic or Latinx, Asian and Pacific Islander and other non-white communities.

A Black-, Indigenous-, People of Color-owned Business Enterprise is a Tribe, Tribally designated housing entity, Tribal corporate entity or other entity which is at least 51% owned by one or more individuals that are Black, Indigenous or other Person of Color.

A Women-owned Business Enterprise is an entity which is at least 51% owned by one or more women.

This includes nonprofits and governmental entities where the executive director or equivalent is Black, Indigenous or other Person of Color, or a woman, as applicable. The individual(s) must also control and manage the daily business operations.

1. Provide documentation demonstrating that the entity meets the definition. This should include an organization chart and must include one or more of the following: a signed and dated certification statement, qualification form(s), ownership documentation or third-party verification.

   a. **Ownership and Sponsorship**

      Select one:

      i. ☐ The project owner and sponsor is a Tribe, Tribally designated housing entity, Tribal corporate entity or for-profit Black-, Indigenous-, People of Color-owned Business Enterprise. **(8 points)**
      ii. ☐ The project owner and sponsor is a for-profit Women-owned Business Enterprise. **(5 points)**
      iii. ☐ The project owner and sponsor is a nonprofit Black-, Indigenous-, People of Color-owned Business Enterprise or a nonprofit Women-owned Business Enterprise. **(4 points)**

   b. **Development Team**

      The developer*, general contractor, architect, service provider, management agent or development consultant, with primary responsibility for the applicable development team function, is a Black-, Indigenous-, People of Color-owned Business Enterprise or a Women-owned Business Enterprise. Eligibility will be determined at the time of application and will be monitored through the deferred loan construction completion and/or 8609.

      Select one:

      i. ☐ Two or more entities are each a Black-, Indigenous-, People of Color-owned Business Enterprise. **(7 points)**
      ii. ☐ Two or more entities are each a Women-owned Business Enterprise or a combination of one Black-, Indigenous-, People of Color-owned Business Enterprise and one Women-owned Business Enterprises. **(4 points)**
      iii. ☐ One entity is a Black, Indigenous, People of Color-owned Business Enterprise or a Women-owned Business Enterprise. **(1 point)**

***NOTE:** If there is an identity of interest between the project owner and sponsor and the developer, an applicant cannot BOTH claim points based on the owner and sponsor under Black-, Indigenous-, People of Color-owned Business Enterprises or Women-owned Business Enterprises (4. F.1.a) AND based on the developer under Black-, Indigenous-, People of Color-owned Business Enterprises or Women-owned Business Enterprises (4. F.1.b) selection criteria.

c. Capacity Building Partnership

The project owner and sponsor, developer, general contractor, architect, service provider or management agent partners with a Black-, Indigenous-, People of Color-owned Business Enterprise or a Women-owned Business Enterprise with the goal of building that entity's capacity to develop, manage, construct, design or own affordable housing in the future. Documentation must show that the partnership is necessary to help build the entity's capacity. Minnesota Housing, at its sole discretion, must agree that the partnership will increase the entity's capacity.

Provide an agreement executed between the partnering entities that defines the division of specific duties and roles, ownership, profit, fee structure and/or cashflow projection if applicable based on the ownership structure. The agreement must be specific to the applicant's proposed project and explicitly state the goal of building the Black-, Indigenous-, People of Color-owned Business Enterprise or Women-owned Business Enterprise's capacity to develop, manage, construct, design or own affordable housing in the future. The agreement must meet one or more of the following criteria:

i. ☐ The project owner and sponsor agree to partner with a Black-, Indigenous-, People of Color-owned Business Enterprise or a Women-owned Business Enterprise sponsor that will have at least a 50.1% stake in all aspects of the development including, but not limited to, ownership in the general partner(s)/managing member(s), fee structure and/or cash flow and voting rights; **(4 points) OR**

ii. ☐ The project owner and sponsor agree to partner with a Black-, Indigenous-, People of Color-owned Business Enterprise or a Women-owned Business Enterprise owner and sponsor that will have at least a 30% stake in all aspects of the development including, but not limited to, ownership in the general partner(s)/managing member(s), fee structure and/or cash flow and voting rights; **(2 points) AND/OR**

iii. ☐ The project developer, general contractor, architect, service provider or management agent agrees to partner with a Black-, Indigenous-, People of Color-owned Business Enterprise or a Women-owned Business Enterprise entity to perform a defined portion of the contracted work. **(1 point)**

NOTE:

- An applicant may claim either 4.F.1.c.i or 4.F.1.c.ii but not both.
- If there is an identity of interest between the project owner and sponsor and the developer, an applicant cannot BOTH claim points based on the project owner and sponsor under Black-, Indigenous-, People of Color-owned Business Enterprises or Women-owned Business Enterprises (4. F.1.c.i/4. F.1.c.ii) AND based on the developer under Black-, Indigenous-, People of Color-owned Business Enterprises or Women-owned Business Enterprises (4. F.1.c.iii).

5. Efficient Use of Scarce Resources and Leverage

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 can only be included in the calculation if funds are committed, not the subject of a current request.

   Calculate your total using the formula below. Exclude any commitments for the amortizing first mortgage financing and any anticipated syndication proceeds from the current HTC request.

   Total eligible funding secured, awarded or committed (excluding amortizing first mortgages and any anticipated proceeds from the current HTC request. If applicable, the Tax Increment Financing (TIF) amount provided by the city can be included as a commitment).

   $_____ divided by Total Development Costs $_____ equals Percentage of Permanent Capital Funding Sources Committed _____% (round to the nearest tenth):

   a. ☐ 10.51% or more of funding secured, awarded or committed **(16 points)**
   b. ☐ 9.01% to 10.5% of funding secured, awarded or committed **(14 points)**
   c. ☐ 7.51% to 9.0% of funding secured, awarded or committed **(12 points)**
   d. ☐ 6.01% to 7.5% of funding secured, awarded or committed **(10 points)**
   e. ☐ 4.51% to 6.0% of funding secured, awarded or committed **(8 points)**
   f. ☐ 3.01% to 4.5% of funding secured, awarded or committed **(6 points)**
   g. ☐ 1.51% to 3.0% of funding secured, awarded or committed **(4 points)**

For scoring purposes, the documentation must be in the form of a project specific Letter of Intent, city or council resolution, letter of approval or statement of agreement or eligibility. Commitment documentation must state the amount and be executed or approved by the lender or contributor. Commitments must contain no contingencies other than receipt of an HTC allocation or award from Minnesota Housing or the applicable conditions with which any recipient of similar funds would have to comply with to receive such funding. Documentation containing words synonymous with “consider” or “may,” (as in “may award”) regarding the commitment will not be acceptable.

Funding commitments, or an equivalent commitment, must be maintained and cannot be eliminated or reduced.

The list below includes potential Financial Readiness/Leveraged Funding Commitments, but the list is not all inclusive:

- Syndication proceeds due to previously allocated or awarded HTCs: Syndication proceeds from HTCs allocated or awarded in a previous cycle/round may be included if verification is included in the application. Acceptable verification is a letter from the allocating agency and an executed syndicator agreement or executed Letter of Intent from the syndicator that is acceptable to Minnesota Housing. The executed Letter of Intent must be current within 30 days of submission of the application.
- Monetary grants/donations
- The portion of the amortizing first mortgage supported by payments in lieu of taxes (PILOT): PILOT is only available for owners that are unit of local government. Be aware that Minnesota Housing may disallow points if the application is considered for a structure in which the project owner will not be a unit of local government, such as a structure with HTCs.
- Tax Increment Financing (TIF) and/or Property Tax Abatement: Provide satisfactory documentation that the contribution is committed to the project at the time of application. The documentation must include a resolution from the local government unit indicating its intention to provide TIF or property tax abatement assistance. The anticipated amount must be included in the resolution or a letter from the local government unit.
- Deferred loans
- Grants from nonprofit charitable organizations converted to deferred loans. An award letter from the nonprofit charitable organization contributor must be provided at the time of application verifying the contribution. Documentation must evidence that the contribution is restricted for housing development uses and the contribution must be included as a project source.
- Historic Tax Credits: In addition to the commitment documentation, at the time of application, provide written documentation of eligibility through evidence of Historic Register listing or Part 1 – Evaluation of Significance form that is certified and signed by the National Park Service (NPS), along with a syndicator/investor Letter of Intent. NPS must check a box on the form indicating that the property contributes to the significance or appears to contribute to the significance.
- General Partner (GP) commitments can count if satisfactory documentation is provided. Commitments cannot be eliminated or reduced. Examples include:

    - GP cash: Information provided in the applicant's Multifamily Workbook is satisfactory documentation and is considered a commitment.
    - Seller loans: Information provided in the applicant's Multifamily Workbook is satisfactory documentation and is considered a commitment, unless it is a third-party seller. In the case of a third-party seller, commitment documentation must also be provided.
    - Deferred developer fee: Information provided in the applicant's Multifamily Workbook is satisfactory documentation and is considered a commitment. For a committed deferred developer fee that cannot be paid back within 10 years on a pro forma basis (based on the pro forma submitted with the application), approval by the syndicator/investor is required.
    - Interim income and purchased reserves: Provide satisfactory documentation to demonstrate that the identified amount of reserves are available and will be purchased with the property and a commitment that they will be used as a permanent capital source. The documentation could include a purchase agreement or financial statements, along with a commitment letter from the applicant.
    - Energy or Sales Tax Rebate: Information provided in the applicant's Multifamily Workbook is satisfactory documentation and is considered a commitment.
- State Housing Tax Credit (SHTC):
    - A project expecting to receive a SHTC designated contribution at a later date: A commitment from a prospective SHTC contributor at application is similar to other funding commitments from an outside party. The third party is committing to contribute a certain amount of funds to the project. A commitment may not include a contingency regarding the availability of SHTC. All funding commitments, or an equivalent commitment, must be maintained and cannot be eliminated or reduced. The expectation is that the funds will be disbursed to the project whether or not the funds are received via from the SHTC program.
    - A project that was designated as a designee of a designated contribution or received an SHTC award through an RFP process: All funding commitments, or an equivalent commitment, must be maintained and cannot be eliminated or reduced. The expectation is that the funds will be disbursed to the project whether or not the funds are received via from the SHTC program. Submit the SHTC letter from Minnesota Housing with the amount.
- Funder commitments to modify existing debt will not be counted in this criterion.

NOTE: The Financial Readiness to Proceed/Leveraged Funds (5.A.) and Other Contributions (5.B.) selection criteria cannot be claimed for the same sources.

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. This is a non-capital contribution to the development budget unless specified below. Calculate your total using the formula below and select the appropriate option.

   This calculation is based on Total Development Costs. Do not use any exclusions. Total "Other" non-capital funding contributions and sources $_____ divided by Total Development Costs $_____ equals Other Contributions (rounded to the nearest tenth):

   a. ☐ 6.00% and above **(10 points)**
   b. ☐ 4.50% to 5.99% **(8 points)**
   c. ☐ 3.00% to 4.49% **(6 points)**
   d. ☐ 1.5% to 2.99% **(4 points)**
   e. ☐ .01% to 1.49% **(2 points)**

At the time of application, written documentation from the contributor justifying the amount and the terms of the contribution must be provided and be consistent with current market comparable costs. The documentation must be in the form of a project specific Letter of Intent, city or council resolution, letter of approval, statement of agreement or eligibility or memorandum of understanding.

For scoring purposes, the documentation must state the amount and must be executed or approved, at a minimum, by the contributor. Commitments must contain no contingencies other than receipt of a funding selection from Minnesota Housing or the applicable conditions with which any recipient of similar funds would have to comply with to receive such funding. Documentation containing words synonymous with "consider" or "may" (as in "may award") regarding the contribution will not be acceptable.

The list below includes potential Other Contributions, but the list is not all inclusive:

- Land donation or write-down of the project site: Documentation used to determine the as-is market value must be submitted. This could include an appraisal, assessment information, broker opinion with comparable properties or other data deemed acceptable by Minnesota Housing. If submitting a purchase agreement, the purchase agreement must reflect the reduced price.
- In-kind work and materials that benefit the project are donated at a lower or no cost value.
- Local government reduction, donation or waiver of project specific costs, assessments or fees (e.g., Sewer/Water Access Charge [SAC/WAC], Park Dedication Fees).

- Reservation land not subject to local property taxes: Documentation must include the amount and term (up to term of the Minnesota Housing deferred loan or LURA). Calculate net present value (NPV) by using NPV discounted by the applicable federal rate (AFR) for the term. This can be a contribution to the operating budget.
- Land with long-term low-cost leases: Calculate net present value (NPV) of the cumulative lease payments by using NPV discounted by applicable federal rate (AFR) for the term of the deferred loan/LURA or the term of the land lease, whichever is later. The contribution amount is determined by deducting the NPV amount and any capitalized acquisition costs from the value of the property. Documentation must include the proposed terms of the lease, including the length of lease and any annual payments required. Documentation used to determine the market value must be submitted. This could include an appraisal, assessment information, broker opinion with comparable properties or other data deemed acceptable by Minnesota Housing. The final land lease must be equal to or exceed the term of the LURA or the deferred loan and must be approved by Minnesota Housing prior to closing. This can be a contribution to the operating budget.
- Tax Increment Financing (TIF) and/or Property Tax Abatement for properties that cannot support an amortizing first mortgage. In this situation, the TIF or Property Tax Abatement is generally provided in the form of an operating subsidy. Calculate the net present value (NPV) using the applicable federal rate (AFR) for the term of the TIF or Property Tax Abatement. Provide satisfactory documentation that the contribution is committed to the project at the time of application. The documentation must include a resolution from the local unit of government indicating its intention to provide TIF and/or Property Tax Abatement assistance. The anticipated amounts must be included in the resolution or a letter from the local unit of government. The documentation should include the TIF or Property Tax Abatement analysis from the local unit of government or its consultant. This can be a contribution to the operating budget.
- Payments in lieu of taxes (PILOT) for properties that cannot support an amortizing first mortgage: PILOT is only available for owners that are unit of local government. Be aware that Minnesota Housing may disallow points if the application is considered for a structure in which the project owner will not be a unit of local government, such as a structure with HTCs. Documentation must include the amount and term (up to the term of the Minnesota Housing deferred loan or LURA). Calculate the net present value (NPV) using the applicable federal rate (AFR) for the term of the abatement (up to the term of the Minnesota Housing deferred loan or LURA). This can be a contribution to the operating budget.
- Funder commitments to modify existing debt will not be counted in this criterion.

NOTE: The Financial Readiness to Proceed/Leveraged Funds (5.A) and Other Contributions (5.B.) selection criteria cannot be claimed for the same resources.

C. Intermediary Costs (1 to 4 Points)

1. Intermediary costs are third-party service costs related to the project development. Costs excluded from Intermediary costs include Park Dedication Fees; Surveys; Soil Borings; Payment and Performance Bond Premium; Sewer/Water Access Charge (SAC/WAC); Fixtures, Furnishing and Equipment (FFE); Hazard and Liability Insurance; and Building Permits.

   This calculation is based upon the amount of intermediary costs on a sliding scale based on the percentage of Total Development Costs. For selected projects, this percentage may be enforced at the time of closing for deferred loans or at issuance of 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):

   a. ☐ 0.0% to 15% **(4 points)**
   b. ☐ 15.1% to 20% **(3 points)**
   c. ☐ 20.1% to 25% **(2 points)**
   d. ☐ 25.1% to 30% **(1 point)**

6. Building Characteristics

A. Innovative Construction Techniques (3 points)

1. ☐ The project will use Innovative Construction Techniques (ICT).

   To be eligible for the ICT selection criterion, a proposed project pre-application and final application submittal must meet all of the following conditions:

   a. The proposed technique will achieve one or both of the following goals, or it will pilot a technique that has the potential to achieve the goal(s) in the future after it is tested, and implementation issues have been worked out:
      i. Reduce total construction cost by at least 10%; and/or
      ii. Reduce the time a project is under for construction by at least 20%.
   b. The proposed technique is one that Minnesota Housing typically does not see in projects that receive Minnesota Housing resources. For example, conventional wood frame construction with panelized walls is a construction technique often used in Minnesota and is not an alternative way to frame this condition. The proposed technique needs to be new and innovative.

c. The proposed technique is feasible, can be replicated in future projects and has the potential to be brought to scale and used to meet different housing needs and in different settings. The technique has wide applicability.
d. The development team is required to write and publicly release a report after the project has been completed, outlining lessons learned, such as: What worked well with the technique? What did not work well? What challenges and barriers did the development team run into, and how did it overcome them? How can future projects more effectively implement and use the construction technique, outlining promising practices and lessons learned?
e. The use of the proposed technique is appropriate for the project and will not hinder its ability to provide quality housing on a timely basis, will last a long time and will meet the needs of tenants. The technique makes sense for this development.
f. The project complies with Minnesota Housing's design standards and guidance. Minnesota Housing may grant waivers if they will allow particularly promising techniques to be tested, and the waivers will not substantially impact the quality and durability of the housing.

The applicant must provide the required pre-application documentation by the required pre-application deadline. The due date will be established prior to the application deadline for the Multifamily Consolidated RFP or HTC Round 2. Failure to submit all required pre-application materials may result in rejection of the pre-application. Applicants must complete the ICT narrative and submit documentation via the pre-application process to demonstrate how the project meets the requirements outlined in the ICT narrative. Provide Minnesota Housing's innovative construction techniques confirmation letter with the application.

Projects applying via 4% HTC Only Round are not required to submit a pre-application and can submit the materials as part of the application.

B. Universal Design (3 Points)

1. The project will incorporate Universal Design Features. A Universal Design unit is a unit that includes all Minimum Essential Universal Design Features, 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.

   The Universal Design Worksheet must be included with the application. A list of the required Minimum Essential Universal Design and Optional Features can be found in the Universal Design Worksheet.

Select one:

a. ☐ An elevator building with 100% of the total units meeting the definition of a Universal Design Unit **(3 points)**
   Number of units: _____
b. ☐ A non-elevator building with at least 10% of the total units meeting the definition of a Universal Design Unit **(3 points)**
   Number of units: _____

C. Enhanced Sustainability (2 to 12 Points)

The project will incorporate additional sustainability criteria into its design. **The applicant must complete the "How Will Criteria Be Implemented" column within the applicable year's Multifamily Intended Methods Worksheet and clearly explain how each selected Optional Criteria point and alternative building performance pathway (Tier 3 and Tier 4) will be implemented.** The selected Optional Criteria point total on the Multifamily Intended Methods Worksheet must reconcile with the minimum number of Optional Criteria points required for the applicable tier, if claiming Tier 1 or Tier 2 points.

Applicants can select just Tier 1, Tier 2, Tier 3 or Tier 4; or a combination of Tiers 1 and 3, Tiers 2 and 3, Tiers 1 and 4 or Tiers 2 and 4 for a maximum of 12 points. Please note all buildings in the project with residential units, regardless, if claiming or not claiming point(s) for enhanced sustainability, must be certified through the ENERGY STAR Residential New Construction Program using ENERGY STAR Multifamily New Construction (MFNC), ENERGY STAR Manufactured Homes and/or ENERGY STAR Certified Homes as relevant. Refer to applicable MN Overlay for additional information regarding baseline requirements. Actual enrollment of project with Enterprise Green Communities Criteria (EGCC) is not required for any selected tier or combination of tiers.

1. ☐ Tier 1: The project will include at least two times the minimum number of Optional Criteria points, in addition to the Required Mandatory Criteria, as outlined within the applicable year's Minnesota Overlay to Enterprise Green Communities Criteria (EGCC) and as claimed in the Multifamily Intended Methods Worksheet. **(2 points)**
2. ☐ Tier 2: The project will include at least three times the minimum number of Optional Criteria points, in addition to the Required Mandatory Criteria, as outlined within the applicable year's Minnesota Overlay to EGCC and as claimed in the Multifamily Intended Methods Worksheet. **(4 points)**
3. ☐ Tier 3: The project will conform to at least one of the following alternative building performance pathways as claimed in the Multifamily Intended Methods Worksheet: **(6 points)**

a. Pathway 1[10] (applicable to new construction and rehabilitation (rehab) projects): The project meets Minnesota B3 Sustainable Building 2030 (SB 2030) Energy Standard.
b. Pathway 2[11] (applicable to new construction projects only): Certify the project with the Department of Energy (DOE)Zero Energy Ready Home (ZERH) program.
c. Pathway 3 (applicable to rehabilitation (rehab) projects only): The project meets the 2020EGCC – Criterion 5.1b Building Performance Standard. To receive points for Pathway 3, the project must follow the Performance Pathway as described in the applicable year's Minnesota Overlay to EGCC – Criterion 5.1b by providing an Energy Rater Index (ERI) Pathway by achieving one of the following ERI thresholds:
   i. An ERI score of 80 or less for properties built in or after 1980;
   ii. An ERI score of 100 or less for properties built before 1980; or
   iii. A post-rehab ERI score at least 15% less than the pre-rehab ERI score.

4. ☐ Tier 4: The project will be certified by one of the following alternative building performance pathways as claimed in the Multifamily Intended Methods Worksheet **(8 points)**:
   a. Passive House Institute (PHI) Classic;
   b. Passive House Institute United States (PHIUS); or
   c. PHI EnerPHit (applicable to rehabilitation projects only)
   d. PHIUS CORE/Zero REVIVE (applicable to rehabilitation projects only)
   e. One of the following 2020 Enterprise Green Communities Criteria, Criterion 5.4 Achieving Zero Energy, Option 2 programs:
      i. PHIUS + Source Zero;
      ii. PHI Plus;
      iii. PHI Premium;
      iv. International Living Future Institute's Zero Energy Petal;
      v. Zero Carbon Petal; or
      vi. Living Building Challenge.

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[10] Follow Minnesota B3 Sustainable Building 2030 (SB 2030) Energy Standard. Compliance with SB 2030 Standard is achieved by a combination of on-site renewable energy generation and energy efficiency. Projects meeting SB 2030 Standard are evaluated for compliance during design, during construction and for a period of 10 years of occupancy. Compliance will be monitored through the B3-MSBG Tracking Tool. All buildings with residential units in the project must be certified through the ENERGY STAR Residential New Construction Program. Refer to applicable MN Overlay for additional information regarding baseline requirements.

[11] Follow 2020 EGCC – Criterion 5.2b Moving to Zero Energy: Near Zero Certification.

7. Unacceptable Practices

Minnesota Housing may impose penalty points for unacceptable practices as set forth in Chapter 2.J. of the QAP. **(-1 to -35 points)**