



Multifamily 4% Housing Tax Credit Only Standards

Applicable for the 2025 4% Housing Tax Credit Only
Application Round

January 2025

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A. Purpose

This Multifamily 4% Housing Tax Credit (HTC) Only Standards provides an overview of the Minnesota Housing Finance Agency's (Minnesota Housing's) 2025 4% HTC Only application round process, general instructions, requirements and important application information regarding Minnesota Housing's application and selection process.

Minnesota thrives because of its diversity of race, ethnicity, sexual orientation, gender identity, (dis)abilities, ages, families, and geographies. Discrimination, lack of access to resources, and other barriers have led to disparities that inhibit Minnesotans from achieving their fullest potential. Minnesota Housing prioritizes projects that center on Communities Most Impacted (CMI) by housing instability and disparities in its work to advance equity. This is a core value in all of Minnesota Housing's actions, including resources administered through the 4% HTC Only application round process, which includes the awarding of low-income federal housing tax credits (HTCs) to affordable¹ multifamily rental housing developments.

HTCs are subject to specific program requirements and limitations that are not set out in detail, or modified by, this document. The allocation and award of HTCs is governed by Minnesota Housing's [Qualified Allocation Plan \(QAP\)](#) including the [Self-Scoring Worksheet](#), which is informed by the Scoring Guide. Applicants who are applying for 4% HTCs should refer to those guiding documents.

Sign Up for the Multifamily eNews

Interested applicants should sign up for Minnesota Housing's [Multifamily 4% HTC eNews](#) list to receive important information and training opportunities throughout the 4% HTC Only application round period.

¹ Housing with rent or income restrictions.

B. Overview of the 4% HTC Only Application Round

Minnesota Housing is currently accepting pre-applications and full applications for awards of 2025 4% HTCs Only for projects that: (1) have received an allocation of tax-exempt volume limited bonding authority from Minnesota Management and Budget (MMB); and (2) are not located in an area covered by a suballocator qualified allocation plan. For 2025, the areas covered by suballocator qualified allocation plans are: the City of St. Paul, the City of Minneapolis, Dakota County, and Washington County.

Pre-applications and application for preliminary determination of eligibility (42M Application) for 4% HTC Only must be submitted using Minnesota Housing's online [Multifamily Customer Portal](#)² (Portal).

2024-2025 Qualified Allocation Plan

The 2024-2025 HTC QAP contains the requirements and process Minnesota Housing uses to award 4% HTC Only. These requirements were implemented to help ensure that 4% HTC Only are awarded to projects that meet high priority affordable rental housing needs in the State of Minnesota. The requirements and process are highlighted below:

1. **Minimum Score** – The project must meet the 40-point minimum score requirement for 4% HTC Only. Refer to the 2024-2025 Self-Scoring Worksheet for scoring information.
2. **Affordability** – All owners of projects qualifying for 4% HTCs are required to waive their right to utilize the Qualified Contract process for a minimum period of 30 years. Projects that agree to waive the Qualified Contract for longer terms can receive additional points toward the minimum score.
3. **Compliance with QAP** – In order to be eligible for 4% HTCs, a project must comply with the requirements of the applicable Minnesota Housing QAP in accordance with federal requirements.

A project must comply with Minnesota Housing's QAP that is in effect for the calendar year in which tax-exempt volume limited bonds are issued, together with any tax-exempt volume limited bonds issued in a prior calendar year, sufficient to finance at least 50 percent of the aggregate basis of the

² Portal facilitates the application and post-selection process for developers seeking funding from Minnesota Housing for affordable rental housing 4% HTCs Only. Portal is a web-based application built on the Salesforce Platform.

building and the land it is located on (the 50% test). For example, if a project receives an allocation of bonding authority in 2024 but bonds sufficient to meet the 50% test are not issued until 2025, the owner will be required to submit a new application in the 2025 4% HTC Only application round.

Refer to [Chapter 7 of the QAP, Projects Financed by Tax-Exempt Volume Limited Bonds Seeking HTCs](#), or Minnesota Housing's [Housing Tax Credits](#) webpage for more information.

C. Guidance for Tax-Exempt Volume Limited Bonds

Section 42 of the Internal Revenue Code (IRC) establishes that, under certain circumstances, low-income housing tax credits not from the state annual credit ceiling may be available for projects that are financed with tax-exempt volume limited bonds. Section 42 (m)(1)(D) provides that in order for a project to receive an award of HTCs through the issuance of tax-exempt volume limited bonds, the project must satisfy the requirements for allocation contained in the QAP applicable to the area in which the project is located. The Minnesota Housing QAP applies to all projects for which Minnesota Housing is the issuer of the bonds and all other projects not located within the area covered by a suballocator QAP. Tax-exempt volume limited bonds issued in Minnesota for residential rental housing projects must meet the 50% Bond Tests Analysis and comply with the requirements of [Minnesota Statutes Section 474A.047](#).

Process for Securing 4% HTCs

In Minnesota, MMB administers the state's tax-exempt volume limited bonding authority for all issuers, including Minnesota Housing. Minnesota Housing and some local units of government receive a set-aside of tax-exempt volume limited bonding authority to finance qualified developments. For information on application dates and procedures for tax-exempt volume limited bonding authority from MMB, [contact MMB directly](#).

Minnesota Housing is the primary allocating agency for HTCs in Minnesota. There are also certain cities and counties that act as designated housing credit agencies or suballocators for their jurisdictions. For 2025, these suballocators are the cities of Minneapolis and St. Paul along with Dakota County and Washington County. When projects receive an allocation of tax-exempt bonding authority, by federal law they must separately request an award of 4% HTCs from Minnesota Housing (or the applicable HTC suballocator based on the tax-exempt bond issuer and the location of the project) in order to obtain a preliminary determination of eligibility for those credits, known as a 42M Letter. Refer to the [Housing Tax Credits Procedures for Projects Financed with Tax-exempt Volume Limited Bonds](#) for more information.

Minnesota Housing requires developers to submit a complete application at least 60 days prior to bond issuance in order for Minnesota Housing to issue a 42M Letter. If the issuer of the bonds is not Minnesota Housing, the initial application submission must include evidence that the project received an allocation of tax-exempt volume limited bonding authority from MMB. The initial application submission must also include a preliminary determination letter (42(m)(2)(d)) from the issuer of the bonds that addresses the tax credit dollar amount and the reasonableness of project costs.

50% Bond Tests Analysis

The Bond Tests Analysis is required for all applications with a 4% HTC financial structure utilizing tax-exempt volume limited bonds. The Bond Tests Analysis will provide a preliminary analysis of several of the federal and state required tests that must be met for tax-exempt bonds and to determine initial eligibility for 4% HTCs. Much of the information will be imported from the project's Multifamily Workbook, with some manual data entry also required. Review the detailed instructions found in Portal in the Bond Tests Analysis Workbook application checklist.

474A.047 Compliance

Prior to loan closing, preservation projects with an existing project-based federal rental assistance payment contract must enter into a binding agreement with Minnesota Housing to extend affordability restrictions and any contract or agreement for rental assistance for the maximum term permitted. Minnesota Housing must also certify, based on information certified to Minnesota Housing by the borrower, that project reserves will be maintained at the closing of the loan and budgeted in future years at the lesser of:

- The greater of 40% of the outstanding first mortgage or \$5,000 per unit; or
- The level of project reserves available prior to closing of the loan, provided that additional money is available to accomplish repairs and replacements needed at the time of loan closing

Required forms and supporting documentation must be submitted in Portal under the 474A Compliance application checklist.

D. 4% HTC Only Application Process

The 4% HTC Only round process includes the application and evaluation period. The application period is effectively the time period from when applications materials are released to when the application materials are submitted. The evaluation period is effectively from the application submission date to when Minnesota Housing approves the full application and issues the 42M Letter for 2025 4% HTCs.

The Application Period

The application period formally starts once the application is available to the public. This includes the pre-application and full application materials, the Portal, application trainings and technical assistance to help applicants submit a 4% HTC Only application. Refer to the [Steps to Get Started](#) section for additional details. Within the application period, potential applicants submit a complete Pre-Application(s) (if applicable) and full application to be considered for 4% HTCs.

Optional: Pre-Application Process

The pre-application process is designed to help developers identify next steps and the requirements associated with requesting an award of 4% HTCs for projects that are expected to receive an allocation of tax-exempt volume limited bonding authority from MMB. The process helps applicants gauge whether the proposed project will meet Minnesota Housing's 4% HTC requirements. While the pre-application process is optional, we strongly encourage developers to submit a pre-application to help mitigate project risks associated with obtaining an award of 4% HTCs.

With Minnesota Housing's optional pre-application process, applicants for 4% HTC Only application round can receive the following information before an application for tax-exempt volume limited bonding authority is submitted to MMB:

1. Preliminary predictive cost model determination (to determine if total development costs are within the model's reasonable range as required by the QAP), and/or
2. Preliminary scoring determination (to determine if the project reaches the minimum score of 40 points on Minnesota Housing's Self-Scoring Worksheet in order to move forward in the application process)

Completed pre-application(s) and checklist item(s) must be uploaded and submitted in Portal a minimum of 30 calendar days prior to submitting a 42M Application to allow sufficient time for review. Required pre-application materials not completed and submitted may be considered ineligible.

Preliminary Predictive Cost Model Determination

The QAP and Minnesota Housing Board Policy requires that all applications to Minnesota Housing for HTCs be evaluated for cost reasonableness. To aid in its determination, Minnesota Housing utilizes a cost model that predicts, within reasonable parameters as required by the QAP, the approximate total development cost per unit based on the development's characteristics. The predictive cost model uses data that incorporates characteristics of developments Minnesota Housing has recently financed; it also includes an adjustment for inflation. Characteristics such as new construction, building type (e.g.,

elevator, townhome, walk-up apartment), unit size, location, square footage, type of financing and special costs (e.g., historical preservation, environmental abatement, supportive housing) are incorporated in the model. Minnesota Housing policies require that a development's costs not exceed the predictive cost model by more than 25% for new construction projects or more than 35% for preservation projects. If the development costs exceed the threshold, a waiver from Minnesota Housing's board is required.

To learn more about Minnesota Housing's cost containment efforts, refer to the annual Cost Containment Report on our [Reporting on Agency Work](#) webpage.

Applicants should submit the preliminary predictive cost model determination document, which indicates to Minnesota Housing that a predictive cost model determination is desired. Upon satisfactory review, Minnesota Housing will issue a Preliminary Predictive Model Determination Letter that will include the following:

- Minnesota Housing's determination of the project's current percentage of the total development cost relative to the predictive cost model;
- A project cap, beyond which a Minnesota Housing board waiver for per unit costs will be required.

As long as the overall structure and development costs of the project have not changed substantially and the project does not exceed the original project cap at the time of the 42M Application, the development will not have to seek a board waiver. If a board waiver is required, Minnesota Housing staff will inform applicant and request additional information, if needed.

Preliminary Scoring Determination

In order to be considered for an award of 4% HTC Only, the project must score a minimum of 40 points. Refer to the [2024-2025 Self-Scoring Worksheet](#) for scoring information. Applicants should submit the Self-Scoring Worksheet and all required documentation including documentation supporting all points claimed in Portal. Upon satisfactory review, Minnesota Housing will issue a Preliminary Scoring Determination Letter.

The Preliminary Scoring Determination process is offered for applicants' convenience and is not Minnesota Housing's final scoring determination. If the structure and development costs of the project substantially change between pre-application and 42M application, the project may score differently.

42M Full Application Process

42M Application is required for an issuance of 42M Letter for 2025 4% HTCs. A full and complete 42M

Application must be submitted to Minnesota Housing at least 60 days prior to bond issuance. A full application includes, but is not limited to the following:

- All required application materials, includes forms created by the Minnesota Housing and non-Minnesota Housing forms to support the application. Required application materials not completed, submitted and accepted may be considered ineligible.
- Completed application checklist item(s) uploaded and submitted in Portal.
- Submission of the Self-Scoring Worksheet on the Scoring Wizard in Portal.
- Qualification Forms and complete financial information. Additional information is on [Development Team Qualification Forms](#) webpage.

Additional information is in the [Application Requirements section](#). See Step 2 in section E.

NOTE: It is imperative that the full and complete application be submitted as soon as possible after the allocation of bonding authority to ensure timely receipt of the 42M Letter in order to issue bonds.

The Evaluation Period

The evaluation period begins after the 42M Application is submitted. The evaluation period generally extends over a 60 day period and ends when Minnesota Housing issues the 42M Letter. The phases include:

- **Eligibility:** applications go through an initial review to ensure a full application was submitted and is [eligible](#). Application materials submitted are cross referenced with Portal to ensure consistency. If inconsistencies exist, characteristics or documentation will be reconciled to match the application materials submitted.
- **Scoring:** applications are scored based on self-score or Minnesota Housing score in accordance with the Self-Scoring Worksheet and Scoring Guide.
- **Feasibility:** applications are further processed and reviewed in accordance with the [application selection and HTC requirements](#). See Step 3 in section E.

Minnesota Housing in its sole discretion, may request additional information or deem an application error as nonmaterial. Minnesota Housing reserves the right to withdraw any 4% HTC Only application, not make selections, adjust dates and/or modify submission material requirements as it deems necessary. Minnesota Housing will post notice of any such changes on its website and is not able to reimburse any applicant for costs incurred in the preparation or submittal of proposals.

Communication During the Evaluation Period

Minnesota Housing will communicate and allow clarifications specific to scoring documentation after the application submission for 4% HTC Only. Minnesota Housing may, at its sole discretion, communicate with an applicant related to application checklist items, such as a selection determination or the feasibility review, and to produce required documentation as needed for application.

Materials submitted or completed as part of the 4% HTC Only pre-application or application may be requested through Minnesota Housing's [data request](#) process. Pursuant to Minnesota Statutes, section 13.591, certain financial and business data will remain private or nonpublic.

E. Steps to Get Started

To submit an application, interested applicants should follow the below five steps. Each step includes requirements and considerations for submitting an application.

1. [Review 4% HTC Only Resource and Request Technical Assistance](#)
2. [Review Application Eligibility, Determine Project Type\(s\) and Review Application Requirements](#)
3. [Review Application Selection Considerations](#)
4. [Create a Multifamily Customer Portal \(Portal\) Account](#)
5. [Gather Materials and Apply by the Deadlines](#)

Step 1: Review 4% HTC Only Resource and Request Technical Assistance

Technical assistance is *strongly* recommended for all applicants, particularly those who are new to Minnesota Housing's 4% HTC Only application round. Technical assistance is a consultation session with Minnesota Housing staff to review project concepts, project workbooks, preliminary building design or scopes of work and Minnesota Housing's scoring process.

Applicants can submit a [Technical Assistance Request Form](#), and there is no cost for technical assistance.

Technical assistance provided by Minnesota Housing staff is only advisory and does not guarantee that a development will receive points under a particular category or be selected for HTCs.

While every effort is made to ensure the accuracy of the technical assistance, such assistance is subject to, and does not modify or override, the requirements of Minnesota Housing's QAP, including the Self-Scoring Worksheet, this document, Multifamily Underwriting Standards or other documents related to

applications for awards of 4% HTCs. Applicants are encouraged to review the materials available on Minnesota Housing’s website and Portal, and consult with legal counsel and, if applicable, a knowledgeable tax professional to ensure compliance with all applicable application, submission and project requirements.

Step 2: Review Application Eligibility, Determine Project Type(s) and Review Application Requirements

Eligible Uses

Projects must meet the categories listed to be eligible for HTCs.³

Eligible Housing Types

- Permanent general occupancy rental housing
- Permanent Supportive Housing
- Senior Housing

Eligible Buildings/Projects

- Buildings with any number of units⁴
- Single/multiple building(s) on a parcel of land
- Scattered site buildings on different tracts of land if the project is 100% rent and income restricted

Eligible Construction Types

- New construction
- Acquisition/rehabilitation of existing housing
- Adaptive reuse/conversion to housing from another use

³ HTC eligibility is governed by the HTC QAP, including the Self-Scoring Worksheet.

⁴ HTC projects with buildings having four or fewer residential units must comply with Section 42 (i)(3)(c) of the Internal Revenue Code.

Eligible Activities

- New construction
- Acquisition of land or existing structures
- Rehabilitation of housing
- Adaptive reuse/conversion to housing from another use
- Preservation
- Demolition

Ineligible Uses

Any residential rental unit that is part of a hospital, nursing home, sanitarium, life care facility, trailer park or intermediate care facility for the mentally and physically handicapped is not considered for use by the general public; therefore, it is not eligible for HTC's under Section 42 of the IRC.

Transitional housing and shelter housing are ineligible uses.

Application Requirements

Applications that do not complete and submit the following information by the [Application Deadline\(s\)](#), when applicable, may be considered ineligible for further processing:

- Evidence of [site control](#) and a site map
- Multifamily Workbook⁵
- [General Certification Form for Project Owner/Sponsor](#)
- Architectural submissions that meet Minnesota Housing's [Rental Housing Design and Construction Standards](#)
- All application materials and checklist items that are applicable to the project. The most current version of application forms can be found in [Portal](#). Current versions are indicated in the instructions of the document or with footer dates consistent with the current application round.

⁵ A required application material which provides details about the project's financial structure and funding request, project descriptions and information, incomes and expenses, cash flow, and more.

- Submission of the [2024-2025 Self-Scoring Worksheet](#) on the Scoring Wizard in [Portal](#), including supporting scoring documentation as outlined in the Self-Scoring Worksheet.
- [Development Team Qualification Forms](#) and complete financial information. This includes the Qualifications of Sponsor and Qualification of Service Provider for applications that are primarily supportive housing.
- Required application fee(s) as listed in the [Multifamily Fee Remittance Form](#)

Signatures

All application materials with a signature block must be signed, including the General Certification Form. Minnesota Housing will accept the following signatures:

- Scanned wet signatures
- DocuSign, if the applicant has an active DocuSign account
- Adobe Sign signatures
- A photo of the signed document(s)

Minnesota Housing may provide an applicant with additional time to produce a required signature if incomplete or missing, provided Minnesota Housing determines this practice can be applied consistently and within a prudent timeline.

Step 3: Review Application Selection Considerations

Minnesota Housing determines if the application meets the selection requirements. The application review requirements for selection include, but are not limited to, the following:

- [Strategic priorities and selection criteria](#)
- [Financial and organizational capacity](#)
- [Site control](#)
- [Project feasibility](#)
 - [Multifamily Underwriting Standards](#)
 - [Multifamily Rental Housing Design/Construction Standards](#)
 - [Payment Standards](#)
 - [Rent and income limits](#)
 - [Prevailing wage and Reporting Requirements](#)
 - [Wage Theft](#)
- [Prohibited Tenant Preference Policy](#)
- [Tenant Displacement Prior to Selection](#)

Strategic Priorities and Selection Criteria

Minnesota Housing considers how the proposed project aligns with the goals and objectives outlined in [Minnesota Housing's Strategic Plan](#).

An award is based on 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 as well as the assessment of penalty points in future application rounds.

Financial and Organizational Capacity

Applicants must submit the required qualification forms. The qualification forms, along with additional information and instructions for submittal, can be accessed on Minnesota Housing's [Development Team Qualification Forms](#) webpage.

The applicant's financial and organizational capacity will be reviewed to assess:

- The applicant's related housing or other real estate development experience
- The number of proposed projects
- Whether the applicant has successfully completed similar projects or is partnering with other organizations that have successfully completed similar projects
- Whether the applicant has strong current and expected ongoing capacity to complete the proposed housing project(s) and other proposals being developed by the organization, including proposals being considered for selection in the current application round and those previously selected by Minnesota Housing that have not yet been completed
- Whether the applicant has the capacity to operate and maintain the rental housing long-term
- Whether the applicant is active, in good standing and not suspended
- Whether the applicant has successfully managed projects in its portfolio and in compliance with Minnesota Housing's compliance policies, procedures or requirements

Site Control

Applicants must demonstrate acceptable evidence of title/site control during scoring, which includes a purchase agreement, purchase option or letter of intent from a governmental body for a sole developer. If there is no transfer of ownership, then the current evidence of title is acceptable. Additional federal requirements, such as an environmental review, may apply post-selection.

The evidence of site control must:

- Be current – not expired
- Be fully executed by both buyer and seller
- Include the legal description of the property
- Have the purchase price clearly indicated
- Extend at least through the calendar year of the application round, including automatic extensions; If the purchase agreement does not contain a specific date of expiration, but rather a series of phases with timeframes, the applicant must document how long the agreement extends, given the allowable timeframes

Project Feasibility

Projects must demonstrate and satisfy the following feasibility requirements in their application:

- The housing is economically viable and sustainable when the Multifamily Underwriting Standards are applied
- The proposed site is appropriate for the proposed housing and the target population including, but not limited to, environmental conditions and neighboring property uses such as fuel tank storage, high noise producing activities, floodplains, etc.
- The costs of developing the housing are reasonable and/or justifiable
- The proposed housing is needed in the intended market based on population, job growth and low housing vacancy rates; this includes the need for supportive housing units
- For permanent supportive housing, the rents must be affordable for the population to be served and must have a feasible plan for securing resources for adequate staffing and services to address the needs of the population to be served
- For projects that are to be developed in tandem with another project (for example, shared underground parking), the application must demonstrate that each individual project can be financed and built independently; the Multifamily Workbook(s) must reflect all costs associated with the submitted project
- For projects that include a commercial component, the application must demonstrate that the housing and commercial elements will be financed separately, and that the sustainability of the housing component does not rely upon commercial income

Multifamily Underwriting Standards

The Underwriting Standards are used by Minnesota Housing for underwriting and sizing of all awards, including HTCs. Refer to the [Multifamily Underwriting Standards](#), which can be found on Minnesota Housing's [4% HTC](#) webpage.

Multifamily Rental Housing Design/Construction Standards

Minnesota Housing is committed to constructing or rehabilitating multifamily housing to a standard that, when properly maintained, remains decent, safe, sanitary and affordable for a long-term duration.

Minnesota Housing has established minimum design standards that are applicable to the construction or rehabilitation project being proposed. Minnesota Housing's Rental Housing Design/Construction Standards incorporate requirements from a variety of sources to further Minnesota Housing's charge to facilitate the provision of decent, safe, sanitary, and affordable housing in the state. Overall, Minnesota Housing's standards help ensure that financed affordable housing is sustainable, cost-effective, healthy and energy efficient. The type of housing and funding program often dictates which standards apply. Refer to the Minnesota Housing [Building Standards](#) webpage for the Rental Housing Design/Construction Standards and other design information.

Payment Standards

Public Housing Agencies (PHAs) adopt payment standard schedules that establish the Housing Choice Voucher (HCV) and HUD Veterans Affairs Supportive Housing (HUD VASH) voucher payment standards amounts for unit sizes in the PHA jurisdiction. Minnesota Housing encourages developers to be aware of the payment standards in the project area so that projects seeking Minnesota Housing financing are accessible to voucher holders.

All applicants must meet the minimum deeper rent targeting unit requirements outlined in the [Self-Scoring Worksheet](#) with rents restricted at or below the Housing Assistance Payment (HAP) payment standard, as determined by the responsible entity in the jurisdiction.

Rent and Income Limits

Minnesota Housing requires rent and income limits consistent with those specified in the owner's application, and as underwritten by Minnesota Housing for selected projects, provided they are not higher than applicable program statutory [rent and income limits](#).

All applicants must meet the minimum deeper rent targeting unit requirements outlined in the [Self-Scoring Worksheet](#) with rents restricted at or below the county 30% MTSP rent limit.

Prevailing Wage

Under certain circumstances, awards of Minnesota Housing funds may trigger state prevailing wage requirements under Minnesota Statutes Chapter 177 or Minnesota Statutes Section 116J.871. In broad terms, Minnesota Statutes Chapter 177 applies to an award of \$25,000 or greater for housing that is publicly owned. Minnesota Statutes Section 116J.871 applies to awards for non-publicly owned housing that meet the following conditions: (1) new housing construction (not rehabilitation of existing housing); (2) a single entity receives from Minnesota Housing \$200,000 or more of grant proceeds or \$500,000 of loan proceeds; or (3) allocations or awards of low-income housing tax credits, for which tax credits are used for multifamily housing projects consisting of more than ten units.

Minnesota Statutes Section 116J.871 sets out several exceptions to the applicability of prevailing wage including (1) rehabilitation of existing housing; (2) new housing construction in which total financial assistance at a single project site is less than \$100,000; and (3) financial assistance for the new construction of fully detached single-family affordable homeownership units for which the financial assistance covers no more than ten fully detached single-family affordable homeownership units.

Entities receiving funding from Minnesota Housing as described in this section shall notify all employers on the project of the recordkeeping and reporting requirements in Minnesota Statutes Section 177.30, paragraph (a), clauses (6) and (7). Each employer shall submit the required information to Minnesota Housing.

Visit Minnesota Housing's [Prevailing Wage](#) webpage for more information on the prevailing wage requirements, applicability, and reporting.

Questions related to submission of required information to Minnesota Housing may be directed to:
mhfa.prevailingwage@state.mn.us.

All determinations regarding prevailing wage are made by the Minnesota Department of Labor and Industry. All questions regarding state prevailing wages and compliance requirements should be directed to that agency as follows:

Division of Labor Standards and Apprenticeship
State Program Administrator
443 Lafayette Road N, St. Paul, MN 55155

651.284.5091 or dli.prevwage@state.mn.us

If a contractor or subcontractor fails to adhere to prevailing wage laws, then that contractor or subcontractor could face civil and/or criminal liability.

Wage Theft

The Wage Theft Disclosure Certification Form (“Certification Form”) and Wage Theft Prevention Verification Form is required by [Minnesota Statute 462A.051](#) for all multiunit residential housing projects applying for funding from Minnesota Housing, including any loan and federal low-income HTCs.

- Wage Theft Disclosure Certification Form – Submit required form at time of application
- Wage Theft Prevention Verification Form – Submit required form prior to closing and receiving funding. For purposes of 4% HTC Only, this means at the time of application.

Minnesota Housing will not process any application where the applicant refuses to provide the information requested by the Wage Theft Disclosure Certification Form and Wage Theft Prevention Verification Form, and may refuse to fund any application based on the information provided in the forms.

Prohibited Tenant Preference Policy

[Minnesota Rule 4900.0340](#) prohibits a preference for occupancy in multi-unit developments financed by Minnesota Housing to persons or families by virtue of their prior residence in the community in which the development is located. In limited circumstances, exceptions may be considered for households displaced by public action or natural disaster or for previous residents of a rehabilitated multi-unit development financed by Minnesota Housing.

Tenant Displacement Prior to Selection

If a project will involve the demolition, rehabilitation and/or conversion of an existing residential or commercial building currently occupied by tenants who are not the building owner, the applicant or owner cannot attempt to involuntarily vacate or displace current tenants from the building as a direct result of acquisition, rehabilitation or demolition for the project from the time of application submission through selection. Notices to vacate given to tenants or refusals to renew an expiring lease in order to evade responsibilities to provide relocation assistance or sell the property as “vacant” after the date of application submission is not allowed. Building occupancy must also be tracked from application submission through selection.

If the project requires temporary relocation of tenants during demolition, rehabilitation and/or conversion, a plan must be submitted and accepted. Review Minnesota Housing's [Temporary Relocation Principles](#) for more information.

Step 4: Create a Multifamily Customer Portal (Portal) Account

Pre-applications and 42M Applications must be submitted via the [Multifamily Customer Portal](#). Hard copies will not be accepted.

The Portal allows applicants to log in, custom build an application checklist based on the type of proposal to be submitted and upload all application materials. Most items have descriptive help text that provides important information on submission. Using the Portal also allows customers to submit documents and collaborate with Minnesota Housing staff throughout the pre-application and application process, including 8609 submittals.

Review instructions on how to navigate Portal and submit an application, which can be found on Minnesota Housing's [Multifamily Customer Portal Resources](#) webpage. You can access the Scoring Wizard Training and User Guides on how to apply for 4% HTC's using the Portal.

To apply through Portal, applicants will need to request a Portal user account. To request an account, complete the [online form](#). Refer to the Multifamily Customer Portal User Guides on Minnesota Housing's [Multifamily Customer Portal Resources](#) webpage for more information.

Property and Project Numbers

On many Minnesota Housing application forms, applicants are asked to provide a property number (D#) and a project number (M#). A D# is a four-digit number assigned by Minnesota Housing to represent the property. Portal will automatically assign a primary M#.

Applicants need to list the primary M# in their Multifamily Workbook. The D# and M# can be found in the project information details section of an applicant's project in Portal.

Step 5: Gather Materials and Apply by the Deadlines

Applicants are responsible to know all requirements that are needed to submit a complete application.

Annual 4% HTC Only Application Round Timeline

Table 1 – 4% HTC Only Application Round Materials and Deadlines

Process/Required Items	How to Submit	Application Deadlines
<p>Optional Pre-Application(s): Preliminary predictive cost model and/or scoring determination, and supporting documentation</p> <p>Developer initiates optional pre-application process with Minnesota Housing for 1) initial scoring determination, and/or 2) preliminary predictive model determination to help ensure cost reasonableness</p>	<p>Multifamily Customer Portal</p>	<p>30 calendar days prior to 42M Application submission</p>
<p>Required Developer applies to Minnesota Management and Budget (MMB) for a bond allocation</p>	<p>Minnesota Management and Budget (MMB) website</p>	<p>Year round starting in January</p>
<p>MMB Bond Allocation Determination MMB announces bond allocations year round starting in January</p>	<p>MMB will publish Tax Exempt Bonding Allocation status report on MMB’s webpage</p>	<p>MMB timeline: 180-day clock starts when tax exempt bonds are allocated</p>
<p>Minnesota Housing Outreach Minnesota Housing communicates with bond allocation recipients to provide information on the 4% HTC process (42M). Minnesota Housing may schedule a light launch meeting with the developer to review 4% Only HTC requirements, process and timeline.</p>	<p>N/A</p>	<p>Minnesota Housing will reach out to developer within 4 weeks of bonding allocation</p>
<p>42M Application Submittal This includes, but is not limited to:</p>	<p>Multifamily Customer Portal</p>	<p>42M Applications must be submitted at least 60 days prior to bond issuance but</p>

Process/Required Items	How to Submit	Application Deadlines
<ul style="list-style-type: none"> All application materials uploaded as an application checklists in Portal Self-Scoring Worksheet on the Scoring Wizard in Portal Qualification forms* 	<p>*All qualification forms and sponsor financials must be submitted via the Multifamily Secure Upload Tool</p>	<p>should be submitted as early as possible after bond allocation from MMB.</p>
<p>Multifamily Fee Remittance Form</p> <ul style="list-style-type: none"> This includes the payment <p><i>NOTE: All fees are non-refundable</i></p>	<p>U.S. Mail: Minnesota Housing Attention: Multifamily Division 400 Wabasha St. N, Suite 400 St. Paul, MN 55102</p>	<p>Submit at time of application</p>
<p>Development Closes</p>	<p>8609 application materials must be submitted via Multifamily Customer Portal</p>	<p>8609 application materials should be submitted as soon as possible but in any event no later than 15 days after the last day of the 1st year of the credit period.</p>

F. What to Expect After Application Review

If an application is approved for 4% HTC, Minnesota Housing will provide a 42M Letter to the applicant that will be uploaded in Portal.

G. Contact

- 4% Housing Tax Credits: Visit the [4% Housing Tax Credits](#) webpage
- Questions about the 2025 4% HTC application round and Technical Assistance: htc.mhfa@state.mn.us
- Portal Questions: mhfa.app@state.mn.us