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## Instructions


The purpose of this Scoring guide is to provide additional information to supplement the Self-scoring Worksheet. This guide is intended to address commonly asked questions and clarify document submission requirements. Applicants must meet the requirements outlined in the Self-Scoring Worksheet and the Scoring Guide to be eligible for points. Applicants should refer to the following documents for a detailed list of required documentation for each selection criterion:

- Self-scoring Worksheet
- Multifamily Application Instructions
- Qualified Allocation Plan (QAP)
- Multifamily Customer Portal (checklist and help test)

The applicant must submit documentation that clearly supports the points claimed unless otherwise indicated in the SSW or Scoring Guide. Claiming points does not meet documentation requirements on its own. If an applicant received a partial allocation from Minnesota Housing in a prior Round, the agency may allow submission of the same supporting documentation if commitments have not expired.

The information provided in the Scoring Guide does not modify or override the requirements of Minnesota Housing's Qualified Allocation Plan, the Self-Scoring Worksheet, Multifamily Applications Instructions, Multifamily Underwriting Standards or other documents related to applications for funding. Applicants are encouraged to review the materials available on the Minnesota Housing website and consult with legal counsel, and if applicable, a knowledgeable tax professional, to ensure compliance with all applicable application, submission, and project requirements.

## Workbook Check

Look for the  symbol throughout this Guide, as a reminder to cross check the scoring documentation and scoring narrative with the Workbook to ensure consistency.

Minnesota Housing will review the rent grid in the workbook against the Scoring Wizard. Applicants must indicate the correct rent limit, income limit, program type and the source of rental assistance/operating subsidy. If the workbook does not align with the Scoring Wizard, applicants may lose points.

## Unit Types

Pay attention to the unit types when completing calculations.

- Total units – all units in a project, including common space or employee units. Common space or employee units should be included in the numerator and denominator when the calculation is based on total units.
- Assisted/Restricted units – HTC units for HTC applications and affordable units for deferred funding. Common space or employee units should be omitted from the numerator and denominator when the calculation is based on assisted units.

## Minimum Unit Requirements

Unless otherwise indicated in this document, in the instance that the unit count and the percentage of units in the workbook don't align with the SSW, Minnesota Housing will do the following:

- If the number of units indicated in the workbook are equal to or greater than the number of units claimed on and required in the SSW, Minnesota Housing will use the number of units entered in the SSW for scoring.
- If the number of units indicated in the workbook are less than the minimum and/or less than the number of units claimed on and required in the SSW, Minnesota Housing will remove points. In the instance of tiered categories, the points will be adjusted downward.

### **Rent Requirements**

Applicants should make sure the correct rent limits related to scoring requirements (ex. 30% MTSP, 50% MTSP) are reflected in the workbook for each unit. Minnesota Housing will remove points for incorrect **rent** limits.

### **Income Requirements**

Applicants should make sure the correct income limits related to scoring requirements (ex. 30% MTSP, 50% MTSP) are reflected in the workbook for each unit. Minnesota Housing will not remove points for incorrect incomes limits, but the final legal documents will reflect all rent/incomes that were claimed and awarded points.

### **Commitment Documentation**

Minnesota Housing will review all commitment documentation submitted. Documentation must be current (not expired), project specific, fully executed and state the amount (ex. dollar amounts for capital contributions, voucher amounts for rental assistance). Minnesota Housing will use the amount stated in the commitment documentation to award points. If no amount is stated or if the dollar amount varies from the SSW, points will be reduced accordingly.

### **Rural Development**

Rural Development (RD) projects may be prohibited from selecting rent and income restrictions and/or tenant household types. Please consult with RD and Minnesota Housing staff prior to submitting an application if you have this issue.

### **Geographic Scoring**

The geographic based selection criteria are also mapped in the [Community Profiles](#) based on applicable methodologies. The maps located in the Community Profiles and Methodology do not supersede the language in the Methodologies themselves or in the Self-scoring Worksheet. Applicants should cross reference the Self-scoring Worksheet prior to claiming points.

Minnesota Housing uses the primary address for a proposed project when scoring all geographic criteria. Minnesota Housing recognizes, however, that property boundaries for a project may extend beyond the primary address. To account for this, if any segment of the property boundary intersects the given geographic scoring criteria in question, it is eligible to receive those points. In other words, the following applies:

- If the primary address provides the correct score, then no further documentation is needed.
- If the primary address does not score or receives a lower score than another part of the property, provide documentation that highlights the property boundary and its proximity to the scoring criteria.

## **Scattered Sites**

Scattered site projects require a specific scoring methodology defined in each section below when applicable.

A scattered site project is defined for HTC purposes as:

- buildings on different tracts of land that have similarly constructed units;
- have the same owner for federal income tax purposes;
- are financed pursuant to a common plan of financing; and,
- is 100 percent rent- and income-restricted.

Guidance is provided throughout this guide on how thresholds and selection criteria in the SSW will apply to scattered site projects. The project should use a weighted average for selection criteria using the number of units that meet the criteria. If a section below does not include guidance, then the criteria applies to the entire project and clarification is not necessary. The applicant should claim criteria based upon the requirement stated in each respective threshold and selection criterion.

## Additional Requirements

### **Strategic Priority**

Minnesota Housing staff will validate that at least one strategic priority is identified in the Multifamily Rental Housing Narrative.

#### **Where to Submit Supporting Documentation:**

- **Rental Housing Narrative Questions checklist item in Portal**

### **Preference for Eventual Tenant Ownership**

This preference is only applicable to HTC projects. Provide a draft or preliminary transition plan consistent with the requirements of the [Eventual Tenant Ownership \(ETO\) Guide](#).

#### **Where to submit Supporting Documentation:**

- **Eventual Tenant Ownership (HTC) checklist item in Portal**

### **Preference for Innovative Construction Techniques**

The preference is only available through the Consolidated Request for Proposals (RFP). A pre-application is required to determine eligibility. Minnesota Housing will provide a letter of determination to the pre-applicants prior to the full application due date. Applicants claiming the preference must upload the document into Portal. See the [Innovative Construction Techniques Guidance](#) for additional information.

#### **Where to submit Supporting Documentation:**

- **ICT Determination Letter checklist item in Portal**

### **Deeper Rent Targeting**

All applicants must meet the minimum requirements outlined in the SSW. Units can overlap with all other scoring criteria, except for projects where 100% of the units include project-based rental assistance.

#### **Where to submit Supporting Documentation:**

- **Multifamily Workbook checklist item in Portal**

### **Required Documentation for Minimum Threshold Requirements**

For applications submitted for HTC Round 1, all applicants statewide must meet at least one minimum threshold. Refer to the Self-Scoring Worksheet for more information, including the full list of minimum threshold options.

- A. For projects outside of the metropolitan area that meet a locally identified housing need and which are in short supply in the local housing market as evidenced by credible data submitted with the application. Credible data could include:
  1. a market study that meets Minnesota Housing's Market Study Guidelines; or,
  2. a housing study for the jurisdiction, a local council resolution; or,
  3. a threshold letter from an authorized city representative identifying a locally identified housing need that the project meets. See [HTC sample threshold letter](#).

**Threshold Requirements for Scattered Sites:**

- Minimum Threshold A. 1 and A.2 - Threshold applies to the whole project.
- Minimum Threshold A.3 - E Must have 51% of the total units to meet the threshold

**Where to submit Supporting Documentation:**

- **HTC Minimum Thresholds checklist item in Portal**
- **Multifamily Workbook checklist item in Portal**
- **Market Study checklist item in Portal (when applicable)**

## Required Documentation for Selection Criteria

### Large Family Housing

#### Large Family Housing

Minnesota Housing will validate the units with the submitted Multifamily Workbook. Projects must round up to the nearest unit. The percentage calculation uses the number of assisted units.

Scoring Dependencies:

- Cannot claim Senior Housing

#### Where to submit Supporting Documentation:

- [Multifamily Workbook checklist item in Portal](#)

### Senior Housing

#### Senior Housing

Minnesota Housing will validate the units with the submitted Multifamily Workbook. All assisted units must be age restricted.

#### Further Restricting Senior Housing

Applicants seeking to further restrict the incomes on senior units. The calculation is based on the number of age restricted units above.

Scoring Dependencies:

- Cannot claim Large Family
- Cannot claim People with Disabilities
- Further Restricting Senior Housing Units cannot claim Further Restricting Rental Assistance

**Note:** Only one member of the household needs to be 55+. The age restriction does not need to apply to all tenants (but can be).

#### Where to submit Supporting Documentation:

- [Multifamily Workbook checklist item in Portal](#)
- [Senior Housing Narrative Questions checklist item in Portal](#)

### Permanent Supportive Housing for High Priority Homeless (HPH)

#### HPH

The project **must** meet the threshold requirements outlined in the Self-scoring Worksheet and include the supportive housing application materials, including all narratives, forms and submittals identified in the Portal.

Minnesota Housing will validate all information with the submitted Multifamily Workbook and application materials. **The HPH units must be marked as HPH units on the rent and income grid in the Workbook, and**



**the type of rental subsidy must be indicated.** If no subsidy is available, rent levels must be underwritten to the Supportive Housing units underwriting standards outlined in the Multifamily Underwriting Standards, and they must be financially feasible.

Scoring Dependencies:

- HPH units cannot overlap with PWD units
- If claiming People with Disabilities–Tier 2 Section 811 PRA Units, the overall units cannot exceed 25% of total units (HPH, PWD, and other homeless)

### **Continuum of Care (CoC)**

The household type served must be consistent with the local CoC priority household type published for the RFP/QAP year and the identified HPH household type. Minnesota Housing will validate all information with the submitted Multifamily Workbook and supportive housing application materials. The percentage calculation uses the number of total units. See the [Continuum of Care \(CoC\) Priorities](#) for more information.

### **Where to submit Supporting Documentation:**

- **Multifamily Workbook checklist item in Portal**
- **Permanent Supportive Housing Narrative Questions checklist item in Portal**
- **Qualification of Service Provider checklist item in Portal**
- **Service Funding Documentation checklist item in Portal**
- **Continuum of Care Confirmation checklist item in Portal**
- **Housing Support Funding Commitment Letter checklist item in Portal (when applicable)**

## **People with Disabilities (PWD)**

### **PWD - Tier I**

The project **must** meet the threshold requirements outlined in the Self-scoring Worksheet and include the People with Disabilities application materials, including all narratives, forms and submittals identified in the Portal.

Minnesota Housing will validate all information with the submitted Multifamily Workbook and application materials. **The units must be marked as PWD on the rent and income grid in the Workbook, the income limit should be restricted to 30% MTSP, and the type of rental subsidy must be indicated.** If no subsidy is available, rent levels must be underwritten to the Supportive Housing units underwriting standards outlined in the Multifamily Underwriting Standards, and they must be financially feasible.

Policy Modification:

- If the applicant indicates that the population served will be persons with physical disabilities, and if Round 1 Minimum Threshold C5 (persons with physical disabilities) is the only minimum threshold criteria met, the project must meet the statutory requirement that 50% of units must be accessible Type A and B units as identified in the referenced Chapter 1341, also known as the Accessibility Code.
- If the minimum threshold is not required, then statutory requirement pertaining to accessible units is not applicable.

Scoring Dependencies (Tier I):

- Cannot claim if the property has age restrictions (Senior Housing)
- Units cannot overlap with HPH

### **PWD – Tier 2 - Section 811 PRA Units**

The project must submit a pre-application to determine eligibility. Minnesota Housing will provide a letter of determination to pre-applicants prior to the full application deadline. Applicants claiming the criteria must upload the letter into Portal. The application **must** meet the threshold requirements outlined in the Self-scoring Worksheet and include the People with Disabilities application materials, including all narratives, forms and submittals identified in the Portal.

The total number of Section 811 PRA units cannot exceed 11 units per project and the percent of supportive housing units (HPH, PWD and other homeless units) cannot exceed 25% of the total units.

Minnesota Housing will validate all information with the submitted Multifamily Workbook and application materials. The units must be marked as PWD on the rent and income grid in the Workbook, the income limit restricted to 30% MTSP, and Section 811 PRA should be indicated as the type of rental subsidy.

#### Scoring Dependencies (Tier 2):

- Cannot claim if the property has age restrictions (Senior Housing)
- Units cannot overlap with HPH
- Total PWD units cannot exceed 11 units
- Units cannot exceed 25% of total units (HPH, PWD, and other homeless)
- Section 811 units cannot claim Serves Lowest Income on the same units

#### Where to submit Supporting Documentation:

- **Multifamily Workbook checklist item in Portal**
- **People with Disabilities Narrative Questions checklist item in Portal**
- **People with Disabilities Service Agreement checklist item in Portal**
- **People with Disabilities Section 811 Narrative checklist item in Portal (when applicable)**
- **Section 811 Determination Letter checklist item in Portal (when applicable)**

## **Preservation**

### **Preservation Thresholds**

The project must meet a threshold to be eligible for points.

Note: For projects with an award of existing federal assistance that has been in place for more than 15 years: A project with existing federal rental assistance that meets the definition of federal assistance under the Preservation scoring criteria is not eligible to take points under Rental Assistance, regardless of whether the project takes Preservation points.

**Scattered Site:** To meet the threshold, the building or buildings that satisfy the threshold must have at least 51% of total units to meet the Preservation threshold. For critical affordable units at risk of loss, use a weighted average to determine eligibility.

### **Risk of Loss Due to Market Conversion**

- Provide evidence of the ability to convert to market within five years by submitting:
  - Current financing documents, including Section 8 Housing Assistance Payment (HAP) contracts, Rural Development Mortgages, Declarations, Regulatory Agreements, Use Agreements, or Land Use Restriction Agreements (LURAs) that describe the expiration of relevant contract terms or use-restrictions; **AND/OR**
  - Current financing documents and contracts that show the owner’s ability to pre-pay or opt-out, including required approvals and/or penalties. For HTC projects eligible to exercise the option to file for a Qualified Contract, submit the Declaration of Land Use Restrictive Covenants; **AND**
  - If a property has existing Minnesota Housing financing, document the date of expiration of the Minimum Rent Subsidy Period (MRSP).
- Provide evidence of the vacancy rate by submitting a market study or other third-party data.
- Document the potential for market conversion with one or more of the following:
  - An appraisal commissioned by Minnesota Housing within a year of the application date where the as-is unrestricted value is equal to or greater than the as-is restricted value; **OR**
  - A Section 8 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; **OR**
  - 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, amenities, and condition to convert to market rate.
- Submit documentation that the 15 or more years have passed since:
  - Initial date of Section 8 HAP contract or RD mortgage (with rental assistance) or other existing federal assistance; **OR**
  - Most recent HTC placed in service date; **OR**
  - Loan or HTC documents that created a rent and income restriction at or below the greater of 80% of statewide median income or area median income

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

### **Risk of Loss Due to Critical Physical Needs**

- Document critical physical needs by a third-party assessment, which includes the following:
  - A Property Needs Assessment (PNA)/Capital Needs Assessment (CNA) and 20 Year Capital Needs Expenditure (20YCE) utilizing Minnesota Housing forms or another approved format.
- Complete the Three-Year Critical Needs Model and provide evidence that the scope of work for the critical needs exceeds the project’s available reserves by at least \$5,000 per unit. Review the most recent Minnesota Housing Multifamily Rental Housing Design/Construction Standards, particularly Chapters 3 and 10.
- Submit documentation that the 15 or more years have passed since:
  - Initial date of Section 8 HAP contract or RD mortgage (with rental assistance) or other existing federal assistance; **OR**
  - Most recent HTC placed in service date; **OR**

- Loan or HTC documents that created a rent and income restriction at or below the greater of 80% of statewide median income or area median income

**NOTE:** Minnesota Housing will validate the critical physical needs and associated costs claimed by the applicant and must agree with the determination to receive points. Minnesota Housing will conduct an inspection in the manner it seems appropriate.

**Risk of Loss Due to Ownership Capacity/Program Commitment**

- Provide evidence of applicable events:
  - Bankruptcy, insolvency, default, foreclosure action, unpaid taxes and assessments, ongoing lack of compliance with lenders or terms of federal assistance, or self-determination by non-profit board are severe enough to put the property at significant risk of not remaining decent, safe and affordable. Document that ownership will be transferred to an unrelated party; **OR**
  - 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 had been submitted to Minnesota Housing; **OR**
  - The property has been or will be acquired from an unrelated party within three years of the application date as a result of a PARIF Right of First Refusal being exercised; **OR**
  - The acquisition of a property with USDA Rural Development rental assistance has occurred or will occur when the current or previous owner intends or intended to allow the existing USDA Rural Development mortgage to mature and has turned down offers from USDA Rural Development to re-amortize the mortgage. Document maturity date and date of acquisition. **NOTE:** Must apply within five years of maturity date and within three years of acquisition.
- Submit documentation that the 15 or more years have passed since:
  - Initial date of Section 8 HAP contract or RD mortgage (with rental assistance) or other existing federal assistance; **OR**
  - Most recent HTC placed in service date; **OR**
  - Loan or HTC documents that created a rent and income restriction at or below the greater of 80% of statewide median income or area median income

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

**Preservation Criteria**

**Existing Federal Assistance– Tier I – Project Based Rental Assistance/Operating Subsidies**

Provide written evidence of the project having existing project-based rental assistance and/or operating subsidies under the U.S. Department of Housing and Urban Development (HUD), U.S. Department of Agriculture-Rural Development (USDA), Native American Housing Assistance and Self-determination Act of 1996 (NAHASDA) or other program that is not scheduled to sunset or expire. Properties that have converted their type of funding through the Rental Assistance Demonstration Program, Component 2 (RAD 2) and RAD for Project Rental Assistance Contracts (PRAC) are eligible. Include documentation of the percentage of units that have project-based federal assistance.

**Existing Federal Assistance – Tier 2**

Provide:

Evidence of a current recorded deed restriction limiting rent or income restrictions at or below the greater of 80% of statewide median income or area median income. Includes existing public housing units, including converting through the Rental Assistance Demonstration Program, Component 1 (RAD 1), existing HTC units, Rural Development funded units without rental assistance, and existing federal assistance (202, 236, etc.)

### **Critical Affordable Units at Risk of Loss**

Provide:

evidence of a current recorded deed restriction limiting rent or income restrictions at or below the great of 80% of statewide area median income or area median income under another non-federal program, including state, local or intermediary funds.

Scoring Dependencies:

- Tier 1 – Projects that meet the definition of existing federal assistance under preservation cannot claim Rental Assistance
- Tier 2 – RAD I or II or Public Housing Program - Cannot claim rental assistance
- Tier 1 - Units with Rental Assistance cannot claim Serves Lowest Income
- Tier 2 and Critical Affordable Units – Units cannot overlap with Serves Lowest Income

### **Where to submit Supporting Documentation:**

- **Preservation checklist item in Portal**

## **Rental Assistance**

### **Rental Assistance**

The calculation is based on the total units in the project. Minnesota Housing will validate the number of units and all other information with the submitted Multifamily Workbook. The units must be marked as rental assistance on the rent and income grid in the Workbook and the type of rental subsidy must be indicated. Provide a fully executed binding commitment (i.e., binding Resolution or binding Letter of Approval from the governing body) for project-based rental assistance. For Housing Support, the Housing Support Commitment letter must be completed by the county or tribe for the jurisdiction where the housing will be located. The letter must specify that the commitment is for the proposed property. If a service provider elects to commit Housing Support units from an existing contract for tenant-based Housing Support, a commitment letter from that organization must be submitted along with an approval letter from the county to allow the commitment.

Note: For projects with an award of existing federal assistance that has been in place for more than 15 years: A project with existing federal rental assistance that meets the definition of federal assistance under the Preservation scoring criteria is not eligible to take points under Rental Assistance, regardless of whether the project takes Preservation points.

### **Further Restricts Rental Assistance**

Minnesota Housing will validate the number of units and all other information with the submitted Multifamily Workbook. The percentage is based on total units in the project, not the number of assisted units or the number of Rental Assistance units.

Scoring Dependencies for Rental Assistance and Further Restricts Rental Assistance:

- Cannot claim if the project meets the definition of preservation
- Cannot claim Preservation
- Units with rental assistance cannot claim Serves Lowest Income

**Where to submit Supporting Documentation:**

- **Multifamily Workbook checklist item in Portal**
- **Rental Assistance checklist item in Portal**
- **Rental Assistance Payment Standards checklist item in Portal**

**Serves Lowest Income Tenants/Rent Reduction**

**Serves Lowest Income Tenants/Rent Reduction**



The calculation is based on the total restricted/assisted units in the project. Minnesota Housing will validate the number of units and all other information with the submitted Multifamily Workbook.

Applicants seeking these points should reflect the rents for these units at or below the 50% MTSP rent limit in the rent and income grid of the Multifamily Workbook. MTSP rent limits are available on Minnesota Housing’s [website](#). Projects must be financially feasible.

**Further Restricting Serves Lowest Income Tenants/Rent Reduction**



Minnesota Housing will validate the number of units and all other information with the submitted Multifamily Workbook. Applicants seeking these points should reflect the rents for these units at or below the 30% MTSP rent limit in the rent and income grid of the Multifamily Workbook. MTSP rent limits are available on Minnesota Housing’s website. Projects must be financially feasible. The calculation is based on the total assisted units in the project.

**NOTE:** Serves Lowest Income Tenants units cannot have rental assistance. Projects with new or existing rental assistance must claim points under Rental Assistance or preservation.

**Scoring Dependencies:**

- Units cannot overlap with Preservation Tier 2 and Critical Affordable Units
- Units with rental assistance cannot claim Serves Lowest Income

**Where to submit Supporting Documentation:**

- **Multifamily Workbook checklist item in Portal**

**Long Term Affordability**

The selection criterion is applicable to HTC and deferred projects. No supporting documentation is required at the time of application.

**Where to submit Supporting Documentation:**

- **No supporting documentation required.**

## Need For More Affordable Housing

If claiming this criterion, you must select the criterion, but the geographic location will be verified by Minnesota Housing staff. No supporting documentation is not required in the Portal.

Refer to the [Need for More Affordable Housing Options Methodology](#) for more information.

**Scattered Site:** Must have 51% or more of the total units within an eligible criterion and then use a weighted average to determine score.

### Where to submit Supporting Documentation:

- **No supporting documentation required.**

## Workforce Housing Communities

Provide evidence that the proposed development is located in or near a city or township that meets one of the following items below. Refer to the [Workforce Housing Methodology](#).

### **Top Job Center or Job Growth Community**

If claiming this criterion, you must select the criterion, but the geographic location will be verified by Minnesota Housing staff, so supporting documentation is not required in the Portal.

### **Individual Employer Growth**

Applicant **must** provide a letter signed by an authorized representative of a single local employer documenting that at least 100 net, new jobs for permanent full- or part-time employees have been added during the previous five years within that community.

### **Long Commute Community**

If claiming this criterion, you must select the criterion, but the geographic location will be verified by Minnesota Housing staff, so supporting documentation is not required in the Portal

**Scattered Site:** Must have 51% or more of the total units within an eligible criterion and then use a weighted average to determine score.

### Where to submit Supporting Documentation:

- **If claiming Individual Employer Growth points, submit documentation to the Workforce Housing Communities checklist item in Portal.**
- **If claiming Top Job Center or Job Growth Community, or, Long Commute Community, no supporting documentation required.**

## Transit and Walkability

If claiming these criteria, you must select the criteria, but if the project is included in the methodology the geographic location will be verified by Minnesota Housing staff. Refer to the [Transit and Walkability Methodology](#).

If the project includes a planned transit stops not yet in service or includes demand response/dial a ride that is not included in the Methodology, documentation must be submitted with the application.

**NOTE:** If applicants would like to request revisions of a location’s Walk Score, they may contact Walk Score directly with details of the request to [mhfa-request@walkscore.com](mailto:mhfa-request@walkscore.com). Walk Score staff will review the request and make necessary adjustments to scoring within 45 business days. If an address cannot be found in the Walk Score tool, use closest intersection within ¼ mile of the proposed location.

**Scattered Site:** Must have 51% or more of the total units within an eligible criterion and then use a weighted average to determine score.

**Where to submit Supporting Documentation:**

- If the project includes a planned transit stops not yet in service or includes demand response/dial a ride that is not included in the Methodology, submit documentation to the Transit and Walkability checklist item in Portal.
- If the project is included in the methodology, no supporting documentation is required.

**Community Development Initiative**

Applicant must complete the [Community Development Initiative Narrative](#) and submit documentation demonstrating how the initiative meets the requirements. **Submit a full copy of all plans that you are referencing.**

Refer to the Self-scoring Worksheet for more details on documentation and narrative requirements, as well as additional requirements for projects in a Qualified Census Tract (QCT).

**Scattered Site:** The project must have at least 51% of the total units to qualify and then use a weighted average to determine eligibility.

**Where to submit Supporting Documentation:**

- Community Development Initiative checklist item in Portal

**Equitable Development**

Applicant must complete the [Equitable Development Narrative](#) and submit documentation demonstrating how the initiative meets the requirements. Any documentation, plan or data referenced in the narrative must be provided to demonstrate the project meets the criteria.

**Qualifying Stakeholder Group:** A qualifying stakeholder group must have meaningful representation of Community(ies) Most Impacted who have an active and participatory role in shaping and carrying out the priorities and goals of the stakeholder group. Its mission and purpose must have some connection to uplifting and supporting communities most impacted in its work.

- Significant involvement of a Qualifying Stakeholder Group
  - Multiple qualifying stakeholder groups may have a significant role in the project proposal. However, each qualified stakeholder group must on their own meet the threshold criteria with the narrative questions answered for each.



- Examples of Qualified Stakeholder Input
  - Design: A qualified stakeholder group representing an immigrant CMI meaningfully involved in the architectural design of intergenerational housing which directly responds to the input provided by the stakeholder group.
  - Services: A qualified stakeholder group representing a “families with children” CMI meaningfully involved in a services model where after-school and weekend activities for children are provided in a specific space in the project and directly responds to the input of the stakeholder group.
  - Community Benefits: An agreement between the developer and the local community to employ individuals from the neighborhood
  
- Qualified Stakeholder Group Letter:
  - A signed letter from the Qualified Stakeholder Group must be submitted that addresses 1.d. of the Threshold Criteria.

**Where to submit Supporting Documentation:**

- **Equitable Development checklist item in Portal**

**Rural/Tribal**

If claiming this criterion, you must select the criterion, but the geographic location will be verified by Minnesota Housing staff, so supporting documentation is not required. Refer to the [Rural/Tribal Designated Areas Methodology](#).

**Scattered Site:** Must have 51% or more of the total units within an eligible criterion and then use a weighted average to determine score.

**Where to submit Supporting Documentation:**

- **No supporting documentation required.**

**Qualified Census Tract (QCT)/Community Revitalization, Tribal Equivalent Areas and Opportunity Zones**

If claiming this criterion, you must select the criterion, but the geographic location will be verified by Minnesota Housing staff, so supporting documentation is not required. Refer to the [QCT Tribal Equivalent Areas Methodology](#) and the [Opportunity Zones Methodology](#).

Minnesota Housing staff will validate all the required supporting documentation for Community Development Initiative was submitted.

**Scattered Site:** Must have 51% or more of the total units within an eligible criterion and then use a weighted average to determine score.

**Where to submit Supporting Documentation:**

- **No supporting documentation required.**

## Multifamily Award History

If claiming this criterion, you must select the criterion, but the geographic location will be verified by Minnesota Housing staff, so supporting documentation is not required. Refer to the [Multifamily Award History Methodology](#).

### Annexation

- At application, if the project is located on property that has been or is going to be annexed, it is eligible for points if the community the project was originally located within is eligible for the points.
- If a project is selected and located on property that has been or is going to be annexed, both communities involved in the annexation will not be eligible for the points within the 5-year timeframe for this criterion for subsequent years.

### Where to submit Supporting Documentation:

- **No supporting documentation required.**

## Black, Indigenous and People of Color-owned / Women-owned Business Enterprise (BIPOCBE/WBE)

### Ownership

Provide documentation showing that the project sponsor, executive director of a non-profit, executive director or equivalent of a governmental entity, general contractor, architect, or management agent is a BIPOCBE/WBE enterprise as defined in the Self-Scoring Worksheet. The statement should be from the corresponding entity and explain how and why they meet the criteria.

Ownership documentation could include:

- Signed Certification Statement
- Minnesota Housing Qualification Forms
- Creation of a new joint venture is allowed if the percentage of ownership for the entire structure is in line with the definition in the Self-scoring Worksheet. Applicants can subcontract work, but the BIPOCBE/WBE business must be the responsible party and primary entity of record.

NOTE: Board composition does not count for points.

### Partnership

Provide a signed, dated and executed agreement between the partnering entities showing the specific segregation of duties and the roles that the partnering entities will undertake. The agreement must include specific language stating that the goal of the partnership is to increase the capacity of the BIPOCBE/WBE entity to develop, manage, construct, design, or own affordable housing in the future.

A 51% owned BIPOCBE/WBE entity may also partner with another BIPOCBE/WBE entity in a joint venture to build the latter's capacity.

### Where to submit Supporting Documentation:

- **BIPOCBE/WBE checklist item in Portal**

## Financial Readiness to Proceed/Leveraged Funds

Provide evidence from the contributor or lender of all applicable forms of proposed, secured and existing permanent capital funding under this submission requirement. The Self Scoring Worksheet contains important details on the required documentation for various types of sources. 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. The calculation will be based on the information provided with the source documentation, not on numbers listed in the Multifamily Workbook. Make sure the workbook accurately reflects the commitment documentation.

It is highly recommend that applicants complete the [Scoring Calculation Worksheet](#) and submit it in Portal.

### Tax Increment Financing (TIF)

- Tax Increment Financing (TIF): Provide satisfactory documentation that the contribution is committed to the development at the time of application. The documentation must include a city council resolution indicating its intention to provide TIF assistance. The anticipated amount must be included in the resolution or a letter from the city. See the [Sample TIF Resolution](#)
- See the [Sample TIF Letter](#)

### Existing Minnesota Housing Debt

All documentation must meet the information outlined in the Self-Scoring Worksheet. Expired documentation will not count.

### Where to submit Supporting Documentation:

- **Financial Readiness to Proceed/Leveraged Funds checklist item in Portal**
- **First Mortgage Commitment Letter checklist item in Portal (when applicable)**
- **Energy Rebate Analysis – Preliminary checklist item in Portal (when applicable)**
- **Existing Loan and HTC Documents checklist item in Portal (when applicable)**
- **Syndicator/Investor Letter of Intent checklist item in Portal (when applicable)**
- **4% HTC Syndicator/Investor Letter of Intent checklist item in Portal (when applicable)**

## Other Contributions

Provide written documentation from the contributor justifying the amount and the terms of the contribution. 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 a memorandum of understanding (MOU).

### Tax Increment Financing (TIF) for Operating Subsidy

Tax Increment Financing (TIF) for properties that cannot support an amortizing first mortgage. Calculate the net present value (NPV) by using NPV discounted by applicable federal rate (AFR) for the term of the (TIF). Provide satisfactory documentation that the contribution is committed to the development at the time of application. The documentation must include a city council resolution indicating its intention to provide TIF assistance. The anticipated amount must be included in the resolution or a letter from the city. The documentation should include the TIF analysis from the city or its consultant.

## Tax Abatement

Tax abatement and payments in lieu of taxes for properties that cannot support an amortizing first mortgage. Documentation must include the amount and term (up to the term of the Minnesota Housing deferred loan or LURA). Calculate net present value (NPV) by using NPV discounted by applicable federal rate (AFR) for the term of the abatement (up to the term of the Minnesota Housing deferred loan or LURA).

## Land Donation or Write Down

Documentation of property value must come from the current owner or seller, not the buyer. Only as-is values will be accepted.

**NOTE:** New funding awards or commitments from Minnesota Housing Funding Partners, the federal government, a local unit of government, an area employer, or private religious or charitable organization are not eligible for this criterion.

### Where to submit Supporting Documentation:

- **Multifamily Workbook checklist item in Portal**
- **Other Contributions checklist item in Portal**

## Intermediary Costs



Intermediary costs are third-party service costs related to the development of the project. Provide intermediary costs on the Development Cost tab of the Multifamily Workbook. Excluded costs are included in the Self-scoring Worksheet. All other Soft costs incorporated into the “other” line will count as additional intermediary costs. The agency may request additional documentation for abnormally large costs incorporated into an excludable cost.

### Where to submit Supporting Documentation:

- **Multifamily Workbook checklist item in Portal**
- **Other Supporting Documentation checklist item in Portal (when applicable)**

## Universal Design

The applicant must submit the Universal Design Worksheet (UDW). The UDW and architectural/construction application items will be reviewed to determine eligibility for the criteria. The determination to award points will be made at the sole discretion of Minnesota Housing. For elevator buildings, 100% of the assisted units must meet the definition. For non-elevator buildings, at least 10% of the assisted units must meet the definition.

### Scattered Site/Multiple Buildings:

- Projects with both building types (elevator equipped building and non-elevator equipped buildings) - must meet both definitions to be eligible and must complete a separated UDW for each building type. Number of Universal Design units must be provided for each building type.
- Projects with the same building type (elevator equipped building or non-elevator equipped buildings) – may complete one UDW. Calculate the overall percentage of Universal Design units required based on total dwelling units.

If scattered sites have a mixture of building types, each building must meet the optional feature requirements noted above.

**Where to submit Supporting Documentation:**

- **Intended Methods Worksheet checklist item in Portal**
- **Universal Design Worksheet checklist item in Portal**
- **Construction Cost Estimate - New Construction checklist item in Portal (when applicable)**
- **Construction Cost Estimate – Rehabilitation checklist item in Portal (when applicable)**
- **HTC Design Standards Certification checklist item in Portal (when applicable)**
- **Physical or Capital Needs Assessment (PNA/CNA) checklist item in Portal (when applicable)**
- **Preliminary Architectural Requirements – New Cont. checklist item in Portal (when applicable)**
- **Preliminary Architectural Requirements – Rehab checklist item in Portal (when applicable)**

**Smoke-free Buildings**

The applicant certifies that the property will be smoke-free upon lease-up. No documentation required.

**Where to submit Supporting Documentation:**

- **No supporting documentation required**

**Enhanced Sustainability**

Applicants who claim Enhanced Sustainability points must include all mandatory and optional Enterprise Green Communities Criteria on the Multifamily Intended Methods Worksheet (IMW) to be eligible for points. The IMW and architectural/construction application items will be reviewed to determine eligibility for the criteria. The “How Will Criteria Be Implemented” column for all mandatory and selected optional point criteria must clearly explain how the project will comply. IMW’s with blank or insufficient detail provided may result in the loss of points if certain items cannot be validated.

The determination to award points will be made at the sole discretion of Minnesota Housing.

**Where to submit Supporting Documentation:**

- **Intended Methods Worksheet checklist item in Portal**
- **Universal Design Worksheet checklist item in Portal**
- **Construction Cost Estimate - New Construction checklist item in Portal (when applicable)**
- **Construction Cost Estimate – Rehabilitation checklist item in Portal (when applicable)**
- **HTC Design Standards Certification checklist item in Portal (when applicable)**
- **Physical or Capital Needs Assessment (PNA/CNA) checklist item in Portal (when applicable)**
- **Preliminary Architectural Requirements – New Cont. checklist item in Portal (when applicable)**
- **Preliminary Architectural Requirements – Rehab checklist item in Portal (when applicable)**
- **Universal Design Worksheet checklist item in Portal (when applicable)**

**Unacceptable Practices**

For HTC projects only. Minnesota Housing will send prior notification and will impose an HTC penalty for unacceptable practices.

**Where to submit Supporting Documentation:**

- **No supporting documentation required**