



Multifamily Rental Housing Design/Construction Standards

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Amendments

This revision of the April 2016 version includes changes to Chapter 9 and the addition of Chapter 11.

Chapter 1 – Overview

Minnesota Housing is committed to meeting Minnesotans' needs for decent, safe and sustainable affordable housing. Since building codes, local regulations and ordinances primarily focus on health, safety and/or protecting property values, they cannot be relied on to meet all of expectations. Therefore, in an effort to better meet customer needs and communicate expectations, Minnesota Housing has developed Design/Construction Standards for multifamily rental housing.

These standards replace all previous standards and are applicable to multifamily rental housing receiving Minnesota Housing Tax Credit (HTC) allocations, other capital improvement financing or both for new construction or rehabilitation. Projects involving adaptive reuse or “gut” rehabilitation of rental housing must comply, to the maximum extent feasible, with standards for rehabilitation and new construction.

Minnesota Housing encourages sustainable, healthy housing that optimizes the use of cost effective durable building materials and systems that minimize the consumption of natural resources during construction and in long-term maintenance and operation. In addition, the Agency welcomes new ideas and looks forward to implementing any that will provide long-lasting benefits to its customers.

While developing these Design/Construction Standards, Minnesota Housing sought input from funding partners, development partners, including owners, developers, attorneys, architects and contractors, along with input from the Agency's production and asset management staff. In addition, housing design standards required of other state housing finance agencies conducting similar business were reviewed and compared to Minnesota Housing standards. The Agency determined that the design standards contained in this guide fall within the mainstream of design standards required by other state housing agencies.

Refer to the beginning summary section of each standard to learn whether the standard is applicable to the project. The project activity or funding source generally dictates when and how a standard applies. When strict compliance to these standards is not feasible, contact the Minnesota Housing Staff Architect assigned to the development to discuss whether a waiver or variance is warranted.

If a newer version of this document is released after the initial award of funding, the developer and architect may use the standards of the document that were current at the time of the initial funding award.

Chapter 2 – General Occupancy New Construction Minimum Standards

2.01 Background

Once a decision is made to construct a new housing development to serve a particular housing need, selecting an appropriate site location is important. If Minnesota Housing financial assistance is requested to construct a new housing development, the decision to build on a particular site must include determining whether the site can be developed and if it complies with Minnesota Housing standards.

The following standards are supplemental to basic standards established by applicable building codes, local zoning, and other applicable regulations. Where two standards govern the same condition, conformance to the most restrictive standard is required. Regardless of whether the local jurisdiction has adopted or not adopted Minnesota State Building Code, all improvements receiving Minnesota Housing financing must be in compliance with the most current Minnesota State Building Code in effect at the time of the application for funding.

2.02 Purpose

To ensure multifamily rental housing financed by Minnesota Housing is of decent quality, energy efficient, functional, sustainable and effective in reducing long-term maintenance costs.

2.03 Requirements

The following new construction minimum standards involving site design, building design, mechanical and electrical systems, and building components must be adhered to if receiving Minnesota Housing funding for new construction.

- A. **Site Design:** Site improvements must comply with the following standards associated with grading, drainage, parking, garages, sidewalks, play equipment/area, signage and landscaping as follows:
1. **Grading/Drainage:** The site must be well drained. Surface water must be directed away from structure. Snow removal/storage must be addressed.
 2. **Parking** must comply with the following requirements:
 - (a) Number of parking spaces must be per the local zoning requirements. For sites with no local zoning requirements, provide:
 - i. At least one parking space (off street/onsite) for each one-bedroom dwelling unit.
 - ii. At least two parking spaces (off street/onsite) for each two-bedroom or larger dwelling unit.
 - iii. Adaptive reuse type projects or single-room-occupancy (SRO) dwelling units may have less than one parking space for each dwelling unit.

- iv. For special occupant population types (senior housing, supportive housing, dormitory/congregate living, high density developments, and mixed-use developments), the exact number of parking spaces must be reviewed by Minnesota Housing on a case-by-case basis.
 - (b) Parking spaces must be at least 8'-6" wide except at designated handicapped parking space(s) and must be in compliance with applicable codes.
 - (c) Parking spaces, drive lanes, vehicle access aisles, and pedestrian accessibility access aisles must be paved (concrete, bituminous, pavers, or other Minnesota Housing approved material).
 - (d) Provide a poured concrete curb and gutter at outer perimeter of drive lanes and parking.
 - i. Exceptions: Not required for semi-private driveway leading up to attached garage or if omission of a curb and gutter is part of a planned surface storm water management system.
3. **Garages:** If private garages are provided, they must meet the following:
- (a) Each stall must be a full partition from the floor to the roof with solid material.
 - (b) Continuous foundations and frost footings are required at all attached garages and detached garages larger than two stalls.
 - (c) Minimum size requirements:
 - i. Clear Width: 11'-0" (single stall), 20'-0" (double stall)
 - ii. Net Area: 231 sq. ft. (single stall), 420 sq. ft. (double stall)
 - iii. Overhead Door: 9'-0" wide (single stall), 16'-0" wide (double stall)
 - (d) Garages required to be accessible must comply with minimum quantity, dimensions and clearances as required by applicable accessibility codes.
4. **Exterior Sidewalks:** Sidewalks must be four feet wide (minimum) and made of concrete reinforced with continuous wire mesh.
5. **Play Area/Play Equipment:** A play area for children, along with appropriate play equipment, must be provided for children, unless exempt.
- (a) Minimum size of the play area must be 24'-0" x 24'-0" and is good for up to one hundred children in the development. Add four square feet of additional play area per each additional child above one hundred children. The entire play area must be filled with natural or synthetic protective materials and equipped with reasonable play equipment for the size of the lot. The perimeter must be designed to keep play area material from spilling, such as curb or sidewalk.
 - (b) The size of the play area must be provided in proportion to the child population of the development. The child population for each unit must be computed as follows: Efficiency and 1 bedroom = 0; 2 bedroom = 1.5; 3 bedroom = 3; 4 Bedroom = 4.5; and each additional bedroom = 1.5.

- (c) The play area and equipment must be in compliance with equipment manufacturer requirements. The play area does not have to be square or confined to one location as long as minimum play area size is complied with.
- (d) Lumber treated with chromated copper arsenate must not be used for play equipment.
- (e) Avoid locating any play area(s) where children are required to cross driveways.
- (f) Provide drain tile beneath all permeable play area surface materials with outlet to nearest storm sewer or drainage ditch.
- (g) Provide shade, seating and trash receptacle near all play areas.
- (h) Play areas must be on an accessible route with accessible entrance onto the play area surface.
- (i) Play area equipment is not required if any of the following conditions apply: The development contains only one-bedroom or smaller units; the project is on a zero lot line site; there is a public park within a ¼ of a mile of the development (measured from the closest property line in a straight-line to the park), unless separated by a busy street, or if Minnesota Housing agrees it is not economically viable.

6. **Signage:** Signage must be provided as follows:

- (a) If a temporary construction sign is provided, it must be at least 4'x8' in size and erected onsite at time of construction start. It must contain development name, [Minnesota Housing Logo](#), names of other funders (or their logos – please confirm), Equal Housing Opportunity logo, owner's name, general contractor's name, architect's name, and leasing information and phone number.
- (b) Every development must have a permanent development sign that is visible from nearest street. It must provide name of development, Equal Housing Opportunity logo, and leasing information and phone number. Night-time lighting is recommended.

B. **Building Design:** The building design must be reasonably appropriate for the intended site, resident population and anticipated market, and must be in compliance with the following minimum standards:

- 1. **Laundry:** Housing must have access to laundry facilities and must comply with the following requirements:
 - (a) Common laundry is required unless laundry equipment is provided in each dwelling unit.
 - (b) If common laundry, one washer and one dryer must be provided for every 12 dwelling units. Provide folding table and seating area. For senior housing, one bedroom units, or studio units, provide one washer and one dryer for every 16 units.
 - (c) If laundry equipment is provided in each dwelling unit, stackable equipment is acceptable in non-accessible dwelling units.

- (d) Every clothes washer must have a disaster pan with floor drain, or be located in a room with appropriate flooring whereby the floor slopes to floor drain.
 - (e) Avoid locating clothes washers near areas with carpeting.
2. **Elevator:** Housing required to have an elevator must meet the following requirements associated with an elevator:
- (a) The maximum length of travel from any dwelling unit to an elevator must not exceed 250 lineal feet.
 - (b) The number of required elevators in each building must be dictated by the number of stories above grade as follows:
 - i. Three to five stories above grade: one elevator required
 - ii. Six to nine stories above grade: two elevators required
 - iii. Nine or more stories above grade: consult Minnesota Housing
3. **Dwelling Unit:** Housing must meet the following requirements associated with decent living space:
- (a) Living room: Least dimension must be 11'-6" and appropriately sized for anticipated household size. The room must have a window (or glass patio door) to exterior for natural lighting.
 - (b) Primary or master bedroom
 - i. Least dimension must be 10'-0"
 - ii. Least square footage must be 115 sq. ft.
 - iii. Provide a window for natural light.
 - a. Exception: If approved by Minnesota Housing, up to one bedroom within a dwelling unit may be windowless, provided the bedroom includes borrowed natural light and meets applicable building codes.
 - iv. Closet (five lineal ft. of net rod/shelf length)
 - v. Door and walls to ceiling for privacy. Exception: Efficiency Dwelling Unit/Single Room Occupancy (SRO)
 - (c) Secondary bedroom(s)
 - i. Least dimension 9'-6"
 - ii. Least square footage must be 100 sq. ft.
 - iii. Provide a window for natural light
 - a. Exception: If approved by Minnesota Housing, up to one bedroom within a dwelling unit may be windowless, provided the bedroom includes borrowed natural light and meets applicable building codes.
 - iv. Closet (four lineal ft. of net rod/shelf length)

v. Door and walls to ceiling for privacy

(d) Kitchen

- i. Kitchen counter work minimum area must be 6'-0" for one-bedroom units, 7'-0" for two- and three-bedroom units and 8'-0" for larger units. This distance is measured in lineal footage along the front, excluding sink, refrigerator and range.
- ii. In addition to the minimum work area noted above, units with three or more bedrooms must include a snack bar (minimum 4' length) or the units must accommodate an eat-in kitchen.
- iii. A range/oven is required in all dwelling units. All two-bedroom or larger units must have a 30" wide self-cleaning oven. Other small units can use a 24" minimum self-cleaning oven. Avoid locating the oven at the end of a counter. Provide a grease shield behind all ovens or ranges and on abutting partitions. The shields must be high-pressure plastic laminate, enameled or stainless steel.
- iv. Provide a "frost-free" refrigerator with 15" minimum wide counter on the latch side. The refrigerator must be a minimum of 14 cu. ft. for one bedroom and smaller units. Larger units must have a refrigerator appropriately sized.
- v. Provide hard surface flooring in kitchen.

(e) Dining

- i. Dining area should have hard-surface flooring distinct from the living area. A dining area (or eat in kitchen) is required in two-bedroom and larger dwelling units. The area must have a window to the exterior or be open to the living room.
- ii. The dining area must be appropriately sized for the intended household size and accommodate the following:
 - a. Two-bedroom dwelling units: Table with four chairs
 - b. Three-bedroom dwelling units: Table with six chairs
 - c. Four-bedroom or larger dwelling units: Table with seven chairs
- iii. Dining area exceptions:
 - a. An eat-in kitchen may be substituted for a dining area as long as the kitchen and dining area are appropriately sized for the intended household size, plus two guests.
 - b. A 4'-0" long snack bar located on rear side of kitchen countertop may be used in lieu of designated dining room/area in one-bedroom or smaller dwelling units.

(f) Bathroom

- i. Defined as follows:
 - a. Full bathroom includes a lavatory sink, water closet and tub with showerhead.

- b. Three-quarter bathroom includes a lavatory sink, water closet and shower
- c. Half bathroom/powder room includes a lavatory sink and water closet
- d. Compartmentalized full bathroom includes all items of a full bathroom; however, the tub with shower head and water closet can be in a private room with a door. At least one vanity (lavatory) is in the separate alcove. Minnesota Housing encourages this design in three-bedroom and larger units.

ii. Minimum requirements:

- a. Half bathroom is required at the ground floor of any two-story dwelling unit.
- b. Three-quarter bathroom (minimum) must be provided at all efficiency, Single Resident Occupancies (SRO) and one-bedroom dwelling units.
- c. At least one full bathroom is required at two-bedroom dwelling units.
- d. One full bathroom and one three-quarter bathroom is required at three-bedroom and larger dwelling units.
- e. At locations with a roll-in shower, a floor drain must be provided in the drying area adjacent to the shower.

- iii. Exception for two-story townhomes: One half bathroom may be on the main level if there are no sleeping rooms on the main level and if there is a least one compartmentalized full bathroom on the upper level.

iv. Minimum accessories:

- a. Towel bar(s) within reach of lavatory and tub/shower
- b. Toilet paper holder
- c. Shower curtain rod (if applicable)
- d. Mirror
- e. A dedicated drawer, cabinet, or shelf space for safe medicine storage is required in at least one bathroom of each dwelling unit.

(g) Storage space/closets

- i. Entry coat closet is required for one-bedroom or larger dwelling units. Provide close to the main entry.
- ii. Designated linen/towel storage space is required in a cabinet design or a closet.
- iii. General storage space for household cleaning supplies, vacuum, etc. is required.

(h) Multi-story dwelling unit living areas

- i. Individual units with multi-stories must have a kitchen/kitchenette, living area, dining (or eat-in kitchen) on the same, main level.

ii. See Visitability Standards for additional multi-story unit requirements.

- C. **Mechanical, Electrical and Plumbing (MEP) Systems:** Housing must have plumbing, mechanical and electrical systems that comply with the following standards:
1. **Independent Technical Analysis:** Minnesota Housing reserves the right to require an independent technical analysis of any or all building components to determine life expectancy and anticipated ongoing lifecycle costs, as well as a maximum of 10-year payback on energy-efficient investment premiums.
 2. **Plumbing Systems:** Plumbing systems must meet the following requirements:
 - (a) All kitchen sinks must be double compartment (33"x 22" min.), 7" deep minimum with the exception of efficiency dwelling unit/Single Room Occupancy (SRO) may have single compartment sink.
 - (b) Disaster pan with floor drain must be provided under any water heater or clothes washer located above ground level. On ground level floors, slope to drain.
 - (c) Water softening is required where the hardness exceeds 14 grains except where special circumstances exist.
 - (d) Plumbing chases and plumbing walls must not be located in/at new building exterior walls. If required at existing buildings, chases must be designed to keep plumbing from freezing.
 3. **Private Well and Septic:** Not allowed.
 4. **Heating, Ventilating and Air-Conditioning (HVAC) System:**
 - (a) Air conditioning (AC) or the ability for tenant supplied through-wall AC units, must be provided at all dwelling units. AC sleeves must be provided with a tight-fitting, insulated cover.
 - (b) All intake and exhaust ductwork must be insulated.
 - (c) Kitchen, bath, and common area exhaust must be per Enterprise Green Communities Criteria and the MN Overlay.
 5. **Electrical Systems:** Must meet the following requirements:
 - (a) Ceiling or wall mounted light fixture in all bedrooms
 - (b) Task lighting above kitchen range and kitchen sink
 - (c) Each dwelling unit must be capable of receiving hi-speed Internet access
 - (d) Exterior light fixtures and lamps must be rated for -20 degree Fahrenheit weather
 6. **Separately Metered Commercial Space:** All applicable utilities serving commercial space such as water service, gas service, electrical service, etc must be metered separately from all housing space (dwelling units, common space, etc.)
- D. **Building Components:** Minnesota Housing encourages the advancement of sustainable building strategies. Refer to "Chapter 8 – Sustainable Housing" for requirements and

guidance in meeting Mandatory and Optional Criteria. The following building components must also meet the following minimum standards:

1. Millwork

- (a) All new kitchen cabinets and new bathroom cabinets within dwelling units must have solid wood face-frames, solid wood doors and solid wood drawer fronts. Cabinet box construction may be particle board with melamine surface finish. Exposed end panels must be surfaced with plastic laminate or wood veneer. Exposed end panels in supportive housing units and areas must be plywood or solid wood for durability.
- (b) Drawer-box construction must have dovetail or other Minnesota Housing approved reinforced joint construction.
- (c) All millwork must meet the Kitchen Cabinet Manufacturers Association (KCMA) ANSI/KCMA A161.1 standards. KCMA Certification is suggested but not required

2. Exterior Windows and Doors

- (a) All new windows and doors must be Energy Star-qualified. Confirm the most updated Energy Star requirements are met at the time of purchase. Confirm the applicable Minnesota region is designated for Energy Star requirements.
- (b) Special windows, such as those required for hi-rise buildings, that are unable to meet Energy Star qualifications are acceptable if they include double pane, low-e glass and thermally broken frames.
- (c) All windows and windows within doors must be furnished with window coverings for privacy and control of heat/solar shading.
- (d) All operable windows and operable windows within doors must have insect screens.
- (e) The sill of all windows must be solid wood, stone, man-made solid surface material, or other material approved by Minnesota Housing.
- (f) When possible, design the building garage overhead openings with two doors in lieu of one large door. This allows less energy to escape and provides an alternative opening in case of maintenance and repair.

3. Roofing

- (a) Low slope roofing
 - i. Must have a minimum of ¼" inch per foot (finished) slope unless otherwise approved by Minnesota Housing staff architect and building official.
 - ii. Approved systems must include 60 mil adhered EPDM and TPO, or four-ply asphalt/gravel built-up assembly.
 - iii. Ballasted or mechanically fastened single ply membranes are not accepted.
 - iv. A minimum 20-year manufacturer's warranty required.
- (b) Sloped roofing: A minimum 25-year manufacturer's warranty is required.

4. **Patio and Entrance Slabs** must comply with the following requirements:
 - (a) Stoop/footing frost protection required at all entrance slabs with $\frac{1}{4}$ " per foot maximum slope.
 - (b) Where soils are frost susceptible, stoop/footing frost protection required at all patio slabs.
 - (c) Protect front entrance slab from rain/snow accumulation with an overhang or canopy.
5. **Closet Doors:** Conventional, residential grade, bi-fold doors and hardware package are not acceptable in new construction. Side-hinged, swinging type or other Minnesota Housing approved doors must be provided. If approved by Minnesota Housing, closets may be provided without doors under the following conditions:
 - (a) Closets within efficiency units
 - (b) Walk-thru closets separating a bedroom and en-suite bathroom.
6. **Fire Protection**
 - (a) All townhomes and rental single family homes must have at least one fire extinguisher in each dwelling unit.
 - (b) Range hood fire suppression canisters, although not required, are encouraged to be installed if the range hood over the stove will allow.
- E. **Schematic Design Concept/Cost Estimate:** The borrower must have an architect develop a reasonable schematic design concept. The borrower must also have a third-party entity (architect, professional engineer, general contractor, or qualified cost estimator) prepare a cost estimate that conforms to all applicable Minnesota Housing standards. Refer to the Formal Application section of Minnesota Housing's Architect's Guide (available on Minnesota Housing's [Building Standards](#) webpage).
- F. **Contract Documents:** Refer to Minnesota Housing's [Architect's Guide](#) for contract document requirements.
- G. **Contractor Procurement:** Refer to Minnesota Housing's [Contractor's Guide](#) for requirements associated with selecting a contractor and procuring contractor services.

Chapter 3 – General Occupancy Rehabilitation Minimum Standards

3.01 Background

The following standards apply to any rental housing project receiving rehabilitation assistance.

If the project involves substantial rehabilitation or adaptive reuse, the housing must also comply, to the maximum extent feasible, with “General Occupancy New Construction Minimum Standards” located in Chapter 2. For rehabilitation projects, any building components or systems being replaced must also meet the requirements for “New Construction Minimum Standards” in Chapter 2. For example: roofing, kitchen cabinets, windows, etc.

Architectural services are likely to be essential to the success of the project. Refer to Minnesota Housing Architect’s Guide (available on Minnesota Housing’s [Building Standards](#) webpage) to determine if architectural services are required for the project.

The following rehabilitation standards are supplemental to basic standards established by applicable building codes, local zoning, and other applicable regulations. Where two standards govern the same condition, conformance to the most restrictive standard is required. Regardless if the local jurisdiction has adopted or not adopted Minnesota State Building Code, housing must be in compliance with Minnesota State Building Code.

3.02 Purpose

To ensure rental housing receiving rehabilitation assistance is of decent quality, energy efficient, functional, sustainable and effective in reducing long-term maintenance costs.

3.03 Rehabilitation Classification

For the purpose of applying our design standards and sustainability requirements, rehabilitation projects must be classified as substantial, moderate or limited scope. This classification may not necessarily align with building code definitions; it is only intended to identify a compliance path for our purposes. Minnesota Housing has discretion for determining and approving category type of rehabilitation classification and compliance path. All projects must be classified as either substantial or moderate at the time of application. Limited scope status may only be considered by Minnesota Housing after funding is awarded.

3.04 Rehabilitation Classification Definitions

- A. **Substantial Rehabilitation** (or gut rehab) is defined as a project that meets one of the following:
1. Includes the replacement or improvements or both of at least two major systems of the building, including its envelope. Major building systems include roof structures, wall or floor structures, foundations, plumbing, heating ventilating and air conditioning (HVAC) and electrical systems. The building envelope is defined as the air barrier and thermal barrier separating exterior from interior space

2. The work area exceeds 50 percent of the aggregate area of the building per the 2015 Minnesota Conservation Code for Existing Buildings Section 505 - Level 3 Alteration.
- B. **Moderate Rehabilitation** is defined as a project that meets one of the following:
1. Does not fall into the substantial rehabilitation classification as defined above.
 2. Where the work is limited to the 2015 Minnesota Conservation Code for Existing Buildings definition of Section 502 Repairs, Section 503 Level 1 Alteration or Section 504 Level 2 Alteration.
- C. **Limited Scope Rehabilitation** status may be considered by Minnesota Housing based upon the cost, funding source, and number of dwelling units, number of stories, or other purpose.

3.05 Requirements

- A. **Needs Assessment [Physical Needs Assessment (PNA) or Capital Needs Assessment (CNA)]:** Multifamily developments proposing rehabilitation and applying for funds through the Minnesota Housing Consolidated RFP, Pipeline Application, or other Minnesota Housing funding, are required to submit a needs assessment. The primary difference between a CNA and PNA is that a CNA is performed in accordance with another party's established protocol that is approved by Minnesota Housing, versus one that is performed in accordance with Minnesota Housing's protocol for a PNA, which is described in more detail below.
1. **CNA:** If the applicant chooses to submit an approved CNA (or if a CNA is required for other funding sources), it must be completed in accordance with any of the following established formats:
 - (a) USDA Rural Development
 - (b) HUD/FHA Project Capital Needs Assessment (PCNA) or Green Capital Needs Assessment (GCNA). HUD Multifamily Accelerated Process (MAP) Appendix 5G
 - (c) ASTM E 2018-08 Standard Guide for Property Conditions Assessment
 - (d) Other Minnesota Housing approved format
 2. **PNA:** If the applicant chooses to submit a PNA (rather than a CNA), the PNA must consist of a satisfactorily completed Minnesota Housing [Physical Needs Assessment Template](#) (PNAT) that involves the following requirements:
 - (a) The PNA must represent the properties' "as-is", pre-rehabilitation condition.
 - (b) Life Expectancy of systems. The PNA must provide a Life Expectancy analysis including Estimated Age, Expected Useful Life (EUL), and Effective Remaining Life (ERL) of the following minimum elements identified in the [Physical Needs Assessment Template](#) and as necessary to complete the [20 year Capital Expenditure Template \(20YCE\)](#), that is described below.
 - (c) Inspections must be conducted to identify capital needs and deficiencies under applicable federal, state and local regulations/codes/ordinances as well as other deficiencies as identified by the qualified needs assessor, as follows:

i. Site and Accessory Structures

- a. **Site and Roof Drainage:** The site must be well drained. There must be no standing water in non-designated holding pond areas 12 hours after a rain event. Surface drainage must be directed away from the structure, to a designated ponding area, or to municipal storm sewer system. Include roof drainage provisions when assessing site drainage conditions.
- b. **Parking and Pavement:** Adequate parking for the resident population must be available for resident use. Any onsite pavement with initial signs of raveling, transverse cracks, longitudinal cracks, or minor block cracking must have preventative maintenance that includes corrective measures such as crack sealing, seal coating, asphalt patching and repair. Any onsite pavement with severe cracking damage must be adequately repaired and replaced. Hard surface parking must be properly striped and any accessible parking spaces properly identified.
- c. **Accessory Structures:** Detached garages, play structures, retaining walls, porches, decks, canopies, trash enclosures, sheds, etc., must be free of life safety hazards and must meet applicable codes unless grandfathered to remain.

ii. **Structural Integrity:** Structures must be structurally sound and free of any pending or imminent structural collapse or failure. (e.g., decks, basement columns, foundations, floors, walls, roof framing, headers, lintels)

iii. **Building Envelope:** The building envelope must be weather and water tight. All openings susceptible to water and air penetration must be sealed. Ensure envelope is adequately insulated or supplement the insulation to the envelope. Typically the attic is the cheapest and easiest to supplement, and will provide the greatest cost-to-benefit payback. Ensure that all attics are adequately ventilated to prevent ice-damming and all attic bypasses are sealed and insulated.

iv. **Common Areas:** Stairs, attached/underground garages, FFE (furniture, fixtures and equipment), common area cabinetry, common area doors windows, common area finishes, and common area bathrooms must meet applicable codes and regulations and should be free of life safety hazards.

v. Dwelling Units:

- a. Minimum dwelling unit quantity and unit type for Minnesota Housing's PNA inspection must include:

At least 25 percent of all units in similar condition

Each type of unit size (such as 0BR/SRO, 1BR, 2B, 3BR etc.) and typical unit types in typical buildings

All accessible units

Those units that are subject to architectural stress such as ground floor units, units underneath the roof, units adjacent to elevator cores, and units on the sides of the building that receive the most weathering

- b. Minimum dwelling unit inspectable elements:
 - Functional kitchen: Kitchen must be appropriately sized and equipped with appropriate cabinets, sink, and operational range/oven/hood/refrigerator/ exhaust appropriately sized for intended household.
 - Bath cabinets, bath exhaust, plumbing fixtures, flooring, wall/ceiling finish, doors, windows, window coverings, etc.
- c. Decent living space must be as outlined in Chapter 2 - General Occupancy Rental Housing Minimum New Construction Standards; however, moderate rehabilitation projects may request a variance for the least dimension(s) and area of the living room and bedrooms by 15 percent. If approved by Minnesota Housing, the 15 percent reduction must be clarified as follows:
 - Living room: $11'-6'' \times 85\% = 9'-9''$.
 - Primary/master bedroom: $10'-0'' \times 85\% = 8'-6''$. $115 \text{ sq. ft.} \times 85\% = 96 \text{ sq. ft.}$
 - Secondary bedroom(s): $9'-6'' \times 85\% = 8'-1''$. $100 \text{ sq. ft.} \times 85\% = 85 \text{ sq. ft.}$
- vi. **Plumbing and Sanitation Systems:** All plumbing systems must be code compliant, adequately sized and operable with an anticipated minimum seven-year life expectancy. Obsolete, water wasting fixtures must be replaced and no leaks allowed. Minnesota Housing may require sanitary sewer lines to be video-scoped to detect if any unforeseen repair and maintenance is necessary. If present, existing private wells or septic systems must be inspected by a third party entity to determine whether it is code compliant, permitted and functioning properly.
- vii. **Mechanical Systems:** All heating, air conditioning, and ventilation systems must be code compliant, adequately sized, and operable with an anticipated minimum seven-year life expectancy. Bathrooms must have an operating exhaust vent ducted to the exterior. Clothes dryers must be connected to code compliant rigid type vent exhausting to the exterior. To the greatest extent feasible, ensure that all dwelling units are air conditioned or equipped with A/C sleeve(s).
- viii. **Electrical Systems:** All electrical systems must be code compliant with circuit breakers and adequately sized for the structure and intended use. All electrical life safety fixtures must be in place and functional including the following:
 - a. Smoke detectors: Battery-powered smoke detectors meeting requirements of Underwriter Laboratories, Inc. and approved by the International

Conference of Building Officials must be furnished and installed in all areas as if required for new construction. Also, at least one hard-wired smoke detector with battery back-up must be provided in each dwelling and be audible from all sleeping rooms.

- b. Ground-fault circuit-interrupter (GFCI) protection: The same level of GFCI receptacle protection must be provided in rehabilitation projects as required for new construction, whether or not mandated by code/regulations.
 - c. Arc-fault circuit-interrupter (AFCI) protection. AFCI protection must be provided for receptacle outlets in locations as required per applicable codes/regulations.
 - d. Carbon Monoxide (CO) alarms and Nitrogen Dioxide (NO²) alarms must be provided as required per applicable state statute.
- ix. **Elevator:** If there is an existing elevator and hoist way in a building, it must be made to be in compliance with 2007 Minnesota Elevator Code as applicable to existing buildings.
- x. **Fire Protection:**
- a. All townhomes and rental single family homes must have at least one fire extinguisher in each dwelling unit.
 - b. Range Hood Fire Suppression Canisters: Although not required, they are encouraged to be installed if the range hood over the stove will allow.
- xi. **Environmental Standards (Remediation):** It is essential to perform all environmental assessments early in the planning process to ensure that all mitigation measures and costs are integrated into the scope of work. Project activities must comply with requirements for Phase I/Phase II Environmental Site Assessments (ESAs), Lead Based Paint evaluation and reduction, Lead Based Paint visual inspection requirements, Asbestos Inspection Surveys, Radon Mitigation, Historic Preservation, Contamination and Clandestine Drug Lab Cleanup. These requirements can be found in the [Environmental Assessments](#) section on the Minnesota Housing website.
- xii. **Accessibility:** Refer to Chapter 6 for Accessibility Analysis and Survey Requirements for existing developments.
3. **Needs Assessor Qualifications.** All PNAs must be prepared by a needs assessor who is a licensed architect, licensed professional engineer, or an individual who meets the definition of a Qualified Rehabilitation Specialist as defined in the Minnesota Housing Architect's Guide. The needs assessor (for Minnesota Housing's purpose) may be a member of the development team but must not have an identity of interest with the owner, developer or borrower.
4. **Age of PNA/CNA:** The age of any needs assessment report from time of application (or at time of Preservation pre-application, if required) must be one year or less. If over one

year, but less than two years, the needs assessment report may be used to comply with this needs assessment requirement; however, an updated 20-Year Capital Expenditure (20YCE) (less than six months old) must be included. Provide complete new PNA/CNA if older than two years.

5. **Incomplete Need Assessment:** Minnesota Housing reserves the right not to accept any PNA or CNA if it does not adequately include a complete assessment of a property's condition. Minnesota Housing reserves the right to have any incomplete PNA or CNA updated and re-submitted. The cost for new or updated PNAs or CNAs will be the responsibility of the owner, developer or borrower.
- B. **20-Year Capital Expenditure Template (20YCE).** A [20YCE](#) must be completed for each rehabilitation project regardless if providing a CNA or PNA. If a CNA already includes a similar 20-year capital expenditure analysis, it may be used to satisfy the need for a 20YCE, if approved by Minnesota Housing.
1. **Need Categories:** Each component listed within the 20YCE must be categorized under one of the following three types of need categories:
 - (a) **Need Category One - CRITICAL NEEDS:** Critical needs are those described in Chapter 10 of this document and are required to be identified **only** if the project is claiming or receiving Preservation funding based upon "Risk of Loss Due to Critical Physical Needs". Otherwise, critical needs must be categorized as short-term needs.
 - (b) **Need Category Two - SHORT-TERM NEEDS (Year One):** Short-term needs are remedies to physical deficiencies, such as deferred maintenance, that may not warrant immediate attention but require repairs or replacements that should be undertaken on a priority basis in addition to routine preventative maintenance. Short-term needs that have outlived their Effective Useful Life (EUL) must be included in a proposed rehabilitation (20YCE Year One).
 - (c) **Need Category Three - CAPITAL NEEDS OVER A TERM:** Capital needs over a term may include component replacement and major maintenance over a term due to Expected Useful Life (EUL) estimates. The cost for a component or building item replacement must be indicated in the year the component/ item reaches its Effective Remaining Life (ERL). For Minnesota Housing's purpose, the term for replacement must be 20 years from the time the CNA/PNA is completed. Other aesthetic/marketability needs may be included. In addition, some components may require repairs/replacement several times over the 20 year period.
- C. **Other Requirements** for properties undergoing rehabilitation:
1. **Post-construction Capital Expenditures Needs Over a Term:** Not required for Minnesota Housing with exception to Federal Funded Projects. See Chapter 9 of this RHD/CS for post-construction capital expenditure projection requirements.
 2. **Other Inspections:** Minnesota Housing encourages the borrower to engage the local building inspector, the Minnesota Housing staff architect, and any other funder's inspecting rehabilitation specialist or architect in the initial inspection process.

Conducting these inspections early in the development, planning and budgeting phase will ensure that all local property standards, local building codes and other deficiencies are identified and included in the preparation of the bid specification/scope of work.

3. **Preliminary Scope of Work/Cost Estimate:** The borrower must provide a preliminary scope of work and cost estimate prepared by a third party entity such as an architect, professional engineer, general contractor, qualified cost estimator or qualified rehabilitation specialist. The scope and estimate must adequately address property deficiencies to ensure compliance with all applicable building codes and all requirements within this guide. Work scope must include any reasonable accommodation requests for persons with accessibility needs.
 4. **Contract Documents:** Refer to Minnesota Housing's [Architect's Guide](#) for contract document requirements.
 5. **Contractor Procurement:** Refer to Minnesota Housing's [Contractor's Guide](#) for requirements associated with selecting a contractor and procuring contractor services.
 6. **Decent, Safe, Sanitary and in Good Repair:** Unless local codes, ordinances or zoning requirements require more stringent standards, existing conditions with no improvements planned must be in compliance with HUD's Uniform Physical Condition Standards (UPCS) (Title 24, Part 5, Subpart G). The type of funding will usually dictate which standard applies. If you are uncertain how UPCS applies to your property, contact your Minnesota Housing Management Officer (HMO). Regardless, the site, buildings and structures and all parts thereof must be kept in good repair. All defective components must be repaired or replaced.
- D. **Energy Efficiency:** Refer to Chapter 8 *Sustainable Buildings* for energy efficiency upgrade requirements. In summary:
1. Energy efficiency must be per Energy Star Certification, Energy Model, or Prescriptive Method, as outlined in the MN Overlay to Enterprise Green Communities Criteria (or State of Minnesota Sustainable Building Guidelines for General Obligation Bond funded projects).
 2. An Energy Rebate Analysis (ERA) must be provided at application, per Chapter 8.
 3. Energy efficiency upgrades are not considered Critical/ Immediate Needs.
 4. Generally, energy efficiency upgrades should have a simple payback of 10 years or less (in today's uninflated dollars).
 5. Window replacement is not considered an energy efficiency upgrade unless existing single pane windows are replaced with new thermal pane Energy Star qualified windows and have a simple 10 year or less payback.

Chapter 4 – Supportive Housing Minimum Design and Construction Standards

4.01 Background

The following design standards apply to all supportive rental housing receiving Minnesota Housing financing for new construction, rehabilitation and/or adaptive reuse of an existing

building. These design standards are in addition to other applicable Minnesota Housing standards.

These standards are supplemental to basic standards established by Minnesota Housing for new construction and rehabilitation of general occupancy housing (Chapters 2 and 3), applicable building codes, local zoning and other applicable regulations. Where two standards govern the same condition, conformance to the most restrictive standard is required. Regardless if the local jurisdiction has adopted or not adopted the Minnesota State Building Code, all site improvements receiving Minnesota Housing financing must be in compliance with the Minnesota State Building Code.

4.02 Purpose

To ensure supportive rental housing financed by Minnesota Housing is of decent quality, energy efficient, functional, sustainable, durable and effective in reducing long-term maintenance costs.

4.03 Requirements

- A. **Durability:** Emphasis will be placed on durability of construction materials and finishes that achieve cost effective life-cycle costs and reduce ongoing maintenance (E.g., finish flooring, cabinet construction, windows, window treatments, solid-core doors, hardware, toilet accessories).
- B. **Program Space:** If program space is provided, it must be appropriate for intended use and resident population and must be accessible via an accessible route. In addition, we encourage program space be convertible into housing space in the future.

Chapter 5 – Housing Tax Credit Only Design and Construction Standards

5.01 Background

This chapter is for projects receiving an allocation of either 4% or 9% Housing Tax Credits (HTC) from Minnesota Housing. Developments receiving HTC allocation as well as other capital improvement financing from us must comply with Minnesota Housing’s typical process for multifamily design, construction and submittals noted in the Architect’s Guide and Contractor’s Guide.

It is important to confirm design standards applicable for a given year’s HTC allocation at time of initial HTC selection as design standards often change from year to year.

5.02 Purpose

To ensure rental housing financed by HTC is cost reasonable and of similar quality and livability as any other housing financed by or in part with Minnesota Housing assistance.

5.03 Requirements

- A. **Design and Construction Standards for all Housing Tax Credit Projects:** The design and construction of any development receiving HTC funding for new construction or rehabilitation must comply with all applicable Minnesota Housing Rental Housing Design/Construction Standards (RHD/CS) in effect at time of initial HTC selection. If developments claim and are awarded Large Family points, the Moderate Rehabilitation 15 percent reduction in room sizes noted in Chapter 3 of this document (RHD/CS) apply. Additional design requirements may be applicable if points are claimed or awarded that require the development to include specific design elements (such as high-speed internet connections, non-smoking building, and/or universal design).
- B. **Cost Reasonableness for all Housing Tax Credit Projects:** Minnesota Housing will evaluate the costs of each project in comparison to other current comparable projects. Unique characteristics will be accounted for in determining whether the proposed project costs are reasonable. The Agency will use its Predictive Cost Model to test cost reasonableness for all projects. The model uses cost data from previous tax credit properties, industry cost data from RSMeans, and regression analysis to predict total project costs. Based on a project’s characteristics (building type, project size, location, population served, financing, etc.), the model predicts the total development costs. Additional documentation will be required if the proposed costs are not comparable or reasonable.
- C. **Application Submittals Applicable to 4% and 9% HTC:** Any developments receiving only Minnesota 4% or 9% HTC allocation and no other financing (HTC only) from Minnesota Housing, must submit the following at application:
 1. [Minnesota Housing’s Tax Credit Design Standards/Review Process Certification form](#). The Application Phase must be indicated on the form.

2. Enterprise Green Communities Criteria (EGCC) completed Compliance Intended Methods Worksheet that is located within the EGCC Certification Workbook. Or, provide evidence that the project is seeking EGCC Certification.
 3. Other submittals or information requested by Minnesota Housing.
- D. **Pre-construction Submittals Applicable to 9% HTC Only:** In addition to the application submittals noted above (Item C), developments receiving only 9% HTC must also submit the following, prior to commencing with construction:
1. Concept/schematic design documents if revised after initial application
 2. Construction documents at 50 percent completed
 3. Construction documents at 100 percent prior to bidding
 4. Applicable Environmental Assessments per Minnesota Housing’s [Environmental Standards](#) including: Phase I ESA and Phase II ESA, Lead-Based Paint, Asbestos, Radon, and Minnesota Pollution Control Action Plan
 5. **Note:** Construction must not start until all construction documents (plans, specifications and addendum) and other required submittals have been approved by Minnesota Housing.
- E. **Construction Monitoring Applicable to 9% HTC Only:** Minnesota Housing representatives must be granted access to the site, as deemed necessary, to monitor work in progress. If requested, Minnesota Housing must receive:
1. Regular construction meeting minutes
 2. Observation reports
 3. Change orders
 4. Any other documentation that alters the contract, alters the completion date, or as determined by Minnesota Housing.
- F. **End of Construction Submittals Applicable to 4% and 9% HTC Only:** Minnesota Housing must receive the following after construction and before IRS Form 8609 submittal:
1. Minnesota Housing’s [Tax Credit Design Standards/Review Process Certification form](#). The Project Completion Phase must be indicated on the form.
 2. Enterprise Green Communities Criteria (EGCC) and MN Overlay submittals that include the EGCC Compliance Report Worksheet with updated criteria (located within the [EGCC Certification Workbook](#)), or evidence of EGCC Certification.
 3. Certificate of Substantial Completion.
 4. Certificate of Occupancy (if applicable, or proof all permits are closed).
 5. Environmental Documentation (if applicable) including Lead Clearance Reports, Asbestos abatement reports or Management Plan, MPCA close-out and post-construction radon testing. HTC 4% only deals need only submit these if requested.

6. Other submittals or information, as requested by Minnesota Housing.
- G. **General Notes:** Failure to comply with the standards or submittal requirements may be subject to penalty during subsequent HTC selections. The information listed in this Chapter 5 of the RHD/CS must not supersede or have preference over any requirements of the Housing Tax Credit (HTC) Qualified Allocation Plan (QAP) or Procedure Manual.

Chapter 6 – Accessibility Standards

6.01 Background

In an effort to provide housing that reduces barriers for persons with disabilities and to be compatible with the State Accessibility Code, Minnesota Housing has adopted the following standards. The new construction requirements only apply to multifamily developments containing four or more dwelling units or sleeping units that are financed by Minnesota Housing, including developments receiving only housing tax credits allocated by Minnesota Housing. Developments receiving only tax credits from a local sub allocator are exempt from this standard and need only comply with the Minnesota State Building Code provisions and the sub allocator's requirements.

Regardless of whether or not the local jurisdiction has adopted the Minnesota State Building Code, all new construction projects and rehabilitation of existing properties financed by Minnesota Housing must be in compliance with all applicable accessibility codes and regulations. Where two standards govern the same condition, conformance to the most restrictive standard is required.

All projects involving rehabilitation must have an Accessibility Analysis and Survey to identify accessibility deficiencies and determine whether it is feasible to make modifications to eliminate accessibility deficiencies.

6.02 Requirements

- A. **New Construction of developments with four or more units:** To promote housing that reduces physical barriers for persons who are physically disabled, new construction developments must meet the following:
1. In addition to applicable state and local codes, all new construction projects must comply with the Fair Housing Act of 1968 as amended.
 2. A minimum of five percent of the total units (with its fraction rounded up) in the development must be designed and constructed to meet accessibility requirements for a Type A unit as promulgated by the Minnesota State Building Code for Accessibility. The five percent requirement applies to two-story townhouses as well as all other types of multifamily dwelling units or sleeping units.
 3. In addition to, and separate from the five percent Type A units, at least two percent (but not less than one) of the total dwelling units must be adaptable for persons with vision/hearing impairments. Adaptable communication features must include rough-in for audible and visual alarms and notification appliances per applicable ICC/ANSI A117.1 requirements and rough-in wiring to allow future installation of visual and audible notification devices.
 4. Accessible parking spaces must match the number of Type A accessible dwelling units provided. Additional parking spaces must be provided as required for visitor parking and/or commercial space. Required accessible parking spaces in excess of quantities per

applicable building codes and ordinances may be left as non-accessible spaces. These spaces must be designed to allow conversion to accessible parking spaces if needed later.

5. Any required Type A unit that is either a two-story townhouse or some other type of two-story dwelling unit must have a minimum of two sleeping rooms accessible.
6. Where three or more Type A units are required, at least one Type A unit must be provided with an accessible roll-in shower.
7. If grab bars are not installed at time of initial occupancy in any Type A unit as permitted by code, the owner must be responsible for installing code-compliant grab bars immediately upon request by a resident.

B. Rehabilitation of Existing Developments/Buildings: To promote housing that affords persons with disabilities equal opportunity to use and enjoy occupied buildings, Minnesota Housing requires existing buildings to have an Accessibility Analysis and Survey conducted by an architect, qualified needs assessor, or qualified rehabilitation specialist prior to finalizing work scope. Housing that is being rehabilitated must meet the following, as applicable:

1. **Accessibility Analysis and Survey:** Depending upon whether housing is receiving any federal financial assistance, each building receiving Minnesota Housing financial rehabilitation assistance is required to have an Accessibility Analysis and Survey conducted in accordance with the following:
 - (a) Housing receiving **NO** federal financial assistance must have an Accessibility Analysis and Survey that must determine compliance with the following, as applicable:
 - (a) The Fair Housing Act of 1968, as amended, that must also include any documented requests for reasonable accommodations and/or reasonable modifications.
 - (b) The Americans with Disabilities Act (1990)
 - (c) State and Local Codes
 - (b) Housing receiving federal financial assistance must have an Accessibility Analysis and Survey (in addition to all items listed above for housing receiving no federal financial assistance) to determine compliance with the following:
 - (a) The Architectural Barriers Act (1968)
 - (b) Section 504 of the Rehabilitation Act (1973)
 - (c) A summary of Accessibility Analysis and Survey must be submitted to Minnesota Housing prior to finalizing work scope and must include the following:
 - (a) Total existing dwelling unit count, existing accessible dwelling unit count (Type A and Type B/Adaptable), dwelling unit types (SRO, one-bedroom, two-bedroom, etc.), accessible and non-accessible parking count, and other general accessible property information

- (b) Identification of all accessibility deficiencies including any requests for reasonable accommodations and/or reasonable modifications
 - (c) Determination of feasible and/or infeasible accessibility improvements
 - (d) Cost estimates as needed to support feasibility
 - (e) Other information deemed necessary
2. Rehabilitation work scope must include all accessibility improvements that are determined to be reasonable and feasible as identified in the Accessibility Analysis and Survey. Funded improvements must not reduce or have the effect of reducing accessibility of a building or portion of a building.
 3. Housing involving gut rehabilitation, substantial rehabilitation or adaptive reuse must, to the maximum extent feasible, comply with new construction standards unless mandated otherwise by a local building code official.
- C. **HTC Universal Design:** Projects awarded Universal Design points for Housing Tax Credit (HTC) application scoring must include all requirements per the HTC scoring sheet.
- D. **State Visitability Statute:** Refer to Chapter 7 - Visitability Requirements for additional accessibility requirements applicable to certain new construction financed by Minnesota Housing.

Chapter 7 – Visitability Requirements

The 2001 Minnesota Legislature imposed a Visitability requirement on certain new construction financed by Minnesota Housing. This requirement was promoted by the disability community.

The Visitability requirement applies to the following types of new construction that is financed in whole or in part by Minnesota Housing:

- A. Single-family homes
- B. Duplexes
- C. Triplexes
- D. Multi-level townhomes

The requirement does not apply to projects receiving only Housing Tax Credit Allocation.

The requirement does not apply to owner-occupied housing financed by Minnesota Housing mortgage programs except in cases where Minnesota Housing has also provided financing for the construction.

Visitability is defined as designs that allow persons with mobility impairments to enter and stay, but not live, in a residence. There are three specific design elements that must be incorporated in each dwelling to satisfy the state visitability requirement. The dwelling must include:

- A. At least one no-step entrance
- B. Thirty-two inch clear opening doorways
- C. At least a one-half bathroom on the main level that meets minimum clear floor space for half baths (powder room) as required by Fair Housing Act Part B: Usable Bathrooms

Chapter 8 – Sustainable Housing

8.01 Background

Minnesota Housing’s Sustainable Housing Standards are applicable for all new construction and rehabilitation and require compliance with the 2015 version of the Enterprise Green Communities Criteria (EGCC) and most current version of the MN Overlay and Guide to the 2015 Enterprise Green Communities Criteria.

Current and previous Sustainable Housing Standards are available on Minnesota Housing’s [Building Standards](#) web page.

8.02 Exception

The State of Minnesota Sustainable Building Guidelines is applicable for developments receiving Publicly Owned Housing Program (POHP) funds also referred to as General Obligation (GO) bond proceeds. Refer to Minnesota Housing POHP Program Guide for more information. The Minnesota Housing Sustainable Housing Standards do not apply.

8.03 Energy Rebate Analysis

All projects receiving tax credit allocation or deferred funding from Minnesota Housing must provide an Energy Rebate Analysis (ERA).

- A. At the application phase, submit a preliminary/draft explanation of energy rebates being considered with estimated rebate amounts.
- B. Prior to closing/loan commitment, submit a final ERA as follows:
 1. Prepared by a third-party entity with no identity of interest to the developer, borrower, or owner of the development property. The third-party entity must be a licensed architect, licensed engineer, needs assessor, HERS rater, or other entity deemed qualified by Minnesota Housing to provide this service.
 2. The ERA must be on the letterhead of the entity it was prepared by and must include contact information and date it was prepared.
 3. The ERA must include a list of eligible utility company, local, regional, state or federal rebate programs.
 4. The ERA must include recommendations of applicable rebates to be included with estimated rebate amounts or estimated tax credit amounts.
 5. Include calculations, energy models or other technical data to support recommendations.
 6. Include letters, program data information, or other documentation from utility providers to support noted programs
 7. If renewable energy strategies are proposed, a cost-benefit analysis must be included.

Visit the [state website](#) with rebate information.

Chapter 9 – Design, Construction, and Property Standards for Federal Funded Projects (i.e. HOME/National Housing Trust Fund)

9.01 Background

The standards identified in this chapter may be changed by either statute or regulatory action of the federal government. Any changes will be in effect on the effective date of the change. When previously approved designs are affected by new federal actions, owners must discuss with Minnesota Housing the effect of the change on the project and whether previously approved plans and specifications must be altered.

9.02 Purpose

We have created design and construction standards that encourage sustainable, healthy housing that optimizes the use of cost effective durable building materials and systems, minimizes the consumption of natural resources during construction and reduces long term maintenance and operation costs.

In addition to Minnesota Housing’s standards, the federal government applies standards and requirements to HOME and National Housing Trust Fund (NHTF) funded projects.

9.03 Federal Requirements

The following Federal Regulations apply to HOME and NHTF projects, as applicable. For additional information on NHTF, please see Minnesota Housing’s National Housing Trust Fund Rental Property Standards for New Construction and Rehabilitation.

- A. **Energy Efficiency:** If new construction, the housing must meet the energy efficiency standards established pursuant to section 109 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12709) or Building Performance requirements of 2015 Enterprise Green Communities Criteria as amended per applicable MN Overlay, whichever is more stringent.
- B. **24 CFR Part 51, Environmental Criteria Standards. Subpart B– Noise Abatement and Control.**
- C. **24 CFR 5.703 Uniform Physical Condition Standards:** Upon completion, the assisted project and units must be decent, safe, sanitary, and in good repair as described in 24 CFR 5.703 and must continuously meet this standard for the full applicable period of affordability.
- D. **Accessibility.** The housing must meet the accessibility requirements in 24 CFR part 8, which implements section 504 of the Rehabilitation Act of 1973 and Titles II and III of the Americans with Disabilities Act implemented as 28 CFR parts 35 and 36, as applicable. The Architect of Record must provide an Accessibility Analysis and Survey for the existing development.
- E. **24 CFR Part 100 Discriminatory Conduct Under the Fair Housing Act Subpart D – Prohibition against Discrimination Because of Handicap.** “Covered multifamily dwellings,” as

defined at 24 CFR 100.201 must meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act.

- F. **24 CFR Part 35:** Lead-Based Paint Poisoning Prevention in Certain Residential Structures.
- G. **24 CFR §92.251(b) and §93.301(b):** Capital Needs Assessments are required for properties of 26 units or more to determine all work that will be performed in the rehabilitation of the housing and long term physical needs of the project. This includes determining the useful life of major systems (including structural support; roofing; cladding and weather proofing; plumbing; electrical; and heating, ventilation, and air conditioning). If major systems are found to have useful lives less than the applicable period of affordability, they must either be replaced, or the owner must establish a replacement reserve with monthly payments that are deemed adequate by Minnesota Housing to replace the system(s) as needed.
- H. **Health and Safety.** Life-threatening deficiencies, which include those items that are Critical Physical Needs (as defined in section 10.03.A.1), must be addressed immediately if the housing is occupied.

Post-construction Capital Expenditure Annual Analysis: A post-rehabilitation 20-year capital expenditure spreadsheet must be established upon construction close out by the owner. It must include capital projections through the end of the affordability period. Minnesota Housing's staff architect will review the capital expenditure projections based on the completed work to ensure appropriate useful life timeline and items are included.

Chapter 10 – Critical Needs and Preservation Housing Projects

10.01 Background

This chapter is applicable only if pursuing Preservation funding through *Risk of Loss Due to Critical Physical Needs*. Refer to the [Multifamily 2017 Housing Tax Credit Self-Scoring Worksheet and 2016 Request for Proposals Deferred Loan Priority Checklist](#) to determine eligibility requirements. Applicants claiming *Risk of Loss Due to Critical Physical Needs* must determine (by third party assessment) the following:

- A. Whether or not there are any critical physical needs. Critical physical needs are deficiencies that if left unattended will likely jeopardize the property's federal assistance.
- B. Whether or not repair/replacement of major physical plant components (including critical physical needs) which have been identified will result in 15+ years of sustained operations.
- C. Whether or not identified scope of critical physical needs exceeds the available reserves by at least \$5,000 per unit

Refer to Chapter 3 Rehabilitation of this RHD/CS document for definitions and general information related to needs assessments, 20-Year Capital Expenditure Template, needs categories and other standard rehabilitation procedures.

10.02 Purpose

To ensure developments submitting a proposal for Preservation funding through Minnesota Housing that claim *Risk of Loss Due to Critical Physical Needs* are in a physical condition likely to cause the development to be in imminent danger of losing its federal subsidy.

10.03 Requirements

Applicants claiming *Risk of Loss due to Critical Physical Needs* must provide the following to Minnesota Housing at time of Initial Application in order for Minnesota Housing to consider the applicant's claim:

- A. Minnesota Housing Physical Needs Assessment Template (PNAT) or other Minnesota Housing approved CNA format**, which supports the following conclusions regarding any identified critical physical needs:
 1. As-is condition of a property's physical condition is determined to be deficient in accordance with HUD's Uniform Physical Condition Standards (UPCS). UPCS deficiencies that have the following characteristics may be considered Critical Physical Needs:
 - (a) Condition(s) determined to be critical via a certified *HUD Uniform Physical Conditions Standards (UPCS)/ Real Estate Assessment Center (REAC) Deficiencies Inspection Report*. Other Deficiencies and Deficiently Levels defined in the [REAC Dictionary of Deficiency Definitions 2012 version](#) may be considered a Critical Physical Need if approved by Minnesota Housing.
 - (b) Health and safety hazards including building or fire code violations

- (c) Conditions that adversely affect egress
 - (d) Conditions that prevent sustaining occupancy
 - (e) Material existing of potential unsafe conditions
 - (f) Conditions that, if not remedied, having the potential to result in or contribute to critical element/system failure within one year or will most probably result in a significant escalation of remedial costs
 - (g) Site drainage issues causing water penetration into the building through situations that impact life and safety
 - (h) Repairs or replacements of code-required electrical items such as smoke detectors, fire alarms, ground-fault circuit-interrupter (GFCI) protection, arc-fault circuit-interrupter (AFCI) protection, carbon monoxide (CO) alarms or nitrogen dioxide (NO²) alarms
 - (i) Non-aesthetic, elevator life and safety work including work in compliance with the 2007 Minnesota Elevator Code
 - (j) Kitchen and Bath Cabinets and Counters
 - i. Replacement due to other critical/immediate needs work. Example: If cabinets are removed/damaged due to the destructive repair and replacement of plumbing main lines, new cabinets may be included as critical/immediate needs
 - ii. Replacement if there's a presence of mold or other life and safety concern
 - iii. NOTE: Damaged cabinets and countertops such as missing loose doors/drawers, delamination, holes, or other wear-and-tear are not necessarily critical/immediate needs. (These items must be included under Non-Critical Rehabilitation Needs.)
 - (k) Parking lot and other paved surfaces with systemic tripping hazards or other site life and safety corrections
 - (l) Environmental remediation for mold, radon, friable asbestos, lead-based paint hazards (deteriorated paint), etc. Remediation due to a proposed rehabilitation activity is not considered a critical/immediate need.
 - (m) Remedies to correct non-compliant accessibility features. Typically non-grandfathered improvements based upon the age of the building/site.
2. Other building components and mechanical system deficiencies for which UPCS does not provide a measure, which are confirmed to exist by a qualified, independent third-party professional assessor. A deficiency that has the following characteristics may be considered a critical physical need:
- (a) All components are of imminent structural collapse or failure
 - (b) Building envelope work limited to the replacement of siding, trim, stucco, masonry, windows, doors, roofing, sheathing, roof substrate, weather barrier,

waterproofing, etc., that, due to its inability to adequately prevent water or air penetration, has resulted in mold or other unsafe, interior health and life safety conditions

(c) Remedies to replace systemic leaky or failed water and sewer piping

(d) Repairs or replacements of mechanical equipment, controls, ductwork, etc., that, due to their inability to properly heat, cool, or ventilate, has resulted in mold or other unsafe, interior health and life safety conditions

B. Minnesota Housing 20-Year Capital Expenditure (20YCE) Template.

In addition to short-term needs and needs over term, critical needs must be identified in the critical needs column and must only include cost of repairs, replacements, remedies that address the conditions described above.

C. Critical Physical Needs - Additional Narrative:

When claiming and identifying a critical need on the 20YCE, it must be supported by an attached narrative to explain how and why the identified condition meets the definition of “Critical Need”.

10.04 Notes to Critical Needs:

- A. **Destructive inspections**, X-ray imaging, plumbing pipe video-scoping, special testing, or third party professional opinion (architect, engineer, environmental specialist, etc.) may be required to confirm if repair or replacement is a critical need.
- B. **Energy efficiency upgrades** are not considered critical need.
- C. Link to [Three Year Critical Needs Model](#)

Chapter 11 – Fair Housing Policy

It is the policy of Minnesota Housing to affirmatively further fair housing in all its programs so that individuals of similar income levels have equal access to Minnesota Housing programs, regardless of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, familial status, gender identity or sexual orientation.

Minnesota Housing's fair housing policy incorporates the requirements of the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988, as well as the Minnesota Human Rights Act. Housing providers are expected to comply with the applicable statutes, regulations, and related policy guidance. Housing providers should ensure that admissions, occupancy, marketing and operating procedures comply with non-discrimination requirements.

In part, the Fair Housing Act and the Minnesota Human Rights Act make it unlawful to, because of protected class status:

- discriminate in the selection/acceptance of applicants in the rental of housing units;
- discriminate in terms, conditions or privileges of the rental of a dwelling unit or services or facilities;
- engage in any conduct relating to the provision of housing that otherwise make unavailable or denies the rental of a dwelling unit;
- make, print or publish (or cause to make, print or publish) notices, statements or advertisements that indicate preferences or limitations based on protected class status;
- represent a dwelling is not available when it is in fact available;
- deny access to, or membership or participation in, associations or other services organizations or facilities relating to the business of renting a dwelling or discriminate in the terms or conditions of membership or participation; or
- engage in harassment or quid pro quo negotiations related to the rental of a dwelling unit.

Minnesota Housing has a commitment to affirmatively further fair housing for individuals with disabilities by promoting the accessibility requirements set out in the Fair Housing Act, which establish design and construction mandates for covered multifamily dwellings and requires housing providers to make reasonable accommodations and to allow persons with disabilities to make reasonable modifications.

Applicants will be required to submit an Affirmative Fair Housing Marketing Plan at the time of application, to update the plan regularly and to use affirmative fair housing marketing practices in soliciting renters, determining eligibility and concluding all transactions.

As a condition of funding through Minnesota Housing, housing providers are not permitted to refuse to lease a unit to, or discriminate against, a prospective resident solely because the prospective resident has a Housing Choice Voucher or other form of tenant-based rental assistance.