

**Development Name:** \_\_\_\_\_

**Development Number:** \_\_\_\_\_ **(D Number)**

**Application Number:** \_\_\_\_\_ **(M Number)**

**Development Location:** \_\_\_\_\_

**Development City:** \_\_\_\_\_

**Please note the following:**

1. Strategic Priority Policy Threshold:

All projects, with the exception of those with applications for non-competitive tax credits in association with Tax Exempt Bonds submitted prior to October 1, 2016 and for which Minnesota Housing has not recommended non-selection as of October 19, 2016, must meet at least one of the Strategic Priority Policy Thresholds defined in Article 9 of the Housing Tax Credit Qualified Allocation Plan (QAP) in order to apply for Housing Tax Credits (HTC).

2. Minimum Point Requirements:

Request for Minnesota Housing Finance Agency (Minnesota Housing) administered tax credits from the State's tax credit volume cap must demonstrate the project is eligible for not less than 70 points, excluding projects funded through the Rural Development/Small Projects Set-Aside

Request for tax credits in association with Tax Exempt Bonds must demonstrate the project is eligible for not less than 40 points.

Minnesota Housing reserves the right to reject applications not meeting its Project Selection requirements as contained in the HTC Program Procedural Manual, to revise proposal features, and associated scoring, and to ensure the project meets the requirements.

3. Documentation of Points:

Indicate the scoring criteria expected for your project. Where multiple points per section are available, please check the appropriate box () for points claimed. **Attach directly to this self-scoring worksheet, a separate detail sheet and documentation that clearly supports points claimed. Minnesota Housing will determine actual points awarded; points will not be awarded unless documentation is provided along with the application to justify the points claimed.**

4. Extended Duration:

Request for Minnesota Housing Finance Agency (Minnesota Housing) administered tax credits from the State's tax credit volume cap must maintain the duration of low-income use for a minimum of 30 years. The owner agrees that the provisions of IRC §§ 42(h)(6)(E)(i)(II) and 42(h)(6)(F) (which provision would permit the owner to terminate the restrictions under this agreement at the end of the compliance period in the event Minnesota Housing does not present the owner with a qualified contract for the acquisition of the project) do not apply to the project, and the owner also agrees the Section 42 income and rental restrictions must apply for a period of 30 years beginning with the first day of the compliance period in which the building is a part of a qualified low-income housing project.

Request for tax credits in association with Tax Exempt Bonds, with the exception of those with applications for non-competitive tax credits in association with Tax Exempt Bonds submitted

prior to October 1, 2016 and for which Minnesota Housing has not recommended non-selection as of October 19, 2016, must maintain the duration of low-income use for a minimum of 20 years. The owner agrees that the provisions of IRC §§ 42(h)(6)(E)(i)(II) and 42(h)(6)(F) (which provision would permit the owner to terminate the restrictions under this agreement at the end of the compliance period in the event Minnesota Housing does not present the owner with a qualified contract for the acquisition of the project) do not apply to the project, and the owner also agrees the Section 42 income and rental restrictions must apply for a period of 20 years beginning with the first day of the compliance period in which the building is a part of a qualified low-income housing project.

5. Design Standards:

The project must meet the requirements in the Minnesota Housing Rental Housing Design/Construction Standards and be evidenced by a Design Standards Certification form executed by the owner and architect. Additional design requirements will be imposed if Large Family Housing points are claimed/awarded or points are claimed/awarded that require specific design elements (e.g., High Speed Internet, Universal Design).

6. A Declaration of Land Use Restrictive Covenants:

Covering the rent restrictions and occupancy requirements presented at selection must be recorded against the property.

7. Affirmative Fair Housing:

Affirmative Fair Housing Marketing Regulations, held as centrally important by Minnesota Housing, require that each applicant carry out an affirmative marketing program to attract prospective buyers or tenants of all majority and minority groups in the housing market area regardless of race, creed, color, religion, sex, national origin, marital status, status with regard to public assistance, disability, sexual orientation, or familial status. At the time of 8609, all applicants must submit an Affirmative Fair Housing Marketing Plan documenting an acceptable plan to carry out an affirmative marketing program.

## ROUND 1 – MINIMUM THRESHOLD REQUIREMENTS

For applications submitted in Round 1, all applicants statewide must meet one of the following threshold types. Please indicate the threshold item you meet:

### A. In the Metropolitan Area:

1.  New construction or substantial rehabilitation in which, for the term of the extended use period (term of the Declaration of Land Use Restrictive Covenants), at least 75% of the total tax credit units are single room occupancy units with rents affordable to households whose income does not exceed 30% of the area median income (AMI);
2.  New construction or substantial rehabilitation family housing projects that are not restricted to persons 55 years old or older in which, for the term of the extended use period (term of the Declaration of Land Use Restrictive Covenants), at least 75% of the total tax credit units contain two or more bedrooms and at least one-third of the 75% contain three or more bedrooms; **OR**
3.  Substantial rehabilitation projects in neighborhoods targeted by the city for revitalization

### B. Outside the Metropolitan Area:

1.  Projects which meet a locally identified housing need and which are in short supply in the local housing market as evidenced by credible data such as a local council resolution submitted with the application. (For Threshold Letter – Sample Format, see HTC Program Procedural Manual, Reference Materials Index.)

### C. Projects that are not restricted to persons of a particular age group and in which, for the term of the extended use period (term of the Declaration of Land Use Restrictive Covenants), a percentage of the units are set aside and rented to persons:

1.  with a serious and persistent mental illness as defined in Minnesota Statutes § 245.462, Subdivision 20, paragraph (c);
2.  with a developmental disability as defined in United States Code, Title 42, Section 6001, paragraph (5), as amended;
3.  who have been assessed as drug dependent persons as defined in Minnesota Statutes § 254A.02, Subdivision 5, and are receiving or will receive care and treatment services provided by an approved treatment program as defined in Minnesota Statutes § 254A.02, Subdivision 2;
4.  with a brain injury as defined in Minnesota Statutes § 256B.093, Subdivision 4, paragraph (a); **OR**
5.  with permanent physical disabilities that substantially limit major life activities, if at least 50% of the units in the project are accessible as provided under Minnesota Rules Chapter 1341.

D. Preserve Existing Subsidized Housing:

1.  Projects, whether or not restricted to persons of a particular age group, which preserve existing subsidized housing, if the use of tax credits is necessary to (1) prevent conversion to market rate use; or (2) to remedy physical deterioration of the project which would result in loss of existing federal subsidies; **OR**

E. Rural Development:

1.  Projects financed by Rural Development, which meet statewide distribution goals.

### STRATEGIC PRIORITY THRESHOLDS

To be eligible for tax credits from the state's volume cap under Minnesota Housing's QAP and non-competitive tax credits with applications submitted after October 1, 2016 or projects with an application submitted prior to October 1, 2016 that have been recommended for non-selection as of October 19, 2016, a developer must demonstrate that the project meets at least one of the following priorities:

- A.  **Access to Fixed Transit:** Projects within one-half mile of a completed or existing LRT, BRT or commuter rail station.
- B.  **Greater Minnesota Workforce Housing:** Projects in Greater Minnesota documenting all three of the following:
  1. Need: Projects in communities with low vacancy (typically considered 4 percent and below, documented by a market study or other third party data) and:
    - i. That have experienced net job growth of 100 or more jobs,
    - ii. With 15 percent or more of the workforce commuting 30 or more miles to work, or
    - iii. With planned job expansion documented by a local employer
  2. Employer Support
  3. Cooperatively Developed Plan: Projects that are consistent with a community-supported plan that addresses workforce housing needs.
- C.  **Economic Integration:** Projects located in higher income communities outside of rural/tribal designated areas with access to low and moderate wage jobs, meeting either First or Second Tier Community Economic Integration as defined in the Areas of Opportunity scoring criterion 2.A on the Self-Scoring Worksheet.
- D.  **Tribal:** Projects sponsored by tribal governments, tribally designated housing entities or tribal corporate entities.
- E.  **Planned Community Development:** Projects that contribute to Planned Community Development efforts, as defined in section 6.A of the Housing Tax Credit Program Procedural Manual, to address locally identified needs and priorities in which local stakeholders are actively engaged.
- F.  **Preservation:** Existing federally assisted or other critical affordable projects eligible for points under Scoring Criterion 4 on the Self-Scoring Worksheet.
- G.  **Supportive Housing:** Proposals that will serve people with disabilities or households

experiencing homelessness that are eligible for points under Permanent Supportive Housing for Households Experiencing Homelessness (Scoring Criterion 1.B on the Self-Scoring Worksheet) or People with Disabilities (Scoring Criterion 1.C under the Self-Scoring Worksheet).

**1. Greatest Need – Tenant and Affordability Targeting****2 to 182 Points****A. Household Targeting – 10 to 12 Points**

Choose one of the following:

- 1. Large Family Housing** - The proposal is for a project that provides family housing that is not restricted to persons 55 years old or older. The tenant selection plan must give preference to families with minor children.
- a). At least 75% of the total tax credit units must contain two or more bedrooms.– **10 points**
- b). For Greater Minnesota proposals receiving points under a) above, at least one-third of the 75% contain three or more bedrooms. – **2 points**
- 2. Single Room Occupancy Housing<sup>1</sup>** - At least 50% of the total tax credit units must be one bedroom or less with rents affordable to households whose incomes do not exceed 30% of AMI. – **10 points**

**B. Permanent Supportive Housing for Households Experiencing Homelessness<sup>2</sup> – 5 to 114 Points**

1. Minnesota Housing Competitive Round or Tax Exempt Points (“non-Bonus” points)– **5 to 10 points**

“Non-Bonus” points will be awarded to permanent housing proposals in which a minimum of 5% (rounded up to the next full unit) of the total units, but no fewer than four units, are either<sup>3\*</sup>:

- a) Set aside and rented to households experiencing long-term homelessness targeted to

<sup>1</sup> **Specific performance requirement relief provisions are available for projects receiving points under the Single Room Occupancy Housing category of the Household Targeting Selection Priority for “HTSP Units”.** Reference Chapter 6.A. of the HTC Program Procedural Manual for additional details. Specific performance requirements will be incorporated into the Tax Credit Declaration of Land Use Restrictive Covenants and recorded with the property.

<sup>2</sup> **Specific performance requirement relief provisions are available for projects receiving points under the Permanent Supportive Housing for Households Experiencing Homelessness category for “Homeless Units”.** Reference Chapter 6.A. of the HTC Program Procedural Manual for additional details. Specific performance requirements will be incorporated into the Tax Credit Declaration of Land Use Restrictive Covenants and recorded with the property.

<sup>3</sup>For the purposes of this scoring category:

Youth is defined as a person under age 25 not living with a parent or guardian, and includes youth with his/her own children

Long-term homelessness as defined in Minnesota Rules, Chapter 4900.3705

At significant risk of long-term homelessness is defined as (a) households that are homeless or recently homeless with members who have been previously homeless for extended periods of time and are faced with a situation or set of circumstances likely to cause the household to become homeless in the near future, and (b) previously homeless persons who will be discharged from correctional, medical, mental health or treatment centers who lack sufficient resources to pay for housing and do not have a permanent place to live

As prioritized for permanent supportive housing by the Coordinated Entry System defined by the Statewide Coordinated Entry standards and protocol as adopted by the local Continuum of Care.

single adults, **OR**

- b) Set aside and rented to households experiencing long-term homelessness, at significant risk of long-term homelessness, or as prioritized for permanent supportive housing by the Coordinated Entry System, targeted to families with children or youth

- 5% to 9.99%, but no fewer than 4 units – **5 points**
- 10% to 49.99%, but no fewer than 7 units – **7 points**
- 50% to 100%, but no fewer than 20 units – **10 points**

## 2. Minnesota Housing Competitive Round or Non-Tax Exempt Points (“bonus” points)– **100 points**

For proposals receiving points under 1. above, 100 points (“bonus” points) will be available until a total of \$2,370,000 (estimated 25% of Minnesota Housing’s administered credit authority) in tax credits are awarded for qualifying permanent housing proposals targeting families with children or youth experiencing long-term homelessness, at significant risk of long-term homelessness, or as prioritized for permanent supportive housing by the Coordinated Entry System selected in the 2018 Housing Tax Credit competitions. Once this maximum amount is reached, the 100 points (“bonus” points) will no longer be awarded for the remaining 2018 Tax Credit Program competitive funding rounds. If qualified per the requirements of this section, applicants may claim the “bonus” points. Minnesota Housing will make point reductions related to the “bonus” points funding limits following its review of all applications in the funding round that claim these points. Qualified proposals may earn a maximum of 10 points (“non-bonus” points) and may continue to compete in the appropriate set-aside. If “bonus” points are claimed without regard to whether points are awarded, the Tax Credit Declaration of Land Use Restrictive Covenants will contain these population targeting requirements:

- 5% or more (rounded up to the next full unit), but no fewer than four units, will target families with children or youth experiencing long-term homelessness, at significant risk of long-term homelessness, or as prioritized for permanent supportive housing by the Coordinated Entry System – **100 points**

## 3. Consistency with Local Continuum of Care Priorities – **2 points**

For proposals receiving points under 1. above, additional points will be available for consistency with local needs identified by the local Continuum of Care (published Priorities are available on Minnesota Housing’s website at: [\[insert link\]](#)):

### Continuum of Care Household Type Priorities:

- 5% of units (rounded up to the next full unit) or more, but no fewer than four units, targeted to Continuum of Care Household Type Priority One – **2 points**

## 4. Rental Assistance for Supportive Housing Units - **2 points**

- For developments receiving points under 1. above that have committed project-

based rental assistance (e.g., Section 8, McKinney Vento Continuum of Care, site-based Group Residential Housing, Section 811 Project Rental Assistance (PRA), or other similar programs approved by Minnesota Housing) for at least 5% of total project units, but no fewer than four units, for units that will serve Households Experiencing Homelessness. If points are claimed, then no points may be claimed for the same units under the Rental Assistance preference priority in Part E below.

– 2 points

**NOTE: If points are claimed/awarded above, then no points may be claimed/awarded from the scoring criterion of People with Disabilities for the same units.**

To receive points for Permanent Supportive Housing for Households Experiencing Homelessness, the proposal must meet **all** of the following conditions:

- a) The applicant must complete and submit the Supportive Housing application materials, including the narratives, forms and submittals identified in the Multifamily Rental Housing Common Application Request for Proposal Guide and the Multifamily Rental Housing Common Application Checklist
- b) The application must meet the Supportive Housing Threshold Criteria outlined below
- c) The applicant agrees to pursue and continue renewal of rental assistance, operating subsidy or service funding contracts for as long as the funding is available

A proposal that is awarded points from this category and is selected to receive tax credits will be required to comply with the reporting requirements for Permanent Supportive Housing for Households Experiencing Homelessness, as defined by Minnesota Housing. The Tax Credit Declaration of Land Use Restrictive Covenants, including a specific Rider to the Declaration, will contain performance requirements related to these permanent supportive housing units for households experiencing homelessness and will be recorded with the property.

Supportive Housing Threshold Criteria:

- a) Supportive Services: On-site service coordination and tenant engagement must be made available to all supportive housing residents. The level and type of services offered should be appropriate for the needs of the target population, with a minimum of tenant service coordination averaging two hours per household per week.
- b) Experienced service provider with demonstrated outcomes:
  - 1) At a minimum, the service provider has experience providing services to a similar population to maintain housing over a period of time, and has sufficient capacity to deliver the services proposed.
- c) Service funding commitments: At a minimum, a portion of service funding is secured for two years with a viable plan for securing the remaining resources. Evidence must be provided in the application narrative and commitment letters or other documentation.
  - 1) Developments with 5% to 9.99% LTH units must have secured at least 75% of service funding
  - 2) Developments with 10% to 49.99% LTH units must have secured at least 20% of service funding
  - 3) Developments with 50% to 100% LTH units must have secured at least 5% of service funding



- d) Coordinated Entry and serving highest need households: The property owner must agree to accept high priority households for the LTH supportive housing units through Coordinated Entry.

### C. People with Disabilities – 5 to 12 Points

Points will be awarded to permanent housing proposals that are not restricted to persons of a particular age group and in which, for the term of the extended use period (Declaration of Land Use Restrictive Covenants), a percentage of the units are set aside and rented to persons with any of the following disabilities<sup>4</sup>:

1. A serious and persistent mental illness as defined in Minn. Stat. § 245.462, subdivision 20, paragraph (c)
2. A developmental disability as defined in United States Code, Title 42, Section 6001, paragraph (5), as amended
3. Assessed as drug dependent as defined in Minn. Stat. § 254A.02, subdivision 5, and are receiving or will receive care and treatment services provided by an approved treatment program as defined in Minn. Stat. § 254A.02, Subdivision 2
4. A brain injury as defined in Minn. Stat. § 256B.093, Subdivision 4, paragraph (a)
5. Permanent physical disabilities that substantially limit major life activities, if at least 50% of the units in the project are accessible as provided under Minnesota Rules Chapter 1341
  - 5% to 9.99%, but no fewer than four units – **5 points**
  - 10% to 14.99% of units – **7 points**
  - 15% to 25% of units – **10 points**

**NOTE: If points are claimed/awarded above, then no points may be claimed/awarded from the scoring criterion of Permanent Supportive Housing for Households Experiencing Homelessness for the same units.**

**To receive points under People with Disabilities, the proposal must meet all of the following conditions:**

1. The applicant must submit the Supportive Housing narratives and any other forms and submittals identified in the Multifamily Rental Housing Common Application Request for Proposal Guide and the Multifamily Rental Housing Common Application Checklist.
2. The applicant agrees to pursue and continue renewal of rental assistance, operating subsidy or service funding contracts for as long as the funding is available.
3. The application must meet the following threshold criteria:
  - a) **Target population:** The target population(s) of people with disabilities must be clearly defined in the narrative (e.g., mental illness, developmental disability, physical disability)
  - b) **Income limit** for the units are restricted to 30% AMI

<sup>4</sup> Specific performance requirement relief provisions are available for projects receiving points under the People with Disabilities category of the People with Disabilities Selection Priority for "PDSP Units". Reference Section 6.A. of the HTC Program Procedural Manual for additional details. Specific performance requirements will be incorporated into the Tax Credit Declaration of Land Use Restrictive Covenants and recorded with the property.

- c) **Rent levels** must be underwritten to the Supportive Housing Units underwriting standards outlined in the Multifamily Underwriting Standards if no rent assistance is available.
- d) **Service Agreement:** The property owner must have an agreement with the county or tribal human services office **OR** a designated service provider specifying:
- 1) How they will provide outreach to the target population
  - 2) How eligible applicants will be referred to the property management agent
  - 3) That verification of applicant disability will be provided to the owner
  - 4) The types of services appropriate to the population that will be made available with the goal of housing stability
  - 5) How services will be provided to tenants
  - 6) How the service entity will communicate and coordinate with property management
  - 7) Plans for crisis intervention, eviction prevention and lease mitigation
- Rental Assistance for Supportive Housing Units**

For developments receiving points for setting aside units to serve People with Disabilities that have committed project-based rental assistance (e.g., Section 8, McKinney Vento Continuum of Care, site-based Group Residential Housing, Section 811 Project Rental Assistance (PRA), or other similar programs approved by Minnesota Housing) for at least 5% of total project units, but no fewer than four units, for units that will serve People with Disabilities. If points are claimed, then no points may be claimed for the same units under the Rental Assistance preference priority in part E below. – **2 points**

#### D. Serves Lowest Income Tenants/Rent Reduction – 5 to 16 Points

Scores are based on gross rent level including utilities before rental assistance. Eligible units must have rents affordable to households whose incomes do not exceed 30% or 50% of AMI without rental assistance.

In addition to the elected income limit of 50% or 60% AMI for the full term of the declaration (refer to the Minimum Set-Aside), the applicant agrees to maintain deeper rent structuring for which selection points are requested.

Applicants may choose either option 1 or 2, and in addition, option 3 and/or option 4 for the development. This selection will restrict rents only (tenant incomes will not be restricted to the 50% or 30% income level by claiming points in this section).

- Option 1 – 100% of the HTC unit rents representing \_\_\_\_\_ units are at the county 50% HUD area median rent limit – **10 points**
- Option 2 – At least 50% of the HTC unit rents representing \_\_\_\_\_ units are at the county 50% HUD area median rent limit – **5 points**

**AND**

- Option 3 – In addition to Option 1 or 2, this project restricts the rents of all the

units identified in Option 1 or 2 to the 50% HUD area median rent limit for a minimum of 10 years after the last placed in service date for any building in the property – **3 additional points**

**AND/OR**

- Option 4 – In addition to Option 1 or 2, this project further restricts 30% of the above restricted units to the county 30% HUD area median rent limit representing \_\_\_\_\_ units – **3 additional points**

**NOTE: If points are claimed/awarded for this category, then no points may be claimed/awarded from the scoring criterion of Rental Assistance for the same units.**

**IMPORTANT**

If points are claimed/awarded for Options 1 or 2, all 50% rent restricted units must meet the 50% area median rent for a minimum of five years after the last placed in service date for any building in the property. After the five year period has expired, rent may be increased to the 60% rent limit over a three year period, with increases not to exceed the amount listed in the table below, provided that a more restrictive threshold, selection priority or funding requirements do not apply.

If points are claimed/awarded for Option 4, all 30% rent restricted units must meet the 30% area median rent for a minimum of five years after the last placed in service date for any building in the property. After the five year period has expired, rent may be increased to the 40% rent limit over a three-year period with increases not to exceed the amount listed in the table below, provided that more restrictive threshold, selection priority or funding requirements do not apply.

YEAR	30% of 50% Rent Levels	30% of 30% Rent Levels
1 – 5	30% of 50%	30% of 30%
6	30% of 53%	30% of 33%
7	30% of 57%	30% of 37%
8	30% of 60%	30% of 40%

If points are claimed/awarded for this category/s Option 3, all 50% rent restricted units must meet the 50% area median rent for a minimum of 10 years after the last placed in service date for any building in the property. After the 10 year period has expired, rent may be increased to the 60% rent limit over a three year period, with increases not to exceed the amount listed in the table below, provided that a more restrictive threshold, selection priority or funding requirements do not apply.

YEAR	30% of 50% Rent Levels
1 – 10	30% of 50%

2018 Housing Tax Credit Program Scoring Criteria	Developer Claimed	Minnesota Housing Awarded
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11	30% of 53%
12	30% of 57%
13	30% of 60%

Minnesota Housing will incorporate these restrictions into the Declaration of Land Use Restrictive Covenants. The applicant must demonstrate, to the sole satisfaction of Minnesota Housing, that the property can achieve these reduced rents and remain financially feasible [IRC § 42(m)(2)]. Points are contingent upon financial plans demonstrating feasibility, positive cash flow on a 15-year pro forma and gaining Minnesota Housing management approval (for management, operational expenses, and cash flow assumptions).

#### E. Rental Assistance – 2 to 21 Points

Priority is given to an owner who submits with the application a **fully executed binding commitment** (i.e., binding Resolution/binding Letter of Approval from the governing body) for project based rental assistance awarded in accordance with 24 CFR Ch. IX, Section 983.51 or are effectively project based by written contract. New or transferred federal rental assistance contracts that were executed within the past 15 years are eligible. This includes transfers of existing Section 8 contracts under the 8bb notice to new construction projects or existing developments that currently have no Existing Federal Assistance. For the purposes of this scoring category, project based rental assistance is defined as a project-specific funding stream that supports the operations of the property, reduces the tenant rent burden, and provides for the tenant paid portion of rent to be no greater than 30% of household income. Site-based Group Residential Housing and awards of project based McKinney Vento Continuum of Care funding, will be considered project based rental assistance.

Developments with privately funded rental assistance provided by the sponsor must qualify for E or F below. Points will not be given for private commitments of less than four years. Documentation must also contain language regarding the possibility of future renewals.

The assisted units must be located in buildings on the project site. A development that has existing rental assistance meeting the definition of federal assistance under the Preservation scoring category is not eligible for an award of points under Rental Assistance. A development is not eligible to receive points under Rental Assistance for assistance under the Rental Assistance Demonstration program (components I or II) or the Public Housing program.

Rent for assisted units must be at or below Fair Market Rents (or appropriate payment standard for the project area). Receiving these points and agreeing to a minimum number of assisted units does not release owners from their obligations under the Minnesota Human Rights Act and Section 42 prohibiting refusal to lease to the holder of a voucher of eligibility under Section 8 of the United States Housing Act of 1937 because of the status of the prospective tenant as such a holder.

A current request for Minnesota Housing Rental Assistance will not receive Rental Assistance points. A past award of existing Rental Assistance will be counted toward meeting the required percentages. Indicate the applicable combinations of the below components. Points for A, B, C and D cannot be claimed in any combination.

2018 Housing Tax Credit Program Scoring Criteria	Developer Claimed	Minnesota Housing Awarded
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- (A) For developments agreeing to set aside and having the required binding commitment for 100% of the total units for project based rental assistance – **17 points**
- (B) For developments agreeing to set aside and having the required binding commitment for at least 51% of the total units for project based rental assistance – **13 points**
- (C) For developments agreeing to set aside and having the required binding commitment for at least 20% but under 51% of the total units for project based rental assistance – **10 points**
- (D) For developments agreeing to set aside and having the required binding commitment for at least 10% but under 20% of the total units, representing at least four units, for project based rental assistance – **6 points**
- (E) For selection components A, B, C or D above, if, in addition, the above binding commitments are coupled with a binding commitment to provide the project based rental assistance for a minimum 10 year new or remaining contract term – **4 points**
- (F) For selection components A, B, C or D above, if, in addition, the above binding commitments are coupled with a binding commitment to provide the project based rental assistance for a four to nine year new or remaining contract term – **2 points**

**NOTE: If points are claimed/awarded under any of the above, then no points may be claimed/awarded from scoring criterion of Serves Lowest-Income Tenants/Rent Reduction for the same units.**

**NOTE: Points cannot be claimed/awarded under the Rental Assistance scoring criterion if points are claimed/awarded for Existing Federal Assistance under the Preservationscoring criterion or if a development has a rental assistance contract that qualifies under the scoring criterion of Existing Federal Assistance**

- (G) For developments that will provide **other** Rental Assistance (e.g., Section 8, portable tenant based, an award of McKinney Vento Continuum of Care rent assistance (which is tenant based, sponsor based, or for leasing), tenant based Group Residential housing or other similar programs approved by Minnesota Housing) as evidenced at application by documentation of commitment of assistance. – **2 points**

To receive these points, the applicant must comply with all program requirements for the assistance for which priority points were given, including maintaining rents within the appropriate payment standard for the project area in which the project is located for the full compliance and extended use period of the housing tax credits.

For project based rental assistance in conjunction with a binding commitment for an “extended

2018 Housing Tax Credit Program Scoring Criteria	Developer Claimed	Minnesota Housing Awarded
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term contract” at time of application the applicant must submit a binding commitment for the “extended term contract” for project based assistance for a minimum of four or 10 years, which is signed by the Local Housing Authority or other similar entity. As a condition of Carryover or 8609, the applicant must submit a fully executed copy of the “extended term contract” for the project based assistance to be included in the development.

**F. Long Term Affordability –3- 7 Points**

Applications seeking 9% tax credits through Minnesota Housing’s competitive application process are not eligible to claim points through this Long Term Affordability priority. Only applications seeking 4% tax credits for use in conjunction with tax exempt bonds are eligible to claim points through this priority.

- Seven points will be available to a development that agrees to extend the long-term affordability of the project and maintain the duration of low-income use for a minimum of 30 years. – **7 points**

The owner agrees that the provisions of IRC §§ 42(h)(6)(E)(i)(II) and 42(h)(6)(F) (which provision would permit the owner to terminate the restrictions under this agreement at the end of the compliance period in the event Minnesota Housing does not present the owner with a qualified contract for the acquisition of the project) do not apply to the project, and the owner also agrees the Section 42 income and rental restrictions must apply for a period of 30 years beginning with the first day of the compliance period in which the building is a part of a qualified low-income housing project.

- Three points will be available to a development that agrees to extend the long-term affordability of the project and maintain the duration of low-income use for a minimum of 25 years. – **3 points**

The owner agrees that the provisions of IRC §§ 42(h)(6)(E)(i)(II) and 42(h)(6)(F) (which provision would permit the owner to terminate the restrictions under this agreement at the end of the compliance period in the event Minnesota Housing does not present the owner with a qualified contract for the acquisition of the project) do not apply to the project, and the owner also agrees the Section 42 income and rental restrictions must apply for a period of 25 years beginning with the first day of the compliance period in which the building is a part of a qualified low-income housing project.

**2. Areas of Opportunity****1 to 28 Points****A. Economic Integration – 2 to 9 Points**

- The proposed housing provides project economic integration by providing at least 25% but not greater than 80% of the total units in the project as qualified HTC low-income units (does not include full-time manager or other common space units) – **2 points**

**OR**

To promote economic integration, projects are awarded points for being located in higher income communities that are close to jobs outside of Rural/Tribal Designated Areas. First and second tier economic integration areas are outside of racially and ethnically concentrated areas of poverty.

- First Tier** - The proposed housing is located in a first tier census tract – **9 points**
- Second Tier** - The proposed housing is located in a second tier census tract – **7 points**

**NOTE:** The following resources on Minnesota Housing's website may be used to determine if the proposed housing is located in areas that meet the requirements to claim points under economic integration:

Economic integration areas maps and census tract listing: **[insert link]**  
Rural/Tribal Designated areas maps and census tract listing: **[insert link]**.

Additionally, find economic integration and Rural/Tribal Designation Area map overlays in the Agency's community profiles interactive mapping tool: **[insert link]**

**B. Access to Higher Performing Schools – 4 Points**

Points are awarded for projects serving families\* in locations that will provide access to higher performing schools.

- The proposed housing will serve families and is located in an area considered to have Access to Higher Performing Schools – **4 points**

\*To be eligible as a project serving families, at least 25% of total tax credit units, with a minimum of 15 units, must contain two or more bedrooms, and the owner must agree to market the units to families with minor children.

Access to Higher Performing Schools area maps are found on Minnesota Housing's website: **[insert link]**

Additionally, find Access to Higher Performing Schools Area map overlays in the Agency's community profiles interactive mapping tool: **[insert link]**

### C. Workforce Housing Communities – 3 to 6 Points

Points are awarded for projects located in or near a city or township needing workforce housing (communities having a large number of jobs or job growth, individual employer growth, or having a large share of their workforce commuting long distances).

- The proposed housing is in a Top Job Center or Net Five Year Job Growth Community– **6 points;**
- OR**
- The proposed housing is in an Individual Employer Growth community where an individual employer has added at least 100 net jobs (for permanent employees of the company) during the previous five years, as evidenced by documentation signed by an authorized representative of the company, subject to validation by Minnesota Housing– **6 points; OR**
- The proposed housing is in a Long Commute Community– **3 points**

In the metropolitan area, project locations must be within five miles of a workforce housing city or township. In Greater Minnesota, project locations must be within ten miles of a workforce housing city or township. Top Job Centers, Net Five Year Job Growth communities, and Long Commute communities lists and maps are available on Minnesota Housing’s website at: **[insert link]**

Additionally, find proximity to workforce housing in the Agency’s community profiles interactive mapping tool: **[insert link]** )

### D. Location Efficiency – 1 to 9 Points

Points will be awarded for developments that promote location efficiency based on access to transportation and walkability.

#### 1. Twin Cities Metropolitan Area:

In the Twin Cities Metropolitan area, points will be awarded for a combination of three areas: access to transit, walkability and transit oriented development.

##### a) Access to Transit:

To receive points for access to transit in the Metropolitan area, a development must be:

- Located within one half mile of a planned or existing LRT, BRT, or commuter rail station – **5 points; OR**
- Located within one quarter mile of a fixed route stop on Metro Transit’s Hi-Frequency Network – **4 points; OR**
- Located within one quarter mile of a high service public transportation fixed route stop – **2 points; OR**
- Located within one half mile of an express bus route stop – **2 points; OR**



- Located within one half mile of a park and ride facility – **2 points**

b) Walkability:

To receive points for walkability, a development must receive an award of points for Access to Transit above, and be:

- Located in an area with a Walk Score of 70 or more according to [www.walkscore.com](http://www.walkscore.com) – **2 points; OR**
- Located in an area with a Walk Score between 50 and 69 according to [www.walkscore.com](http://www.walkscore.com) – **1 point;**

c) Transit Oriented Development:

To receive up to 2 additional points for transit oriented development, a development must be located within one quarter mile of a planned or existing LRT, BRT or commuter rail station. **One point for a development that meets one of the following, and two points for a development that meets two or more of the following:**

- Parking:** Parking for residential units or visitors is not more than the smallest allowable parking minimum under local zoning requirements. If no residential parking or visitor parking is required under local zoning, no more than 0.2 visitor parking spaces per residential unit are provided.
- Building Orientation and Connections:** Currently has existing walkable or bikeable connections to station area via sidewalk or trail or funding secured to create such connections, and at least one accessible building entrance oriented toward such connections, and parking is not situated between building and station area.
- Density:** Site density at the maximum allowable density under the local comprehensive plan.
- Alternative Means:** Car sharing (where one or more passenger automobiles are provided for common use by residents), bike storage, shared parking arrangements with adjacent property owners, etc. that result in a reduction in the local minimum parking requirement, and parking for residential units in not more than the local minimum parking requirement, or if no residential parking or visitor parking is required under local zoning, no more than 0.2 visitor parking spaces per residential unit are provided.

2. **Greater Minnesota:**

In Greater Minnesota, location efficiency points will be awarded in a combination of access to transit and walkability in areas with fixed route transit service, and a combination of demand response/dial-a-ride, walkability, and access to jobs in areas without fixed route transit service.

**a) For areas with fixed route transit service:**

1) Access to Transit:

To receive points for access to transit, a development in Greater Minnesota must be:

- Located within one quarter mile of a planned or existing public transportation fixed route stop – **7 points; OR**
- Located between one quarter mile and one half mile of a planned or existing public transportation fixed route stop – **4 points; OR**
- Located less than one half mile of an express bus route stop or park and ride lot – **4 points;**

2) Walkability:

To receive points for walkability, a development must receive an award of points for Access to Transit above, and be:

- Located in an area with a Walk Score of 70 or more according to [www.walkscore.com](http://www.walkscore.com) – **2 points; OR**
- Located in an area with a Walk Score between 50 and 69 according to [www.walkscore.com](http://www.walkscore.com) – **1 point**

**b) For areas without fixed route transit service:**

1) Access to Transit:

- Located within a census tract that is within 5 miles of 2,000 low and moderate wage jobs for urban census tracts, or within 5 miles of 5,000 low and moderate wage jobs for rural census tracts (not required for tribal areas), **AND** the proposed housing has access to demand response/dial-a-ride\* service with no more than one hour advance notice to schedule a pickup and no minimum number of riders are required – **7 points;**
- Located within a census tract that is within 5 miles of 2,000 low and moderate wage jobs for urban census tracts, or within 5 miles of 5,000 low and moderate wage jobs for rural census tracts (not required for tribal areas), **AND** the proposed housing has access to demand response/dial-a-ride\* service with same day pick-up guaranteed if scheduled by 8:00 a.m. or later and no minimum number of riders are required – **4 points;**
- Located within a census tract that is within 5 miles of 2,000 low and moderate wage jobs for urban census tracts, or within 5 miles of 5,000 low and moderate wage jobs for rural census tracts (not required for tribal areas), **AND** the proposed housing has access to demand response/dial-a-ride\* service not meeting the scheduling terms above – **2 points**

## 2) Walkability:

- Located within a census tract that is within 5 miles of 2,000 low and moderate wage jobs for urban census tracts, or within 5 miles of 5,000 low and moderate wage jobs for rural census tracts, **AND** in an area with a Walk Score of 50 or more according to [www.walkscore.com](http://www.walkscore.com) – **2 points**;
- Located within a census tract that is within 5 miles of 2,000 low and moderate wage jobs for urban census tracts, or within 5 miles of 5,000 low and moderate wage jobs for rural census tracts, **AND** in an area with a Walk Score between 35 – 49 according to [www.walkscore.com](http://www.walkscore.com) – **1 point**

\*Applicants must provide documentation of access and availability of service and describe how the service is a viable transit alternative that could be used for transportation to work, school, shopping, services and appointments. Minnesota Department of Transportation defines dial-a-ride as: “A demand-responsive service in which the vehicle is requested by telephone and vehicle routing is determined as requests are received. Origin-to-destination service with some intermediate stops is offered. Dial-A-Ride is a version of the taxicab using larger vehicles for short-to-medium distance trips in lower-density subregions.” Dial-A-Ride service must operate from at least 7:00 a.m. to 5:30 p.m., Monday through Friday, in order to be eligible for points.

At the time of application, the applicant must submit a map identifying the location of the project with exact distances to the eligible public transit station/stop and include a copy of the route, span and frequency of service.

Access to transportation maps and census tract listings are found on Minnesota Housing’s website:[\[insert link\]](#) . Additionally, find these details in the Agency’s community [profiles interactive mapping tool \[insert link\]](#).

### 3. Supporting Community and Economic Development 1 to 28 Points

#### A. Planned Community Development – 3 Points

Points are awarded for proposals that contribute to Planned Community Development efforts, as defined in section 6.A of the HTC Program Procedural Manual, to address locally identified needs and priorities, in which local stakeholders are actively engaged. Comprehensive plans, land use plans and general neighborhood planning documents are not by themselves considered evidence of Planned Community Development. In addition to submission of evidence of Planned Community Development, evidence from an appropriate representative of the city or town that the housing proposal contributes to the objectives of the plan must be provided.

#### B. Eventual Tenant Ownership – 1 Point

Only detached single-family units are eligible for homeowner conversion. The project owner must submit a preliminary conversion plan with their application that is consistent with the requirements of the Eventual Tenant Ownership (ETO) Guide. The plan must address the transfer of 100% of the HTC unit ownership after the end of the 15-year compliance period from the

initial ownership entity (or Minnesota Housing approved "Transfer of Ownership" entity) of the project to tenant ownership.

The unit purchase price at time of sale must be affordable to buyers with incomes meeting HTC eligibility requirements. To be eligible, the buyer must have an HTC qualifying income at the time of initial occupancy (HTC rental tenant). The final conversion plan, to be submitted by the 15<sup>th</sup> year of initial compliance, must incorporate an ownership exit strategy, a third party Property Capital Needs Assessment report and budget for capital improvements, and services including homeownership education and training. A final conversion plan complying with all of the requirements of the ETO Guide must be submitted to, and approved by, Minnesota Housing prior to commencing the conversion.

The Declaration of Land Use Restrictive Covenants will contain provisions ensuring compliance with these Eventual Tenant Ownership commitments by the owner, including a right of first refusal allowing tenants to purchase their units. (Refer to the Eventual Tenant Ownership (ETO) Guide and also to Chapter 3W of the HTC Program Procedural Manual for additional information.)

**NOTE: Until the time the HTC units are purchased by qualified tenants or in the event that not all HTC units are acquired by qualified tenants, the owner will extend the duration of low-income use for the full extended use period (30 years).**

#### C. Rural/Tribal – 10 Points

Points are awarded for projects located in Rural/Tribal Designated Areas outside of the Twin Cities Seven County Metropolitan Area.

- The proposed housing is located in a census tract eligible as a Rural/Tribal Designate Area – **10 points**

Rural/Tribal Designated Areas maps and census tract listing are found on Minnesota Housing's website:  
**[insert link].**

Additionally, find Rural/Tribal Designation Area map overlays in the Agency's community profiles interactive mapping tool: **[insert link]** (

#### D. Federal/Local/Philanthropic Contributions – 2 to 10 Points

Points are awarded for projects that are receiving contributions from the federal government; a local unit of government; an area employer; and/or a private philanthropic, religious or charitable organization.

Identity of Interest exclusion: Contributions from any part of the ownership entity will be considered general partner cash and excluded from the calculation unless the contributions are awarded by 1) nonprofit charitable organizations pursuant to a funding competition; 2) local units of government; or 3) tribal governments or tribally designated housing entities.

2018 Housing Tax Credit Program Scoring Criteria	Developer Claimed	Minnesota Housing Awarded
--	-------------------	---------------------------

Total federal/local/philanthropic contributions \$\_\_\_\_\_ divided by Total Development Cost \$\_\_\_\_\_ equals (rounded to the nearest tenth)

- 20.1% and above – **10 points**
- 15.1 – 20% – **8 points**
- 10.1 – 15% – **6 points**
- 5.1 – 10% – **4 points**
- 2.1 – 5% – **2 points**
- 0 – 2% – **0 points**

Federal/Local/Philanthropic Contributions include:

- Monetary grants/donations
- Tax increment financing (calculate Net Present Value (NPV) by using NPV discounted by Applicable Federal Rate (AFR))
- Tax abatement (calculate NPV by using NPV discounted by AFR for 30 years)
- Land donation or city write-down of the development site
- In-kind work and materials donated at no cost
- Local government donation/waiver of project specific costs, assessments or fees (e.g., SAC/WAC)
- Reservation land not subject to local property taxes (calculate NPV by using NPV discounted by AFR for 30 years)
- Reservation land with long-term low cost leases
- Deferred loans with a minimum term that is co-terminus with the HTC Declaration with an interest rate at or below the AFR
- Grants from nonprofit charitable organizations converted to deferred loans with a minimum term that is co-terminus with the HTC Declaration with an interest rate at or below the AFR. Award letter from the nonprofit charitable organization contributor must be provided at the time of application verifying the contribution. Documentation must evidence that the contribution is restricted for housing development uses and the contribution must be included as a development source.
- Below Market Interest Rate (BMIR) Loans –calculate NPV based on the difference between the AFR and the BMIR rate (e.g., RD 515, NHASDA first mortgage).
- Historic Tax Credits
- Funder commitments to modify existing debt including: debt forgiveness; approval of assumption of debt and extension of loan term; forgiveness of interest payable; reduction in interest rate (measured as amount of interest saved over term of loan)
- Commitments must contain no contingencies other than receipt of a tax credit award. At the time of application, written documentation from the funder justifying the amount and the terms of the contribution must be provided.

To qualify for points for tax increment financing or tax abatement, there must be satisfactory documentation that the contribution is committed to the development at the time of application.

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

2018 Housing Tax Credit Program Scoring Criteria	Developer Claimed	Minnesota Housing Awarded
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memorandum of understanding. In the case of Historic Tax Credits, at the time of application written documentation of eligibility through evidence of Historic Register listing or approval of Part 1—Evaluation of Significance must be provided.

Within six months of the date of selection (Minnesota Housing Board selection date), the applicant must provide Minnesota Housing with documentation of a firm commitment and authorization or approval of the federal/local/philanthropic contribution(s). The documentation must state the amount, terms and conditions and must be executed or approved, at a minimum, by the contributor. Documentation containing words synonymous with “consider” or “may” (as in “may award”) regarding the contribution will not be acceptable. Lack of acceptable documentation will result in the reevaluation and adjustment of the tax credits or RFP award, up to and including the total recapture of tax credits or RFP funds.

**E. QCT/Community Revitalization & Tribal Equivalent Areas – 1 Point**

A point is awarded to projects that are located in a Qualified Census Tract (See Qualified Census Tract – Reference Materials Index) and are part of a concerted plan that provides for community revitalization consistent with the definition of Planned Community Development contained in section 6.A of the HTC Program Procedural Manual. In addition to submission of evidence of Planned Community Development, evidence from an appropriate representative of the city or town that the housing proposal contributes to the objectives of the plan must be provided.

Tribal Equivalent Areas published on Minnesota Housing’s website are also eligible for one point: **[insert link]**. Additionally, find these areas in the Agency’s community [profiles interactive mapping tool](#) **[insert link]**.

The proposed housing is located in a QCT Community Revitalization Area or a Tribal Equivalent Area— **1 point**

**F. Minority-owned/Women-owned Business Enterprise (MBE/WBE) – 3 Points**

The project sponsor, general contractor, architect, or management agent is a minority-owned or women-owned business enterprise (MBE/WBE)\*, as certified by the owner— **3 points**

\* A MBE/WBE is a tribe or tribally-designated housing entity, or another entity which is at least fifty-one (51) % owned by one or more minority persons or women, and whose management and daily business operations are controlled by one or more minority persons or women who own it.

**4. Preservation 6 to 30 Points**

**IMPORTANT NOTE: DUAL APPLICATION and PRE-APPLICATION REQUIRED**

Applicant claiming points under this section **must submit a dual application**, as defined in the Multifamily Consolidated RFP Guide, if the development contains 40 units or greater.

In order to be eligible for points under this section, applicant **must provide the required Pre-Application**

**30 days prior to the application deadline for HTC Round 1 or Round 2**, as detailed in the HTC Program Procedural Manual Section 6.A. Failure to submit all required pre-application materials will result in rejection of the pre-application. Applicant must provide the Agency's "Preliminary Determination of Preservation Eligibility" letter which reflects threshold and points taken below.

**Choose one of the following three Thresholds:**

**A. Risk of Loss Due to Market Conversion**

1. Expiration of contract/use-restrictions
  - a) Existing property at risk of conversion to market rate housing within five years of application date, and conversion is not prohibited by existing financing or use restrictions; **OR**
  - b) Existing tax credit developments eligible to exercise their option to file for a Qualified Contract, and have not previously exercised their option; **AND**
2. Market for conversion evidenced by low physical vacancy rate (4% or lower) for market rate comparable units (comparable units to be validated by Minnesota Housing at Minnesota Housing's discretion); **AND**
3. The property's ability to command market rents as evidenced by direct comparison to local market comparable units and amenities. Conversion scenario must result in sufficient additional revenue to fund improvements and amenities necessary to match market comparable units as evidenced by Market Conversion Model and market study (market comparable and improvement cost estimates to be validated by Minnesota Housing at Minnesota Housing's discretion); **AND**
4. Location in a jobs growth or household growth area as defined in the Agency's [community profiles interactive mapping tool \[insert link\]](#); **AND**
5. Fifteen (15) or more years have passed since the award of the existing federal assistance and the tax credit placed in service date (if applicable) for projects claiming points under Existing Federal Assistance, or 15 years must have passed since the closing of the loan that created rent and income restrictions or the most recent tax credit placed in service date for projects claiming points under Critical Affordable Units.

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

**B. Risk of Loss Due to Critical Physical Needs**

1. Fifteen (15) or more years have passed since the award of the existing federal assistance and the tax credit placed in service date (if applicable) for projects claiming points under Existing Federal Assistance, or 15 years must have passed since the closing of the loan that created rent and income restrictions or the most recent tax credit placed in service date for projects claiming points under Critical Affordable Units; **AND**

2018 Housing Tax Credit Program Scoring Criteria	Developer Claimed	Minnesota Housing Awarded
--	-------------------	---------------------------

2. Critical physical needs identified by third party assessment to support the following conclusions:
  - a) Repair/replacement of major physical plant components have been identified that will result in 15+ years sustained operations; **AND**
  - b) Identified scope of critical physical needs exceeds the available reserves by at least \$5,000 per unit, as evidenced by the Three Year Critical Needs Model; **AND**
  
3. Location in one of three geographic priority areas: jobs growth area, household growth area **OR** an area designated as having a large affordable housing gap, as evidenced in Minnesota Housing’s [community profiles interactive mapping tool](#), or as evidenced by a tribal housing authority waiting list.

**C. Risk of Loss Due to Ownership Capacity**

1. Fifteen (15) or more years have passed since the award of the existing federal assistance and the tax credit placed in service date (if applicable) for projects claiming points under Existing Federal Assistance, or 15 years must have passed since the closing of the loan that created rent and income restrictions or the most recent tax credit placed in service date for projects claiming points under Critical Affordable Units; **AND**
  
2. Existing conditions created by the current owner such as bankruptcy, insolvency, default, foreclosure action, unpaid taxes and assessments, on-going 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 **AND**
  
3. Ownership must be transferred to an unrelated party; **AND**
  
4. Location in one of three geographic priority areas: jobs growth area, household growth area **OR** an area designated as having a large affordable housing gap, as evidenced in Minnesota Housing’s [community profiles interactive mapping tool](#), or as evidenced by tribal housing authority waiting list.

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

For projects meeting one of the three thresholds above, choose points under either Existing Federal Assistance or Critical Affordable Units at Risk of Loss below.

**D. Scoring:**

**1. Existing Federal Assistance**

Definition: Any housing receiving project based rental assistance or operating subsidies under a U.S. Department of Housing and Urban Development (HUD), U.S. Department of Agriculture Rural Development (RD), NAHASDA or other program that is not scheduled to sunset or expire. Properties that have converted their type of federal rental assistance through the Rental Assistance Demonstration program, Component 2 (RAD 2) are eligible. Such assistance must have been committed to the property 15 years prior to the year of



application.

In order to obtain points for existing federal assistance, the owner must continue renewals of existing project based housing subsidy payment contract(s) for as long as the assistance is available. Except for "good cause," the owner must not evict existing subsidized residents and must continue to renew leases for those residents.

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

Choose either a or b and c below

a) Existing Federally Assisted Units:

- Less than 25% of units are federally assisted – **4 points**
- 25.01%-50% of units are federally assisted – **8 points**
- 50.01-75% of units are federally assisted – **12 points**
- 75.01%-99.99% of units are federally assisted – **16 points**
- 100% of units are federally assisted – **20 points**

**OR**

b) For partially assisted projects with Existing Federally Assisted Units in Economic Integration census tracts:

- Less than 25% of units are federally assisted – **10 points**
- 25.01-75% of units are federally assisted – **15 points**
- 75.01-99.99% of units are federally assisted – **20 points**

**AND**

c) Score for the appropriate number of federally assisted units currently under contract for preservation:

Metro or Greater Minnesota MSA\*

- 12-30 units – **1 point**
- 31-60 units – **3 points**
- 61-100 units – **7 points**
- 101+ units – **10 points**

2018 Housing Tax Credit Program Scoring Criteria	Developer Claimed	Minnesota Housing Awarded
--	-------------------	---------------------------

\* Greater Minnesota MSA (Metropolitan Statistical Area) as defined by HUD: Duluth, St. Cloud, Fargo/Moorhead, Rochester, Mankato, Lacrosse, Grand Forks, Minneapolis/St. Paul MSA outside of the 7 county metro (including Chisago, Isanti, Sherburne, and Wright Counties) Greater Minnesota MSAs are found on Minnesota Housing’s website: Preservation Methodology.

Greater Minnesota/Rural

- 8-20 units –**3 points**
- 21-40 units –**5 points**
- 41+ units –**10 points**

**OR**

**2. Critical Affordable Units at Risk of Loss –6 points**

- a)  Any housing with 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 Rental Assistance Demonstration Program, Component 1 (RAD 1), tax credit units, Rural Development funded units without rental assistance and existing federal assistance not described in paragraph 1. above (e.g., 202, 236) or other programs limiting income and rent restrictions as stated above.

**AND**

You must also claim and be awarded points under Serves Lowest Income Tenants/Rent Reduction for either Option 1 **OR** Option 2, **AND** Option 3.

**5. Efficient Use of Scarce Resources 1 to 26 Points**

**A. Financial Readiness to Proceed – 2 to 14 Points**

Minnesota Housing will award points to applicants who have secured funding **commitments** for one or more permanent funding sources at the time of application except that commitments for funding from Minnesota Housing and Funding Partners (i.e., Minnesota Department of Employment and Economic Development, Family Housing Fund, Greater Minnesota Housing Fund, Metropolitan Council Local Housing Incentive Account) are only included if obtained in a previous funding cycle/round.

Commitment documentation must state the amount, terms and conditions and be executed or approved by the lender or contributor and the applicant. Documentation containing words synonymous with “consider” or “may”, (as in “may award”) regarding the commitment will not be acceptable. A deferred developer fee is not considered a permanent source of funding.

The calculation below must exclude first mortgage financing and any anticipated proceeds from the current tax credit request.

Syndication proceeds from tax credits awarded in a previous cycle/round may be included if verification is included in the application. Acceptable verification is an executed syndicator agreement or executed Letter of Intent from the syndicator that is acceptable to Minnesota

## Housing;

The executed Letter of Intent must:

- Be current within 15 days of submission of the application
- Contain a projected closing date for the development
- Contain a projected equity price for the purchase of the credit
- Contain a detailed explanation of the assumptions being used by the syndicator to arrive at the projected equity price

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

- 70% or more of funding secured, awarded or committed\*\* – **14 points**
- 60% to 69.9% of funding secured, awarded or committed – **12 points**
- 50% to 59.9% of funding secured, awarded or committed – **10 points**
- 40% to 49.9% of funding secured, awarded or committed – **8 points**
- 30% to 39.9% of funding secured, awarded or committed – **6 points**
- 20% to 29.9% of funding secured, awarded or committed – **4 points**
- 10% to 19.9% of funding secured, awarded or committed – **2 points**
- 9.9% and below of funding secured, awarded or committed – **0 points**

\* **Sales tax rebate, for the purpose of this scoring category, should be calculated as 40% of the construction contract amount multiplied by the local tax rate for the area where the project is located.**

\*\* **Projects that have both a numerator and denominator equal to zero are eligible for 14 points.**

## B. Intermediary Costs – 1 to 6 Points

Points will be given to projects with the lowest intermediary costs on a sliding scale based on percentage of total development costs. For HTC selected projects, this percentage will be enforced at issuance of the IRS Form 8609.

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

- 0.0 – 15% – **6 points**
- 25.1 – 30% – **1 point**

2018 Housing Tax Credit Program Scoring Criteria	Developer Claimed	Minnesota Housing Awarded
--	-------------------	---------------------------

- 15.1 – 20% – **3 points**
- 20.1 – 25% – **2 points**
- 30.1 and over – **0 points**

**C. Cost Containment – 6 Points**

Six points will be available to the 50% of developments with the lowest costs within each development type/location group (subject to the methodology described in Revised Cost Containment Methodology [insert link]. Applicants may claim these points and Minnesota Housing will make point reductions following its review of costs for all applications in the funding round.

A different process occurs for the second round of 9% tax credit selections and applications seeking 4% tax credits for use in conjunction with tax exempt bonds. For each of the four competition groups, the cost per unit of the proposal at the 50th percentile in round 1 will determine the cut-off point or threshold for receiving points in round 2 and for 4% tax credits

**NOTE:** Proposals that believe they have contained their costs should select these points.

Only proposals that claim cost containment points on the self-scoring worksheet and are awarded points through the process described above will receive cost containment points.

**CAUTION: If a project receives points under this criterion, failure to keep project costs under the applicable cost threshold will be considered an unacceptable practice and will result in negative 4 points being awarded in all of the applicant’s tax credit submissions in the next funding round in which submissions are made.**

If developers are concerned about their costs and keeping them within the “applicable cost threshold,” they should not claim the cost-containment points.

**6. Building Characteristics 1 to 5 Points \_\_\_\_\_**

**A. High Speed Internet Access – 1 Point**

The development will provide High Speed Internet access via installation of all appropriate infrastructure and connections for cable, DSL or wireless internet service to every unit in the development. This will be a design requirement if points are taken.

**B. Universal Design – 3 Points**

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

- An elevator building with 100% of HTC units meeting the definition of a Universal

Design Unit – **3 points**; OR

- A non-elevator building with at least 10% of HTC units meeting the definition of a Universal Design Unit – **3 points**

**Minimum Essential Universal Design Features**

At least one bedroom or space that can be converted to a bedroom (without changing door locations for new construction or adaptive re-use) on an accessible level and connected to an accessible route, or efficiency units (without a bedroom) on an accessible level and connected to an accessible route

42" minimum hallways within a unit for new construction or adaptive re-use

At least one three quarter bathroom on an accessible level with five foot open radius for new construction or adaptive re-use, and clear floor space of 30" x 48" for rehabilitation

Lever handles on all doors and fixtures

Provide wall blocking in all tub and shower areas for new construction or adaptive re-use, and for rehabilitation if showers are being replaced

Door thresholds flush with the floor with maximum threshold height of ½" beveled or ¼" square edged

Kitchen and laundry appliances have parallel approach clear floor space with all controls within maximum height of 48". Range controls must have lockout feature. Stackable laundry units with a maximum reach range of 54" will meet this requirement

Kitchen sink area 30" wide minimum with cabinet panel concealing piping or a removable base cabinet

All common spaces and amenities provided in the housing development located on an accessible route

For new construction or adaptive re-use, deck or patio spaces have a step-less transition from dwelling unit meeting door threshold requirements, with decking gaps no greater than ¼"

Universal Design features are incorporated in an aesthetic, marketable, non-institutional manner

**Optional Features**

High contrast finish selections that include floor to wall transitions, top treads of stairs, counters and adjacent flooring and walls

Single lever, hands free or touch faucets

At least 50% of kitchen storage space within reach range. This can include pull-out shelves, full extension glide drawers or pantry design

A variety of work surface heights in kitchen and one five foot open radius

Roll under vanity or sink in 25% of Universal Design qualifying units, rounded up to the nearest whole number

Cabinet hardware with "D" type pull handles or operation for people with limited dexterity

Zero threshold shower or transfer space at tub is provided for minimum of half the qualifying Universal Design units, rounded up to the nearest whole number

Slip resistant flooring in kitchens and baths

2018 Housing Tax Credit Program Scoring Criteria	Developer Claimed	Minnesota Housing Awarded
--	-------------------	---------------------------

Toilets provided with seats 17” – 19” from the floor

Windows are provided with maximum sill height of 36”, parallel clear floor space and locks/operating mechanism within 48” and easily operable with one hand. Sidelight or view window at main entry door from a seated position

Thermostats designed for visually impaired or ability to monitor and operate with electronic device such as a tablet computer

Closet storage is adjustable in a majority of the closets provided

Audio/Visual doorbell

Covered entry with adequate lighting and interior or exterior bench space for parcels or groceries

Lettering and numbering with all characters and symbols contrasting with their background

Braille characters included to the left on all interior signage

Parking spaces provided for at least 50% of Universal Design qualifying units, rounded up to the nearest whole number, with a five foot wide adjacent auxiliary space connected to accessible route

Residential elevator or chair lift space structured for future use in multiple level homes

Enterprise Green Communities Model Specifications are used for applicable sections for the Universal Design qualifying units

On-site physical activity is provided for in a fitness area, biking or walking path or community garden

Other modifications that make units livable for disabled populations, as demonstrated by credible evidence provided in the application, at the sole discretion of Minnesota Housing

**C. Smoke Free Buildings – 1 Point**

One (1) point will be awarded for projects that will institute and maintain a written policy\* prohibiting smoking in all the units and all common areas within the building/s of the project. The project must include a non-smoking clause in the lease for every household.

Projects awarded a point in this scoring criteria will be required to maintain the smoke-free policy for the term of the declaration.

\* The written policy must be submitted with the application and should include procedures regarding transitioning to smoke-free for existing residents and establishment of smoking areas outside of units and common areas if applicable. Consequences for violating the smoke-free policy are determined by the owner but must be included in the written policy.

<b>7. Unacceptable Practices</b>	<b>-4 to -25 Points</b>	_____	_____
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Minnesota Housing will impose penalty points for unacceptable practices as identified in Chapter 2.G of the HTC Program Procedural Manual.

<b>TOTAL POINTS</b>	_____	_____
	<b>Developer</b>	<b>Minnesota Housing</b>

2018 Housing Tax Credit Program Scoring Criteria	Developer Claimed	Minnesota Housing Awarded
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Claimed

Awarded

**Under penalty of perjury, owner hereby certifies the information provided herein is true and accurate.**

**Name of Owner:**

By: \_\_\_\_\_  
(Signature)

Of: \_\_\_\_\_  
(Name of Legal Entity)

Its: \_\_\_\_\_  
(Title) (Managing General Partner)

\_\_\_\_\_  
(Print or Type Name of Signatory)

NOTE: During the competition process, Minnesota Housing’s review of the submitted self-scoring worksheet is only to validate that the points claimed are eligible, to reduce points claimed if not eligible, and to determine points awarded. Minnesota Housing will not award additional points that are not initially claimed by the applicant/owner. Many performance obligations are created by the claiming of certain scoring points. As such, Minnesota Housing will not assume the position of creating any such performance obligations on behalf of the applicant/owner. In addition, applications funded under the Joint Powers Agreement must also comply with the suballocators selection criteria defined in their Qualified Allocation Plan.