



Self-Scoring Worksheet 2011 Housing Tax Credit Program

Development Name: _____

Development Location: _____

Development City: _____

Please note the following:

1. Minimum Point Requirements:
 - Request for Minnesota Housing Finance Agency (Minnesota Housing) administered tax credits from the State's volume cap must demonstrate the project is eligible for not less than 30 points.
 - Request for tax credits in association with Tax Exempt Bonds over and above the State's allocation of Housing Tax Credits must demonstrate the project is eligible for not less than 40 points.
2. Documentation of Points:
 - Indicate the selection and/or preference priority points 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 selection points awarded – points will not be awarded unless documentation is provided along with the application to justify the points claimed.**
3. Extended Duration:
 - All projects with the exception of those obtaining tax credits in association with Tax Exempt Bonds over and above the State's allocation of Housing Tax Credits 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 that the Section 42 income and rental restrictions shall apply for the 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.
4. Design Standards:
 - The project must meet the HTC Design 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 which require specific design elements (i.e. High Speed Internet).
5. A Declaration of Land Use Restrictive Covenants:
 - Covering the rent restrictions and occupancy requirements presented at selection must be placed on the building(s).

ROUNDS 1 AND 2 – MINIMUM THRESHOLD REQUIREMENTS

For applications submitted in Rounds 1 and 2 all applicants statewide must meet one of the following threshold types. Please indicate the Threshold item you meet:

A. In the Metropolitan Area:

- 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 percent of the total tax credit units are single room occupancy units with rents affordable to households whose income does not exceed 30 percent of the area median income.
- 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 percent of the total tax credit units contain two or more bedrooms and at least one-third of the 75 percent contain three or more bedrooms; or
- Substantial rehabilitation projects in neighborhoods targeted by the city for revitalization.

B. Outside the Metropolitan Area:

- 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 local council resolution submitted with the application. (For Threshold Letter – Sample Format, see HTC 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:

- with a serious and persistent mental illness as defined in Minnesota Statutes § 245.462, Subdivision 20, paragraph (c);
- with a developmental disability as defined in United States Code, Title 42, Section 6001, paragraph (5), as amended;
- 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;
- with a brain injury as defined in Minnesota Statutes § 256B.093, Subdivision 4, paragraph (a); or
- with permanent physical disabilities that substantially limit major life activities, if at least 50 percent of the units in the project are accessible as provided under Minnesota Rules Chapter 1341.

D. Preserve Existing Subsidized Housing

- 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:

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

Selection Priorities	Developer Claimed	Minnesota Housing Awarded
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1. Large Family Housing **10 Points** _____

The proposal is for a project that provides family housing that is not restricted to persons 55 years old or older. At least 75 percent of the total tax credit units must contain two or more bedrooms. The tenant selection plan must give preference to families with minor children.

Note: If points are claimed/awarded for this category, then no points may be claimed/awarded from the selection priority categories of **Single Room Occupancy Housing** or **Special Populations**.

2. Single Room Occupancy Housing **10 Points** _____

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 percent of AMI.

Note: If points are claimed/awarded for this category, then no points may be claimed/awarded from the selection priority categories of **Large Family Housing** or **Special Populations**.

3. Strategically Targeted Resources **10 to 12 Points** _____

- The proposal is for the rehabilitation of an existing structure – *10 points*

Note that for all HTC rehabilitation proposals:

- the amount of rehabilitation must exceed:
 - a) \$5,000 per low-income unit for the project; and the greater of
 - b) \$6,000 qualified basis per low-income unit per building; or
 - c) 20 percent of the adjusted basis.

A qualified preservation project that received full points for “Preserves Federally Assisted Low Income Housing” may qualify if rehabilitation exceeds the greater of (b) or (c) above.

Calculation is based on rehabilitation hard costs and cannot include intermediary costs or soft costs identified in the application; plans and/or scope of work provided at the time of application.

- The rehabilitation proposal is part of a community revitalization or stabilization plan – *2 additional points*

Must be evidenced by a letter from the city verifying that the proposed project is part of an approved community revitalization area as established by resolution or other legal action.

OR

- The proposal is for new construction and will utilize existing sewer and water lines without substantial extensions – *10 points*

Selection Priorities	Developer Claimed	Minnesota Housing Awarded
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4. Special Populations 3 or 10 Points _____

Projects 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 the following disabilities:

- (a) a serious and persistent mental illness as defined in Minn. Stat. § 245.462, subdivision 20, paragraph (c);
- (b) a developmental disability as defined in United States Code, Title 42, Section 6001, paragraph (5), as amended;
- (c) 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.
- (d) a brain injury as defined in Minn. Stat. § 256B.093, Subdivision 4, paragraph (a); or
- (e) permanent physical disabilities that substantially limit major life activities, if at least 50 percent of the units in the project are accessible as provided under Minnesota Rules Chapter 1341.

A project in which at least 50 percent of the total units are set aside and rented to such persons – 10 points

OR

A project in which at least 25 percent of the total units are set aside and rented to such persons – 3 points

The applicant must contact the human services department for the county where the project will be located to discuss the proposal. The applicant must submit a letter from the human services department indicating that its staff has reviewed the proposed project, and stating whether there is a need for such housing and if the project would be eligible for funds to assist with the social service needs of the residents.

In addition, if the project will be delivering supportive services to residents in these units, the applicant must complete and submit the Supportive Housing application materials, including the narratives, forms and submittals identified in the Common Application for Multifamily Rental Housing Resources.

Note: If points are claimed/awarded for this category, then no points may be claimed/awarded from the selection priority categories of **Large Family Housing** or **Single Room Occupancy Housing**

5. Economic Integration 2 Points _____

Two (2) Points will be awarded to projects that meet one of the following (check one box below):

The proposed housing provides project economic integration by providing at least 25 percent but not greater than 50 percent of the total units in the project as qualified HTC low income units (does not include full-time manager or other common space units) *

OR

The proposed housing provides community economic integration by providing housing located in neighborhoods with average incomes as published by the Department of Revenue data by census tract that exceed the HUD established area median family income by 150% (Link to Eligible Census Tracts).

*The corresponding HTC applicable fraction will be based on the number of HTC low income units to total units in the project and will be enforced at the time the Carryover Allocation and IRS Form 8609 are prepared to determine the maximum tax credit allocation for the project.

Points in this selection priority will not be available in Round 2. These points may be claimed by tax exempt bond developments at any time. Developments receiving points for project economic integration in Round 1 will be required to maintain Economic Integration in the Declaration of Land Use Restrictive Covenants.

Selection Priorities	Developer Claimed	Minnesota Housing Awarded
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6. Project Location 5 or 10 Points _____

The proposed housing is needed to increase or sustain the supply of affordable housing in counties that experience either job or household population growth during the last ten years.

- The proposed housing is located in one of the top ten job or household population growth counties – 10 points
- The proposed housing is located in one of the top twenty, but not in the top ten, job or household population growth counties – 5 points

(See Reference Materials Index – Project Location – for a list of counties)

7. Regulatory Cost Avoidance/Cost Reduction 1 to 7 Points _____

One or more of the following: (One point for each box checked, with a maximum of 7 points)

- Donation or waiver of project specific local government development fees
- Donation or waiver of project specific assessments or infrastructure costs
- Density bonus (i.e. an increase in the density otherwise allowed in a given zoning district which may be granted under specific provisions of the Zoning Ordinance)
- Flexibility in zoning code requirements
- WAC/SAC reductions
- Fast-track permitting and approval
- Historic tax credits (at time of application, submit letter from State Historic Preservation Office (SHPO) confirming historic nature of building)

If donation/waiver of project specific assessments, infrastructure costs or local government development fees are claimed for points in this section, it cannot also be claimed in the selection points category of **Local/Philanthropic Contributions**.

To receive these points, documentation of the terms and conditions of the regulatory cost avoidance/cost reduction measure must be provided from the contributor of the assistance or authorized local official, at the time of the application. The documentation shall be in the form of a project specific letter of intent, city or council resolution, letter of approval, statement of agreement or eligibility, or memorandum of understanding. If the documentation provided contains words synonymous with “consider” or “may” (as in “may award”) regarding the regulatory cost avoidance/cost reduction, the points will not be awarded.

The applicant must submit accurate, complete, and credible evidence of the amount of cost savings for each regulatory cost avoidance/cost reduction measure and record the savings in Section VII G of the MF Application Form. Proceeds stemming from historic tax credits must be shown as a source on the application form at the time of application.

Selection Priorities	Developer Claimed	Minnesota Housing Awarded
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8. Local/Philanthropic Contributions 2 to 10 Points _____

Points are awarded for projects that are receiving contributions from 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 local units of government or non profit charitable organizations pursuant to a funding competition.

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

- | | |
|--|---|
| <input type="checkbox"/> 20.1% and above – 10 points | <input type="checkbox"/> 5.1 – 10% – 4 points |
| <input type="checkbox"/> 15.1 – 20% – 8 points | <input type="checkbox"/> 2.1 – 5% – 2 points |
| <input type="checkbox"/> 10.1 – 15% – 6 points | <input type="checkbox"/> 0 – 2% – 0 points |

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)
- Land donation of the development site
- In-kind work and materials donated at no cost
- Local government donation/waiver of project specific costs
- Reservation land not subject to local property taxes
- 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 non profit 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 non profit charitable organization contributor must be provided at the time of application verifying the project specific (restricted) contribution

If donation/waiver of project specific assessments, infrastructure costs or local government development fees is claimed for points in this section, it cannot also be claimed in the selection point category of Regulatory **Cost Avoidance/Cost Reduction**.

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. Within 6 months of the date of selection (Minnesota Housing Board selection date) the applicant must provide Minnesota Housing with documentation of a firm commitment, authorization or approval of the local/philanthropic contribution(s). The documentation must state the amount, terms and conditions and 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 considered 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.

Selection Priorities	Developer Claimed	Minnesota Housing Awarded
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9. Leverage **2 to 10 Points** _____

Points are awarded for leveraging requested state deferred funding with funding from private, federal, local government, religious, philanthropic, or charitable organizations. The formula used to determine the Leverage Ratio Percentage is based upon the cumulative state deferred funding requests/awards* divided by Total Development Cost.

*Including current requests and previous awards from past and present 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, Minnesota Green Communities) and excluding First Mortgage, Syndication and HOME funds.

Total state RFP/Funding Partner Funds awarded and current request \$_____ divided by Total Development Cost \$_____ equals Leverage Ratio _____% (rounded to the nearest tenth.)

- | | |
|--|--|
| <input type="checkbox"/> 0 – 5% – 10 points | <input type="checkbox"/> 15.1 – 20% – 4 points |
| <input type="checkbox"/> 5.1 – 10% – 8 points | <input type="checkbox"/> 20.1 – 30% – 2 points |
| <input type="checkbox"/> 10.1 – 15% – 6 points | <input type="checkbox"/> 30.1 and above – 0 points |

At the time of application, written documentation from the RFP/Funding Partner justifying the amount and the terms of the contribution must be provided. Within 6 months of the date of selection (Minnesota Housing Board selection date), the applicant must provide Minnesota Housing with documentation of a firm commitment for each funding source. The 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 considered 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.

Selection Priorities	Developer Claimed	Minnesota Housing Awarded
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10. Readiness to Proceed **1 to 14 Points**

Financial Readiness to Proceed – (0-10 points)

Minnesota Housing shall award points to applicants who have secured funding **commitments** for one or more 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, Minnesota Green Communities) 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 considered acceptable.

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 which 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 and any anticipated proceeds from the current tax credit request) \$_____ Divided by Total Development Cost \$_____ equals Percentage of Funds Committed _____% (round to nearest tenth)

- 50% or more of funding secured, awarded or committed – *10 points*
- 40% to 49.9% or more of funding secured, awarded or committed – *8 points*
- 30% to 39.9% or more 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*

Non-Financial Readiness to Proceed – (1 point for each box checked up to a maximum of 4 Pts)

Points will be awarded to projects that evidence Non-Financial Readiness to Proceed by submitting verification of the following;

- Land use and zoning approvals
- Project Specific Title Commitment and Survey* (if project is located on tribal trust land, only the survey needs to be submitted to be eligible)
- Verification that all infrastructure for the project is complete
- Draft Building permits

*At application, a new survey does not need to be conducted if the legal description and building footprint has not changed for a rehabilitation development.

Selection Priorities	Developer Claimed	Minnesota Housing Awarded
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11. Intermediary Costs (Soft 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
- 15.1 – 20% – 3 points
- 20.1 – 25% – 2 points
- 25.1 – 30% – 1 point
- 30.1 & over – 0 points

12. Unacceptable Practices -10 to -25 Points _____

Minnesota Housing will impose penalty points for unacceptable practices as identified in Chapter 3 F of the Housing Tax Credit Procedural Manual.

13. Eventual Tenant Ownership 1 Point _____

The proposal must include a financially viable plan to transfer **100 percent** 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") 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) or time of purchase. The plan must incorporate an ownership exit strategy and the provision of services including homeownership education and training. The Declaration of Land Use Restrictive Covenants will contain provisions ensuring compliance with these home ownership program commitments by the Owner. (Refer also to Chapter 4 W of the HTC Procedural Manual for additional information.)

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

14. Underserved Populations 3 to 10 Points _____

The development serves an underserved population defined as single head of household with minor children, individuals and households of color and one of the following is true:

- Marketing efforts or project design features will be used that will attract underserved populations including collaborations and partnerships proposed with members or organizations addressing the needs of underserved populations – 3 points

Or

- Marketing efforts or project design features will be used that will attract underserved populations including collaborations and partnerships proposed with members or organizations addressing the needs of underserved populations; and the applicant has past successful experiences in marketing to or working with underserved populations
 - 1 Underserved Populations – 5 points
 - 2 Underserved Populations – 10 points

(NOTE: see selection priority #4 for Disabled Individuals)

Selection Priorities	Developer Claimed	Minnesota Housing Awarded
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15. Temporary Priority – Foreclosed Properties 3 Points _____

The proposal addresses a temporary housing priority and is eligible for the award of points by the Commissioner or the Board of the Minnesota Housing Finance Agency pursuant to authority cited in the Rules of the Minnesota Housing Finance Agency.

(Note: Points cannot be taken in this section for a Temporary Priority if a priority section has been specifically created for it elsewhere in this self-scoring worksheet.)

Priority is given to applications proposing to acquire and rehabilitate a Foreclosed Property (Foreclosed Property means the project's real estate and improvements acquired by applicant by way of a deed-in-lieu of foreclosure, sheriff's certificate or court order through a foreclosure proceeding) or are located in a Foreclosure Priority Area identified by Minnesota Housing that has been heavily impacted by the foreclosure crisis (Link to Foreclosure Priority Areas). In cases where the project involves a Foreclosed Property, the proposed project cannot be a conversion (adaptive reuse/conversion to housing from another use).

The project must consist of a minimum of 12 units and all units must be located on one parcel or contiguous site.

Points may be claimed for only one of the following (maximum of three (3) points):

- For applications proposing to acquire and rehabilitate a Foreclosed Property which is located in one of the designated Foreclosure Priority Areas. – 3 points
- For applications proposing to acquire and rehabilitate a Foreclosed Property which is not located in one of the designated Foreclosure Priority Areas. – 2 points
- For applications proposing projects to acquire and rehabilitate a property that is located in one of the designated Foreclosure Priority Areas. – 1 point

For applications proposing to acquire and rehabilitate a project which has been foreclosed, applicant must provide at the time of application;

- Evidence of applicant's ownership rights to the property
- Narrative which clearly identifies (1) the number of tenant leases which are valid and in force and (2) the terms and conditions of those leases which would have a direct impact on Minnesota Housing's analysis and underwriting of the project proposed in the application.

Note: Failure to acquire good title to the property 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.

Selection Priorities	Developer Claimed	Minnesota Housing Awarded
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16. Preservation of Existing Housing Tax Credit Units **10 Points**

IMPORTANT NOTE

THESE POINTS ARE AVAILABLE ONLY TO EXISTING MINNESOTA HOUSING TAX CREDIT PROJECTS APPLYING FOR TAX CREDITS FROM MINNESOTA HOUSING'S COMPETITIVE ALLOCATION PROCESS (CONSOLIDATED RFP) and QUALIFIED TAX EXEMPT PROJECTS APPLYING FOR A PRELIMINARY DETERMINATION LETTER FROM MINNESOTA HOUSING AS THE CREDIT ALLOCATOR.

To obtain the related points, the existing tax credit housing must meet the following criteria:

1. The development received a Minnesota Housing allocation of housing tax credits and is eligible to and will exercise their option under the provisions of Section 42(h)(6)(E)(i)(II) and 42(h)(6)(F) within the next 12 months;

and
2. Applicant agrees to maintain the Housing Tax Credit Units in the development for at least 30 years;

and
3. The proposal will not result in the displacement of existing low and moderate income residents;

and
4. Units must be considered at risk of going to market rents, where the market rents of comparable units exceed the tax credit rent limits by 10 percent and the proposed rents will increase by more than 30 percent within two years of the Housing Tax Credit Application date. The risk of conversion must be supported by information contained in the application and with final determinations made by Minnesota Housing;

or
5. Tax credit units would no longer remain decent, safe, and affordable due to physical deterioration or deterioration of capacity of current ownership/management entity.

Selection Priorities	Developer Claimed	Minnesota Housing Awarded
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17. Permanent Housing for Individuals Experiencing Long-Term Homelessness 5 to 110 Points

Minnesota Housing Competitive Round or Tax Exempt Points (“non-Bonus” points) – 5 or 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 4 units are set aside and rented to households experiencing long-term homelessness as defined in Minnesota Rules, Chapter 4900.3705:

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

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

100 points (“bonus points”) will be available until a total of \$1,702,000 (estimated 25 percent of Minnesota Housing’s administered credit authority) in tax credits are awarded for qualifying permanent housing proposals for households experiencing long-term homelessness selected in the 2011 Housing Tax Credit competitions. Once this maximum amount is reached, the 100 points (“bonus” points) will no longer be awarded for the remaining 2011 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 relating to the “bonus points” funding limits following its review of all applications in the funding round which 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.

To receive points under this category, 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 Common Application for Multifamily Rental Housing Resources; and
- b) 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.

Minnesota Housing recognizes that rental assistance, or operating subsidies, and supportive services may be necessary to effectively serve households experiencing long-term homelessness. If the necessary rental assistance, operating support, or tenant service funding for the project is withdrawn or terminated due to reasons not attributable to the actions or inactions of the owner, and alternative funding is unavailable, and the project is otherwise in full compliance with all the terms of the funding for the project, the owner may petition Minnesota Housing to modify its requirements. Minnesota Housing may (i) relax or eliminate the requirement for supportive services or (ii) relax or eliminate the requirement that the assisted units be occupied by households experiencing long-term homelessness. Should Minnesota Housing eliminate the requirement that the assisted units be occupied by households experiencing long-term homelessness, Minnesota Housing will permit the owner to phase out the targeting of tax credit units to households experiencing long-term homelessness and convert the rents of those units to the 50% tax credit rent limit without jeopardizing the tax credit allocation, provided that more restrictive threshold, selection priority or funding requirements do not apply. If such conversion occurs, in order to retain the tax credit allocation, the above described 50% tax credit rent limit and the Section 42 minimum set-aside elected for the project by the owner must be maintained for the remainder of the tax credit compliance period and extended use period.

A proposal which is awarded scoring points from this category and is selected to receive tax credits will be required to comply with the Long-Term Homelessness reporting requirements 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 long-term homelessness units and will be recorded with the property.

18. 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.

Selection Priorities	Developer Claimed	Minnesota Housing Awarded
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19. Previous Award of Tax Credits 400 to 1000 Points

Developments with a Previous Award of Tax Credits (and not yet Placed in Service) **with no funding gap** exclusive of the additional tax credits requested at the time of this application

- a) 1000 points for qualifying developments which have previously been awarded 2009 or 2008 tax credits but have not yet placed in service and have no funding gap.
- b) 900 points for qualifying developments which have previously been awarded 2010 tax credits but have not yet placed in service and have no funding gap.

Developments with a Previous Award of Tax Credits (and not yet Placed in Service) **with a funding gap of no more than \$200,000** exclusive of the additional tax credits requested at the time of this application

- c) 500 points for qualifying developments which have previously been awarded 2009 or 2008 tax credits but have not yet placed in service and have a funding gap of no more than \$200,000.
- d) 400 points for qualifying developments which have previously been awarded 2010 tax credits but have not yet placed in service and have a funding gap of no more than \$200,000.

Developments must demonstrate readiness to proceed in order to qualify for points under this selection priority. To demonstrate readiness to proceed, developments must meet the following criteria:

- Development has an annual tax credit shortfall of no more than 50 percent of the total qualified annual tax credit amount.
- The tax credit application must contain an executed Letter of Intent from the syndicator which is acceptable to Minnesota Housing. The letter must:
 - Be current within 15 days of submission of the tax credit application
 - Contain a projected closing date for the development
 - Contain a projected equity price for purchase of the credit
 - Contain a detailed explanation of the assumptions being used by the syndicator to arrive at the projected equity price.
- The tax credit application must contain an executed firm commitment letter acceptable to Minnesota Housing from the providers of all other funding sources.

Agency award of developer claimed points are contingent upon Agency underwriting review.

Developments awarded points in this Selection Priority are expected to make significant progress towards closing within 180 days of selection. Significant progress towards closing includes but is not limited to establishing and maintaining site control, completion of infrastructure, obtaining all required municipal approvals, demonstration of financial feasibility including commitments for interim and permanent financing and firm commitment for syndication or executed limited partnership agreement. Failure to submit sufficient documentation of such continued and significant progress to Minnesota Housing may result in the development's housing tax credit award being rescinded and subsequently awarded to other competitive tax credit developments.

Selection Priorities	Developer Claimed	Minnesota Housing Awarded
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20. Transit Oriented Development **3 Points** _____

Three (3) points will be awarded for developments located within walking distances of public transit stations and stops.

To receive the points, a development in the 7 County Metro Area must be:

- Located within a ½ mile radius of a Red Line station identified in the Metropolitan Council maps (Link to maps); or
- Located within a ¼ mile radius of a Blue Line public transit fixed route stop identified in the Metropolitan Council maps (Link to maps); or
- Located within a ½ mile radius of an Express Bus station/park and ride identified in the Metropolitan Council maps (Link to maps).

To receive the points, a development in Greater Minnesota must be located within a ½ mile radius of a public transit fixed route stop or station.

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.

21. 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 owner but must be included in the written policy.

Preference Priorities	Developer Claimed	Minnesota Housing Awarded
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1. Serves Lowest Income Tenants/Rent Reduction

5 to 13 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 percent or 50 percent of median income without rental assistance.

In addition to the elected income limit of 50 percent or 60 percent 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 for the development. This selection will restrict rents only (tenant incomes will not be restricted to the 50 percent or 30 percent income level by claiming points in this section).

- Option 1 – A project in which 100 percent of the HTC unit rents representing _____ units are in the county 50 percent HUD area median rent limit – *10 points*
- Option 2 – A project in which at least 50 percent of the HTC unit rents representing _____ units are at the county 50 percent HUD area median rent limit – *5 points*

OR

- Option 3 – In addition to Option 1 or 2, a project that further restricts 30 percent of the above restricted units to the county 30 percent 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 selection priority category of Rental Assistance for the same units.

IMPORTANT

All 50 percent rent restricted units must meet the 50 percent area median rent for a minimum of five years after the placed in service date. After the first five year period has expired rent may be increased to the 60 percent 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.

All 30 percent rent restricted units must meet the 30 percent area median rent for a minimum of five years after the placed in service date. After the first five-year period has expired rent may be increased to the 40 percent 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%

Minnesota Housing will incorporate these restrictions into the project's Declaration of Land Use Restrictive Covenants. The applicant must demonstrate to sole satisfaction of Minnesota Housing that the project can achieve these reduced rents and remain a financially feasible project, 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).

Preference Priorities	Developer Claimed	Minnesota Housing Awarded
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2. Preservation of Federally Assisted Units 20 Points _____

DEFINITION - Any housing receiving project based rental assistance, operating subsidies, or mortgage interest reduction payments. This includes public housing, Section 236 and Section 221(d)(3) interest reduction payments, and any development with project based Section 8, rent supplement, or rental assistance payments contract.

Preserves federally assisted low income housing which, due to mortgage prepayments or expiring rental assistance, would convert to market rate use or due to physical deterioration or deterioration of capacity of current ownership/management entity would lose its federal subsidies. Minnesota Housing, at its sole discretion, must agree that a market exists for a conversion to market rate housing.

In order to obtain the related points, the federally assisted housing must meet the following:

- 1 Units must be considered at risk of losing assistance within two years of the Housing Tax Credit Application date as supported by information contained in the application and with final determinations made by Minnesota Housing.
- 2 Applicant must agree to continue renewals of existing project based housing subsidy payment contract for as long as the assistance is available.
- 3 Applicant must agree to maintain the Housing Tax Credit Units in the development for at least 30 years.

Except for "good cause" applicant must not evict existing subsidized residents and must continue to renew leases for those residents.

Following selection, developments awarded points through this category which have an identity of interest will be required to provide an as-is appraisal acceptable to Minnesota Housing to substantiate the acquisition price reflected in the application. Prices which are unsubstantiated or inconsistent with comparable current market pricing will be subject to re-evaluation and adjustment of the tax credits or RFP award, up to and including the total recapture of tax credits or RFP funds.

3. QCT/Community Revitalization 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. This must be evidenced by a letter from the city verifying that the proposed project is part of an approved community revitalization area as established by resolution or other legal action.

Preference Priorities	Developer Claimed	Minnesota Housing Awarded
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4. Rental Assistance 4 to 21 Points

Priority is given to an owner that 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. The assisted units must be located in buildings on the project site. **For the purpose of this section, if a proposal contains existing project based assisted units, these units will be counted towards meeting required Rental Assistance percentages.**

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 and C cannot be claimed in any combination.

- (A) For developments agreeing to set aside and having the required binding commitment for at least 51 percent of the total units for project based rental assistance – *13 points*
- (B) For developments agreeing to set aside and having the required binding commitment for at least 20 percent but under 51 percent of the total units for project based rental assistance – *10 points*
- (C) For developments agreeing to set aside and having the required binding commitment for at least 10 percent but under 20 percent of the total units for the project based rental assistance – *6 points*
- (D) For selection components A, B or C 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 contract term – *4 points*
- (E) For selection components A, B or C above, if, in addition, the above binding commitments are coupled with a binding commitment to provide the project based rental assistance for a 5 to 9 year contract term – *2 points*

NOTE: If points are claimed/awarded for A, B, C, D or E above, then no points may be claimed/awarded from the preference priority categories of Serves Lowest-Income Tenants/Rent Reduction for the same units.

- (F) For developments that cooperatively develop a housing plan/agreement to provide **other** Rental Assistance (e.g. Section 8, portable tenant based, formal recommendation for McKinney Vento Shelter Plus Care rent assistance, or other similar programs approved by Minnesota Housing) to meet the existing need as evidenced at application by a letter of intent signed by both the applicant and the local housing authority or other similar entities – *4 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.

As a condition of Carryover or 8609, the applicant must submit a copy of the fully executed contract for the project-based rental assistance to be included in the development.

For project based rental assistance in conjunction with a binding commitment for an “extended 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 5 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.

For Other Rental Assistance (e.g., Section 8, portable tenant based, formal recommendation for McKinney Vento Shelter Plus Care rent assistance or other similar rent assistance programs approved by Minnesota Housing), at time of application the applicant must submit a letter of intent to cooperatively develop a housing plan/agreement which is signed by the applicant and Local Housing Authority or other similar entity along, with the completed Agreement to Utilize Public Housing and Section 8 Waiting Lists. As a condition of Carryover or 8609, the applicant must submit a fully executed copy of the cooperatively developed housing plan/agreement.

Preference Priorities	Developer Claimed	Minnesota Housing Awarded
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TOTAL POINTS

Developer Claimed

Minnesota Housing 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 which are not initially claimed by the Applicant/Owner. Many performance obligations are created by the claiming of certain scoring points. As such, Minnesota Housing cannot and 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.