

## SCHEDULE 1

### SELF-SCORING WORKSHEET 2023 Housing Tax Credit Program



Applicant Name \_\_\_\_\_

Project Name \_\_\_\_\_

Project Address/Location \_\_\_\_\_

Project City \_\_\_\_\_

Please note the following:

1. 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 detailed sheet and documentation that clearly supports points claimed.** The Dakota County Community Development Agency (Agency) will determine the actual selection points awarded. Points will not be awarded unless documentation is provided along with the application to justify the points claimed.

Applicants must demonstrate the project is eligible for not fewer than 25 points to qualify for the 4% Tax Credits under this Plan.

2. Extended Duration

*Projects requesting 9% and 4% Tax Credits:* Such projects must maintain the low-income use for a minimum of 30 years. The owner agrees that IRC Sections 42(h)(6)(E)(i)(II) and 42(h)(6)(F) (which would permit the owner to terminate the restrictions under the Declaration at the end of the 15- year compliance period in the event the Agency 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 rent restrictions shall apply for the period of 30 years beginning with the first day of the 15- year compliance period in which the building is part of a qualified low income housing project.

3. Design Standards

The project must meet the Tax Credit Design Standards as specified in the Procedural Guide and be evidenced by a Design Standards Certification form executed by the owner and architect.

4. Declaration of Land Use Restrictive Covenants

A Declaration covering the rent and income limits and occupancy requirements, including student eligibility requirements, must be placed on the building(s) and recorded in the county in which the project is located.

5. Section 8 Voucher Acceptance

Owners of a Tax Credit project must agree to not refuse to rent a unit to a tenant because that tenant has a Section 8 voucher that would be used for a unit in the project. Language prohibiting discrimination based on Section 8 status must be included in the Declaration entered into by the owner with the Agency. Declarations are enforceable in state court by housing credit agencies and all income-eligible persons.

## MINIMUM THRESHOLD REQUIREMENTS

All applicants must meet one of the seven (7) following threshold types. **To qualify for threshold #7 the applicant must have written approval from the Agency prior to submission of the application.** Check one box for project type 1-7 below. In the event Minnesota Statutes are modified to allow additional threshold requirements, this worksheet will be modified accordingly.

1.	<input type="checkbox"/>	New construction or Substantial Rehabilitation of projects in which, for the term of the Declaration), at least 75% of the total Tax Credit units are Single Room Occupancy, efficiency, or one bedroom units and which are affordable by households whose income does not exceed 30% of the median income.
2.	<input type="checkbox"/>	New construction or Substantial Rehabilitation family housing projects that are not restricted to occupancy by persons 55 years old or older and in which, for the term of the extended use period (term of the Declaration), at least 75% of the Tax Credit units contain two or more bedrooms and at least one third of the 75% contain three or more bedrooms.
3.	<input type="checkbox"/>	Substantial Rehabilitation projects in neighborhoods targeted by the applicable city for revitalization.
4.	<input type="checkbox"/>	<p>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), a percentage of the units are set aside and rented to (check one, if applicable):</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Persons with a serious and persistent mental illness as defined in Minnesota Statutes Section 245.462, Subd. 20(c);</li> <li><input type="checkbox"/> Persons with a developmental disability as defined in the United States Code, Title 42, Section 6001(8);</li> <li><input type="checkbox"/> Persons who have been assessed as drug dependent persons as defined in Minnesota Statutes Section 254A.02, Subd. 5, and are receiving or will receive care and treatment services provided by an approved treatment program as defined in Minnesota Statutes Section 254A.02, Subd. 2;</li> <li><input type="checkbox"/> Persons with a brain injury as defined in Minnesota Statutes Section 256B.093, Subd. 4(a); <u>or</u></li> <li><input type="checkbox"/> Persons with permanent physical disabilities that substantially limit major life activities, if at least fifty percent (50%) of the units in the project are accessible as provided under Minnesota Rules Chapter 1340</li> </ul>
5.	<input type="checkbox"/>	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 prevent conversion to market rate use or to remedy physical deterioration of the project which would result in loss of existing federal subsidies.
6.	<input type="checkbox"/>	Projects financed by Rural Development which meet state-wide distribution goals.
7.	<input type="checkbox"/>	<p>Up to two projects that are new construction or Substantial Rehabilitation multifamily housing projects that are not restricted to persons 55 years of age or older and that are located within one of the following areas at the time a reservation for Tax Credits is made:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> an area within one-half mile of a completed or planned light rail transitway, bus rapid transitway, or commuter rail station;</li> <li><input type="checkbox"/> an area within one-fourth mile from any stop along a high-frequency local bus line;</li> <li><input type="checkbox"/> an area within one-half mile from a bus stop or station on a high-frequency express route;</li> </ul>

		<input type="checkbox"/> an area within one-half mile from a park and ride lot; <u>or</u> <input type="checkbox"/> an area within one-fourth mile of a high-service public transportation fixed route stop; For purposes of this section, the following terms have the meanings given them: (1) "high-frequency local bus line" means a local bus route providing service at least every 15 minutes and running between 6:00 a.m. and 7:00 p.m. on weekdays and between 9:00 a.m. and 6:00 p.m. on Saturdays; (2) "high-frequency express route" means an express route with bus service providing six or more trips during at least one of the peak morning hours between 6:00 a.m. and 9:00 a.m. and every ten minutes during the peak morning hour; and (3) "high-service public transportation fixed route stop" means a stop serviced between 6:00 a.m. and 7:00 p.m. on weekdays and 9:00 a.m. and 6:00 p.m. on Saturdays and with service approximately every 30 minutes during that time.
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**DAKOTA COUNTY CDA ADDITIONAL THRESHOLD REQUIREMENTS**

All applicants must meet the following additional threshold requirements. Check boxes below to indicate the acceptance of these requirement:

8.	<input type="checkbox"/>	<input type="checkbox"/> The project satisfies the Agency’s underwriting standards and the Agency determines the owner has sufficient experience. <input type="checkbox"/> The application demonstrates reasonable operating expenses relative to comparable projects in the past, <input type="checkbox"/> The project complies with applicable building, land use and zoning ordinances, <input type="checkbox"/> The project is consistent with a Market Study, <u>and</u> <input type="checkbox"/> The costs of intermediaries meet the criteria set forth in the Procedural Manual.
9.	<input type="checkbox"/>	Applicants must agree to utilize public housing waiting lists in Dakota County in marketing units to the public.
10.	<input type="checkbox"/>	The owner agrees to not refuse to rent a unit to a tenant because that tenant has a Section 8 voucher and that language prohibiting discrimination based on Section 8 status will be included in the Declaration.
11.	<input type="checkbox"/>	The applicant demonstrates by information submitted in the application that each building in the project is a qualified low-income building under Section 42(c)(2) of the Code.
12.	<input type="checkbox"/>	The applicant agrees to enter into a Declaration in form and substance acceptable to the Agency and legal counsel appointed by the Agency.
13.	<input type="checkbox"/>	The applicant agrees to apply resident screening criteria as provided in the Declaration.
14.	<input type="checkbox"/>	For 9% and 4% Tax Credit projects, the applicant agrees to waive the provisions of Sections 42(h)(6)(E)(i)(II) and 42(h)(6)(F) which permit the owner to terminate the rent and income restrictions under the Declaration at the end of the initial 15-year compliance period. All Tax Credit projects must maintain the low-income use for a minimum of 30 years.
15.	<input type="checkbox"/>	The applicant agrees to provide high speed internet access via installation of all appropriate infrastructure and connections for cable, DSL or wireless/data internet service to every unit.
16.	<input type="checkbox"/>	The applicant agrees to 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 will be required to maintain the smoke-free policy for the term of the Declaration.  *A written policy must be submitted with the application and should include procedures regarding transitioning to smoke-free for existing residents and the establishment of smoking areas outside of units and common areas, if applicable. Consequences for tenants violating the smoke-free policy will be determined by the owner and must be included in the written policy for the project.

## SELECTION PRIORITIES

<b>a. Selection Criteria</b>		<u>Developer Claimed</u>	<u>Agency Awarded</u>
<b>New Construction (10 Points)</b>			
1.	New construction which increases the supply of affordable rental housing in Dakota County (10 points).		
<b>Preservation and Stabilization of Affordable Housing (Up to 25 Points)</b>			
2.	<p>Preservation of Affordable Housing:</p> <p><input type="checkbox"/> Preservation of Federally Assisted Housing (25 Points): Points are awarded to projects that preserves low-income housing receiving assistance under Section 8 or Section 236 or other similar project-based subsidy which, due to mortgage prepayments or expiring rental assistance, would convert to market rate use. The Agency in its sole discretion must agree that a market exists for a conversion to market rate housing.</p> <p>OR</p> <p><input type="checkbox"/> Preservation (10 Points): Points are awarded to projects that preserve the rent and income restrictions under an existing use agreement which, due to expiring affordability periods would convert to market rate use. The Agency, in its sole discretion, will verify that a market exists for a conversion to market rate housing.</p> <p>Applicant must agree in writing to continued renewals of the existing project-based housing subsidy payment contract for as long as assistance is available.</p>		
3.	<p>Stabilization of Affordable Housing (5 Points) Points are awarded to projects with existing federally assisted units or previously funded by Tax Credits or deferred loans from the Agency or other public entity, that are not also claiming points in the Preservation of Affordable Housing category which are experiencing trouble with occupancies and/or net revenues which need to be stabilized.</p> <p>Applicants must provide narratives to support the approach of a planned, long term and cost effective stabilization that meets all of the following criteria:</p> <p>i) Suitability for long term stabilization:</p> <p style="margin-left: 20px;">a. 18 or more years have passed since initial loan closing or most recent Tax Credit placement in service date; and</p> <p style="margin-left: 20px;">b. Operating feasibility shows duration of at least 20 years.</p> <p>AND</p> <p>ii) Collaborative relationship in place Points claimed and deemed eligible for Financial Readiness to Proceed, minimum of 6 points.</p> <p>AND</p> <p>iii) Affordability and Cost Effectiveness Points claimed and deemed eligible in Preference Priorities b.2 (Serves Lowest Income Tenants/Rent Reduction)</p>		

Readiness to Proceed (Up to 20 Points)			
4.	Points are awarded to projects that, at the time of application, have received final land use entitlements up to and including preliminary plat approvals, final Comprehensive Plan amendments (if any), final zoning approvals and site plan authorization. (5 points)		
5.	<p>Financial Readiness (up to 15 points). Points are awarded to projects that have secured funding commitments for permanent funding sources or have no funding gap at the time of application. Words synonymous with “consider” or “may” award are not valid or acceptable.</p> <p>The calculation below must exclude all first mortgage financing and anticipated Tax Credit proceeds from the current Tax Credit request. Committed syndication proceeds from previously reserved Tax Credits may be included in the calculation.</p> <p>Acceptable documentation of syndication proceeds from Tax Credits awarded in a previous cycle/round is an executed agreement or letter of intent from a syndicator/investor which is acceptable to the Agency. The executed agreement or letter of intent must: (1) be current and dated within 15 days of application; (2) contain a projected closing date; (3) contain a projected equity price for the purchase of the Tax Credits; and (4) contain a detailed explanation of the assumptions being used by the syndicator/investor to arrive at the projected equity price.</p> <p>Total eligible funding secured, awarded or committed (exclude first mortgage and syndication proceeds as described above)      \$ _____</p> <p>Divided by total development cost less first mortgage and excluded syndication proceeds      \$ _____</p> <p>Equals percentage of funds committed, rounded to the nearest tenth      _____ %</p> <p>Check box that applies:  <input type="checkbox"/> 70.1% or more of gap funds committed or no gap (15 points)  <input type="checkbox"/> 50.1 – 70.0% of gap funds committed (10 points)  <input type="checkbox"/> 30.1 – 50.0% of gap funds committed (6 points)  <input type="checkbox"/> 10.1 – 30.0% of gap funds committed (2 points)</p> <p><b>Please see the Procedural Manual Section VIII. A. for details.</b></p> <p>If points are claimed and the funding is returned/not used the affordability requirements for that (those) funding source(s) will be included in the Declaration.</p>		
Community Priority Locations (10 Points)			
6.	Points are awarded to projects located on property fully/entirely owned by the Agency, Dakota County, or a municipality in Dakota County at the time of application.		

Long Term Affordability (Up to 8 Points)			
7.	<p>Points are awarded to projects that agree to extend the long-term affordability of the project and maintain the duration of low-income use beyond the required minimum of 30 years by agreeing to:</p> <p>Check box that applies:</p> <p><input type="checkbox"/> Extend the long-term affordability of the project and maintain the duration of low-income use for a minimum of <b>35 years</b> (2 points)</p> <p><input type="checkbox"/> Extend the long-term affordability of the project and maintain the duration of low-income use for a minimum of <b>40 years</b> (4 points)</p> <p><input type="checkbox"/> Extend the long-term affordability of the project and maintain the duration of low-income use for a minimum of <b>45 years</b> (6 points)</p> <p><input type="checkbox"/> Extend the long-term affordability of the project and maintain the duration of low-income use for a minimum of <b>50 years</b> (8 points)</p>		
Large Family Housing (up to 6 points)			
8.	<p>Points are awarded to projects that promote family housing that is not restricted to persons 55 years old or older for the term of the Declaration, where 25% or more of the Tax Credit units in the project have 3 or more bedrooms.</p> <p>Check box that applies:</p> <p><input type="checkbox"/> At least 30% of the Tax Credit units have 3 or more bedrooms (3 points)</p> <p><input type="checkbox"/> At least 50% of the Tax Credit units have 3 or more bedrooms (6 points)</p>		
Accessible Units (5 Points)			
9.	<p>At least 25% of the Tax Credit units in the project are designed, equipped and set aside for the developmentally, physically or mentally disabled and there is a referral and marketing plan that includes an agreement with an established organization to provide services for such persons.</p>		
Ownership by Non-Profit or Governmental Unit (5 Points)			
10.	<p>A qualified non-profit or a governmental unit is the sole general partner/managing member.</p> <p>The non-profit must be organized and incorporated in the State of Minnesota and have at least five-year's experience in Minnesota owning and operating at least 100 units of affordable Tax Credit housing. Points will only be awarded to local non-profits. To be eligible for points, the non-profit must be a qualified non-profit tax-exempt organization within Code Section 501(c)(3) at the time of application, and must also meet the requirements of Section 42(h)(5)(C) of the Code. For a non-profit, a copy of the Certificate of Incorporation from the Secretary of State of Minnesota and organization documentation evidencing the 501(c)(3) status m be submitted at the time of application.</p> <p>These points are awarded because the Agency has an assumption that such organizations have a mission that results in perpetual affordability of the units. Points will not be awarded if the non-profit/governmental organization has been a project sponsor or general partner/managing member of a project that converted units to market rate units in the past three (3) years without the consent of the issuing public agency within Minnesota.</p>		

Intermediary Costs (Up to 6 Points)			
11.	<p>Points are awarded to projects with the lowest intermediary costs on a sliding scale based on the percentage of total development costs. For applicants receiving points under this item, this percentage will be enforced at issuance of IRS Form 8609.</p> <p>Total intermediary costs                            \$ _____</p> <p>Divided by Total Development Cost                \$ _____</p> <p>Equals percentage of costs toward intermediaries, rounded to the nearest tenth    _____%</p> <p>Check box that applies:</p> <p><input type="checkbox"/> 0 – 15.0% of total development cost (6 points)</p> <p><input type="checkbox"/> 15.1 – 20.0% of total development cost (3 points)</p> <p><input type="checkbox"/> 20.1 – 25.0% of total development cost (2 points)</p>		
Homelessness (Up to 15 points)			
	<p>These units must provide rental assistance or for those units occupied by households without rental assistance that are seeking these points, the gross rent, including an allowance for tenant-paid utilities, cannot exceed the greater of 30 percent of the household’s monthly income or the most current supportive housing standard for the unit size as published by MHFA. Owners must establish and implement policies and procedures to specify the calculation method used to determine the appropriate rent amount and the periodic income recertification used when adjusting rents.</p>		
12.	<p><b>Permanent Supportive Housing Units.</b> Points are awarded to projects that commit suitable Tax Credit units with supportive services for occupancy by households who are experiencing homelessness. Projects must receive support in writing from the Dakota County Affordable Housing Coalition (AHC). Applicants claiming points for providing homeless units will be requested to work with the Suburban Metro Area Continuum Homeless Coordinated Entry System, as is reasonable and feasible, to fill those units. Applicants must also provide written commitment confirming that the supportive services will be available for homeless households, with a written commitment from one or more appropriate social service organizations providing on-site services for applications with a set-aside of 10% or more Tax Credit units for homeless households. Contracts for supportive services must be in place prior to closing or Tax Credit commitment.</p> <p><input type="checkbox"/> Set aside 5%- 9.99%, but no fewer than 2 Tax Credit units (5 points)</p> <p><input type="checkbox"/> Set aside 10% - 49.99%, but no fewer than 5 Tax Credit units (10 points)</p> <p><input type="checkbox"/> Set aside 50% or more, but no fewer than 20 Tax Credit units (15 points)</p> <p><b>4% Projects Only:</b></p> <p><input type="checkbox"/> Set aside no fewer than 2 Tax Credit units (5 points)</p>		
Rehabilitation Under Community Revitalization Plan (5 Points)			
13.	<p>Points are awarded to projects for the rehabilitation of existing housing which is part of a community revitalization plan and that the project is contributing to the revitalization.</p>		

Eventual Tenant Ownership (1 Point)			
14.	This point is awarded to projects that include a plan for eventual tenant ownership of 100% of the units.		
Unacceptable Practices (Up to -50 Points)			
15.	Unacceptable Practices, includes the transfer of ownership of the owner and displacement of Section 8 tenants as described in Section IV.F of the Procedural Manual.		
Access to Transit (Up to 15 Points)			
16.	<p>Points are awarded to projects located within <u>walking distances</u> of public transit stations and stops. (up to 5 points)</p> <p><input type="checkbox"/> Project is located within ½ mile of Orange Line transitway stations (including the Burnsville Center station and all stations north) or Red Line transitway stations (including the Apple Valley Transit Station and all stations north) (5 points); <b>or</b></p> <p><input type="checkbox"/> Project is located within ½ mile of a park and ride (with bus service), a bus route stop, or a Minnesota Valley Transit Authority (MVTA) bus route where the bus is able to stop (3 points).</p> <p>At the time of application, the applicant must submit a map identifying the location of the project with exact <u>walking distances</u> to the eligible public transit station/stop and include a copy of the route.</p>		
17.	Ten (10) points are awarded to projects approved by the Agency to qualify under the minimum threshold requirement #7.		

<b>b.</b>	<b><u>PREFERENCE PRIORITIES</u></b>	<b><u>Developer Claims</u></b>	<b><u>Agency Awarded</u></b>
1.	Previous Tax Credit Commitment/Reservation. Points are awarded to projects that have a prior commitment/reservation of Tax Credits, were not fully funded in a previous round, and require additional Tax Credits to make the project feasible. (30 points)		
2.	<p>Points are awarded to projects that will serve the lowest income tenants (50% or less of area median adjusted by unit size) with gross rents not to exceed 30% of income and agree to maintain the deeper rent structure for the duration of the Declaration. <i>(Up to 15 Points)</i></p> <p>Applicants may choose any combination of the following rent limitations for the project, but may not count any unit more than once. This selection will restrict rents only (tenant incomes will not be restricted to the following levels by claiming points in this section).</p> <p>Check the box that applies.</p> <p><input type="checkbox"/> 100% of Tax Credit units at the rents for 50% of AMI: 15 points</p> <p><input type="checkbox"/> 75% of Tax Credit units at the rents for 40% of AMI: 15 points</p> <p><input type="checkbox"/> 75% of Tax Credit units at the rents for 50% of AMI: 10 points</p> <p><input type="checkbox"/> 50% of Tax Credit units at the rents for 40% of AMI: 10 points</p> <p><input type="checkbox"/> 50% of Tax Credit units at the rents for 50% of AMI: 5 points</p>		



3.	Points will be awarded to projects located in a Qualified Census Tract that are part of a concerted plan which provides for community revitalization consistent with the definition described as a Community Development Initiative. (5 Points)		
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<b>TOTAL POINTS:</b>	<u>Developer</u> <u>Claims</u> _____	<u>Agency</u> <u>Awarded</u> _____
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**SELF-SCORING WORKSHEET CERTIFICATION:**

Under penalty of perjury, the Applicant hereby certifies the information provided in the Self-Scoring Worksheet is true and accurate.

By: \_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Print or type name and title of signatory*

Of: \_\_\_\_\_  
*Name of Managing/General Partner*

Date: \_\_\_\_\_