2012 CDBG SUPPLEMENTAL AFFORDABLE HOUSING TRUST FUND PROGRAM

PART 1: REQUEST FOR DEVELOPMENT PROPOSALS (RFP), PROGRAM POLICIES AND PROCEDURES

I. PROGRAM INTRODUCTION AND PURPOSE: The Minneapolis Department of Community Planning and Economic Development (CPED) is soliciting development funding proposals for the remaining 2012 Affordable Housing Trust Fund (AHTF) Program moneys and recaptured previous AHTF project awards. The primary purpose of the AHTF Program is to assist in the financing of the production and preservation/stabilization of affordable and mixed-income rental housing projects in Minneapolis. Program funds are available on a competitive basis to projects that need gap financing to cover the difference between total development costs and the amount that can be secured from other sources. The purpose of this document is to summarize the AHTF program and request development proposals for qualified projects that have CDBG-eligible costs for the 2012 pipeline funding round

II. 2012 CDBG PIPELINE SPECIAL CONDITIONS:

A. THE SOURCE OF THE MONEY FOR THE 2012 AHTF SUPPLEMENTAL RFP IS APPROXIMATELY $3 MILLION OF FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS ONLY. As further described below, CDBG funds may generally be used for rehabilitation and typical development costs associated with rehabilitation. Positive conversion of a non-residential building to a residential building is considered housing rehabilitation for CDBG purposes except when the building structure is being expanded in which case it is considered new construction. CDBG funds may not be used for new construction except in very limited situations

B. Only specific projects types described below qualify for 2012 AHTF supplemental pipeline funds:
   1. Projects which applied for funding in a previous AHTF Request for Proposals (RFP) but were not approved for funding by the City Council;
   2. Previously funded AHTF or Low Income Housing Tax Credit projects experiencing unexpected shortfall or gap;
   3. Interagency Stabilization Group (ISG) projects moving through the ISG technical review process;
   4. New proposals that have already received Minnesota Housing Finance Agency, HUD, and/or Hennepin County funding awards; or
   5. Project proposals with strong neighborhood support. To meet this, proposals must be reviewed and supported (in writing) by the City recognized official neighborhood group in which the project is located on ALL of the following measures:
      a) Identity of developer and identity of owner;
      b) Number of units;
      c) Project size (square footage, number of floors);

d) Number of affordable units and number of market rate units; and
e) Project's physical design to the degree known.

III. AHTF PROGRAM BASIS AND POLICY GUIDANCE: The AHTF Program administration is guided primarily by the Minneapolis Plan for Sustainable Growth (available here: http://www.minneapolismn.gov/cped/planning/plans/cped_comp_plan_update_draft_plan) , the City's annual Consolidated Plan (available here: http://www.minneapolismn.gov/grants/grants_consolidated-plan), and the Unified City of Minneapolis Housing Policy, previously referred to as the Affordable Housing Policy, (Resolution 2004R-260 summarized here: http://www.minneapolismn.gov/cped/resources/reports/cped_affordable_housing_resolution). On March 10, 2011, the City Council adopted certain changes to the Affordable Housing Policy (which are posted here: http://www.minneapolismn.gov/www/groups/public/@council/documents/webcontent/convert_274781.pdf), but those changes did not impact the AHTF Program.

IV. AHTF PROGRAM GOALS: The AHTF Program is designed to support the Affordable Housing Policy in the implementation of the following goals:

A. 70% of the City's overall affordable housing funds, including AHTF, will be allocated to units with two or more bedrooms and 30% will be allocated to units with 0 to 1 bedrooms.

B. 50% of new City-financed affordable housing shall be located in non-impacted areas. As a result, 50% of the amount available in the AHTF Program will be allocated to fund projects in the impacted areas of the city (areas of poverty concentration) and the remaining 50% will be allocated to fund projects in the non-impacted areas of the City. Attachment #2 is a map showing the current impacted and non-impacted areas of the City.

C. Affordable housing emphasis in impacted areas will be preservation, rehabilitation, and stabilization. Affordable housing emphasis in non-impacted areas will be construction and positive conversion. Positive conversion means conversion in any manner of units that do not currently have affordable rents to units with affordable rents or conversion of non-residential property to affordable rental housing.

D. 50% of City/CPED affordable housing funds, including AHTF, will be used for production of units affordable at 30% or below of the AMI.

V. ELIGIBLE USES OF FEDERAL CDBG FUNDS: Eligible activities include: acquisition of property, relocation, moderate or substantial rehabilitation of units, and other reasonable and necessary expense related to the development of affordable, non-luxury rental housing. CDBG may not be used for new construction; however, CDBG regulations permit funds to be used for new construction if the activity is undertaken by a Community Based Development Organization (CBDO). CDBG may also be used for certain expenses in support of eligible new construction projects.

VI. PROGRAM POLICIES AND PROCEDURES

A. ACCESSIBILITY REQUIREMENTS SECTION 504 (24 CFR PART 8): New construction projects with 5 or more units or rehabilitation projects with 15 or more units and rehab costs >75% of the replacement cost of the completed facility must have a minimum of 5% of the units (at least one) be accessible to mobility-impaired and an additional 2% (at least one) be accessible to sensory-impaired. Units in compliance with the Uniform Federal Accessibility Standards (UFAS) are deemed in compliance with Section 504.

B. ADMINISTRATION: The administration of the Program is the responsibility of the CPED Housing Policy and Development Division. A committee composed of appropriate CPED staff will evaluate the funding requests based on the program's selection criteria described herein. If there are questions about the AHTF program, contact:

Mr. Matt Goldstein, HDFP, AICP
City of Minneapolis
Department of Community Planning and Economic Development
Phone Number: 612-673-5075
E-mail address: matt.goldstein@minneapolismn.gov

C. AFFORDABILITY: All rental housing projects of 10 units or more funded by the AHTF Program shall have at least 20% of the units affordable to households at or below 50% of Metropolitan Area Median Income (AMI) for the term of the loan. Rental projects with other City financial assistance such as housing revenue bonds shall have at least 20% of the units affordable to households at or below 60% of Metropolitan Area Median Income (AMI) for the term of the loan. Attachment #1 provides the AMI by percent of median, the current Fair Market Rents, the HOME Program Rents, and current utility allowances. While the information in Attachment #1 was current as of the public release of this RFP, the data is expected to change over time.

D. AHTF FUNDING IS A LOAN: Funding awards will be made available in the form of a loan with the City. Some terms and conditions of the loan may be negotiable; however, the City requires minimally a 20-year loan term with 1% simple interest and a deferred lump sum repayment of principal and interest. Additionally, the City will negotiate a percentage return against surplus cash flow on all rental housing projects.

E. APPLICATION EVALUATION AND SELECTION PROCESS: CPED staff will evaluate and underwrite the AHTF proposals according to the selection criteria contained in this AHTF Program selection criteria and guidelines document. For rehabilitation proposals, a physical inspection of the property by CPED will be

necessary. Following this review and the scoring and ranking of the proposals, staff recommendations to the City Council will be made.

F. COMPETITIVE BIDDING: Proposals must comply with the CPED Multifamily Housing bidding requirements. Refer to Attachment #4 for bidding instructions.

G. COMPLIANCE WITH CITY POLICY: Proposals must comply with the City's Comprehensive Plan, Consolidated Plan, a city-adopted neighborhood plan (if applicable), and zoning regulations.

H. CONTRACTING GENERAL REQUIREMENTS: Attachment 8 contains the City's contracting requirements.

I. COOPERATIVE TRAINING: If a leasehold cooperative is formed, the developer will be required to provide cooperative training services for the residents of the project.

J. CPED RIGHTS: CPED reserves the right to reject any or all proposals or parts of proposals and to negotiate modifications of proposals submitted.

K. DEGREE OF NEED: The program will provide assistance only to the projects that require assistance to achieve the programs goals and objectives. It must be demonstrated that other sources of funds are not available or adequate. Applicants are strongly encouraged to apply only once to the AHTF either at the start, the middle, or the end of the project financing process. Tax increment financing will not be considered for projects unless there are extraordinary development costs e.g. historic preservation, relocation, excessive demolition and clean-up costs, and so forth.

L. DEVELOPER FEE POLICY

1. For new rental production projects and for stabilization/preservation projects in which the ownership is changing, a maximum total fee is based on a percentage of total development cost minus developer fee as follows: first 30 units – 15%; units 31 and over – 8%.
2. For stabilization/preservation projects in which the ownership is not changing, a maximum total fee is based on a percentage of total development cost minus developer fee as follows: first 30 units – 10%; units 31 and over – 5%.
3. In all cases, architectural costs, legal fees and initial reserves are deducted from the total development cost to make the calculation. The total fee includes: developer fee, development consultant fees, processing agent costs, non-profit administrative costs, profit, overhead, and all deferred fees.

M. ELIGIBLE DEVELOPER: Developers may be non-profit or for-profit. Developers must demonstrate professional development experience, reasonable financial strength, and the ability to undertake the proposed project. They must have the ability to obtain sufficient financing. They must have the capability to manage the project successfully after completion or hire a professional management company with experience in managing affordable housing. Developers must submit financial statements and documentation of experience in housing development. To the extent that a developer cannot demonstrate the proper strength in a particular area, the developer will be required to hire or joint venture with an entity that has strength in that particular area.

N. ENERGY EFFICIENCY: Xcel Energy and CenterPoint Energy offers a variety of programs, services, rebates and energy efficiency programs to assist builders and developers with the construction of Commercial and Residential developments.

1. Xcel: For commercial (multifamily apartment buildings and commercial buildings) contact the Business Solutions Center at 1-800-481-4700. Xcel currently offers three programs:
    - Energy Design Assistance for projects that are very early in design
    - Energy Efficient Buildings for proscriptive rebates for projects where design is nearly complete or for existing buildings
    - Energy Analysis for existing buildings with an on-site energy assessment providing a detailed energy audit by an energy engineer, complete with cost and savings estimates, Xcel Energy rebates and paybacks
2. CenterPoint Energy: For assistance with existing programs or a custom program that can address the building envelope, water heating, and heating systems, contact Tom Dolan, 612-321-4398.
3. Call the Builders Call Line at 1-800-628-2121 for the following logistical services:
    - Design and permitting
    - Relocating existing gas or electric
    - Disconnecting gas and electric services
    - Providing temporary electric needs

O. FEES:

1. A non-refundable $1,000 application fee will be charged for each AHTF application.
2. An origination fee of 1% the AHTF award will be collected at closing.

P. GREEN BUILDING: Applicants must comply with the “Minnesota Overlay to the Green Communities Criteria” and/or National Green Communities Criteria in new construction proposals. Applicants are encouraged to incorporate green/sustainable elements consistent with the “Minnesota Overlay to the Green Communities Criteria” and/or National Green Communities Criteria in rehabilitation proposals.

Q. INTEREST RATE FOR PERMANENT FINANCING: All proposals will use a current market interest rate for purposes of estimating mortgage financing in their applications.

R. LEAD-BASED PAINT: The requirements of HUD Lead Safe Housing Rule, 24 CFR 35, subparts B through R are promulgated to implement the Lead-Based Paint Poisoning Prevention Act, as amended, and the Residential Lead-Based Paint Hazard Reduction Act of 1992. Most HUD housing programs are covered by only one subpart of this part, but some programs can be used for more than one type of assistance and therefore are covered by more than one subpart of this part. All properties constructed prior to 1978 must be tested for lead-based paint to determine the presence or absence of lead-based paint on deteriorated painted surfaces or surfaces to be disturbed or replaced during construction and shall be performed by a certified lead-based paint inspector or risk assessor. In addition a risk assessment in the dwelling units receiving Federal assistance, in common areas servicing those units, and exterior painted surfaces, shall be performed prior to the start of rehabilitation. The individual or firm conducting the risk assessment shall provide and explain the results of the investigation and options for reducing lead-based paint hazards. The scope of work and method for abatement shall correlate with the per unit rehabilitation dollar amount. Any adhesion-cohesion testing must be conducted by an independent third party for encapsulated components. Adhesion-cohesion testing should have the ASTM (American Society of Testing Materials) documentation to show the coating applied meets the requirements of being a lead-based paint encapsulant.

S. LEAD-BASED PAINT DESIGNER: If lead is present at levels that need to be remediated, the City requires that a lead-based paint designer participate in the project following Lead Poisoning Prevention Act and related Administrative Rules administered in part by the Minnesota Department of Health, including the following as excerpted from Minnesota Rules 4761.2320 Lead Project Designer:

"Lead project design" means site-specific written project specifications for a regulated lead work project. Lead project design includes written technical project specification incorporated into bidding documents.

All specifications for the treatment of lead-based paint shall be prepared by a licensed lead-based paint designer. (An individual preparing a lead project design, as defined in MN Statutes 144.9501, subd. 19a, must be licensed by the commissioner as a lead project designer. A lead project designer license is not transferable.

T. ONGOING MAINTENANCE ACTIVITIES: All property owners receiving assistance shall incorporate ongoing lead-based paint maintenance activities in regular building operations, in accordance with Sec. 35.1355 (a), as applicable.

U. MAXIMUM AWARD: The maximum amount of AHTF award will be the lower of $25,000 per affordable unit (at or below 50% AMI) or 15% of the Total Development Cost, not including capitalized reserves (operating, replacement, support services) or non-housing costs.

V. MINIMUM CONSTRUCTION AND REHABILITATION STANDARDS: Each project must meet at a minimum all applicable State and local codes, ordinances, and requirements, including FHA minimum property standards. CPED may require, however, more substantial rehabilitation if not already proposed to ensure compliance. Developers are required to submit a preliminary outline of cost estimates and preliminary rehab specifications, drawings, and site plans. New minimum property standards are being proposed by HUD for HOME-assisted projects.

W. NEIGHBORHOOD GROUP REVIEW: Developers are required to submit their development proposals to the official neighborhood group for review prior to City Council approving an AHTF award. The Housing Development Funding Request Supplemental Application requests the submittal of a neighborhood support letter for your project.

X. PROJECT FINANCING AND TIMELY COMPLETION CONDITIONS: Developers are required to submit a timetable that outlines the stages of the project, including the acquisition of site, securing the other project funding, closing date, relocation, demolition, construction start date, and construction completion date. AHTF Program money must be used in a timely manner. The following project performance timeframes apply:

1. Commencing on the date the City Council approves the AHTF money for a project, the funding is allocated for fifteen (15) months. Developers must submit monthly progress reports as described in Attachment 9 summarizing various project-related accomplishments.
2. At the end of fifteen (15) months, the funding allocation will be extended for an additional twelve (12) month period if the developer can:
    1. Demonstrate that at least one-third of the total development funds have been raised; and
    2. Provide evidence that the balance of the development money is likely to be raised; and
    3. Provide evidence that a closing will occur within the next twelve months.

Projects unable to meet the timelines may lose their funding allocation. However, developers may reapply during the annual RFP cycle.

Y. RELOCATION POLICY: Displacement is discouraged. However, if it is necessary and unavoidable, the developer must submit a relocation plan that complies with the applicable relocation federal or City policy for temporary or permanent displacement. Federal relocation regulations or local relocation rules apply to all projects funded

through the AHTF. This is true for both residential and commercial properties. Funding applications must include all of the following materials:

1. Occupancy information/rent rolls of all persons occupying the real property on the date of the initial submission of the application for assistance by the applicant to the grantee or HUD, if the applicant has site control; or
2. Occupancy information/rental rolls of all persons occupying the real property as of the date that the applicant obtains site control (e.g. purchase option) if site control is not obtained until after submission of the application.
3. Occupancy information/rent rolls of all persons moving into the property on or after the dates described above.
4. Occupancy data/rent rolls of all persons occupying the property upon completion of the project.
5. Draft relocation plan for temporary relocation (on site and off site), permanent relocation, and a combination of temporary and permanent relocation.
6. General Information Notice (GIN) must be sent to all persons occupying the real property on the date of the initial submission of the application, date that the applicant obtains site control, and all persons moving into the property on or after the dates described. The GIN informs affected persons of the project and that they may be displaced by the tenant.
7. Include a relocation budget estimate in the development proforma and information detailing the calculation of the relocation budget estimate.

During CPED's application review period, staff may request additional information to ensure compliance with the federal relocation regulations and the local relocation rules.

Z. SENIOR HOUSING POLICY: In 2001, the City Council adopted a Senior Rental Housing Policy (Attachment #3), describing development goals and objectives, local public agency roles, and financing tools.

AA. SITE CONTROL: The AHTF Program requires evidence of site control as a condition of submitting an application**.** Evidence of site control must be shown by one of the following means:

1. Fee Title
2. Contract-For-Deed
3. Signed Purchase Agreement
4. Signed Purchase Option
5. Signed Redevelopment Contract
6. An Application with CPED for a Parcel of Land or a building which CPED owns.

In the cases 2-6 above the developer must also show that the site is controlled for an acceptable amount of time and also has no conditions that would limit the use of the property.

Exceptions may be allowed, however, for those projects which have been awarded NSP funds but don't have site control for all of the properties which are to be part of the NSP project. Properties comprising the NSP project must be identified when the AHTF application is submitted. CPED management will determine whether an exception to the site control requirement may be extended to NSP-funded projects on a case-by-case basis based upon demonstrable progress meeting NSP Program Requirements.

BB. SIZE OF PROJECT: The project must be located within the City of Minneapolis, contain not less than four units, and be owned and managed as either a rental property or a leasehold cooperative. Proposals that contain a combination of single family, duplex, triplex and fourplex housing units that are structured as a multi-family rental projects are permitted under this program.

CC. VISITABILITY: Wherever practical, HUD recommends addressing the concept of visitability in addition to the above requirements. Housing that is "visitable" has a very basic level of accessibility that enables persons with disabilities to visit friends, relatives, and neighbors in their homes within a community. HUD recommends (1) providing a 32-inch clear opening in all interior and bathroom doorways; and (2) providing at least one accessible means of egress/ingress for each unit.

VII. SUMMARY OF PROGRAM CHANGES: There are no substantive program changes from the 2012 AHTF program.

VIII. FUNDING PROPOSAL PREPARATION: Applicants are required to:

A. Determine the amount needed for gap assistance in compliance with the maximum award description in the above Program Policies and Procedures section.

B. Determine if the project can support a permanent mortgage and, if it can, include an estimated amount, terms, and identity of possible lender. A letter of interest commitment or support from the lender is recommended.

C. Submit the development proposal to the recognized neighborhood group for review of the proposal based on design and land use issues. Provide a letter from the neighborhood organization evidencing their review.

D. Provide either a formal appraisal establishing the estimated "as is" market value of the property or an appraiser's preliminary opinion of value. If the project is approved for funding, a complete appraisal will be required before closing.

A licensed appraiser who is on CPED's approved appraiser list must perform the appraisal. Site control documents described in Section VI. Part X. must include contingency language which makes the site control documents contingent upon the approval of the appraisal by CPED.

E. A market study or comparably thorough market analysis which summarizes the following:

1. Defines the market area and the regional context for the subject property
2. Demographic characteristics of the area around the subject property to establish the market context
3. Estimates rental housing supply in the area around the subject property
4. Estimates rental housing demand in the area around the subject property, especially the characteristics of the income-eligible households that may be attracted to this subject project
5. Estimates vacancy rates area around the subject property
6. Summarizes construction pricing and trends

F. Demonstrate professional development experience, proven ability to undertake a project of the type being proposed, and the ability to obtain sufficient financing.

G. Describe how the proposed housing is consistent with *The Minneapolis Plan* regarding land use, density, and urban form. Describe the amenities and quality of life features that exceed requirements of *The Minneapolis Plan.*

H. Non-profit developers utilizing the sales tax exemption must note how this exemption is reflected in the development cost estimates.

I. If the project includes commercial space, provide a narrative which describes the approximate square footage and percentage of the space dedicated to commercial uses, reasons for proposing commercial space, a description of market research and need for the space, identification of potential tenants, and a narrative description of how the construction of this space is proposed to be financed.

J. If the project is awarded funds by the City Council, the project must be openly and competitively bid. The bidding requirements and contracting requirements are described in Attachment #4.

Additionally, the City has established a preferred (although not required) method for choosing an architectural firm/engineering services. Attachment #4 provides the preferred procedures. Applicants are encouraged to follow the preferred method for choosing an architectural and/or engineering firm.

K. Provide a detailed description of the proposed supportive services for the tenants (if applicable) using Attachment #6 as the format.

L. Tax increment financing will not be considered for projects unless there are extraordinary development costs e.g. historic preservation, relocation, excessive demolition and clean-up costs, and so forth.

M. If a project is awarded AHTF monies, an origination fee of one percent (1%) of the amount of the AHTF award will be collected by the City at closing. This will not be collected if the source of the AHTF award is federal HOME funds.

N. Provide a signed Acknowledgement of Project Progress form using Attachment #9 as the format.

IX. REQUIRED PROPOSAL CONTENT, SUBMITTAL LOCATION AND DEADLINE

A. Submit two (2) paper-based copies of the following materials in the following order:

1. All of the applicable forms, narratives, spreadsheets and related attachments in the Minnesota Housing Minnesota Multifamily Rental Housing Common Application Form. More information is also available in the 2012 RFP/2013 HTC Master Application Checklist and additional information posted here: http://www.mnhousing.gov/housing/developers/common-app/MHFA_012475.aspx
2. Current organizational financial statements
3. Current financial statements for each partner of partnership or corporation
4. Project description attachments
5. Site plan and available architectural and civil engineering plans
6. Site control documentation
7. Neighborhood support letter(s)
8. As-Is Appraisal, if available
9. Market study
10. Request for SUBP goals form
11. 20 Year Proforma
12. City zoning letter summarizing the current zoning status of the property
13. For properties improved with one or more buildings, a City historic resources letter demonstrating that demonstrate that Development Services has conducted a preliminary review the existing building(s)
14. Relocation Attachments (as applicable and as noted in Section VI.Y. and in the AHTF Contracting Requirements):
    a. Occupancy information/rent rolls as of the date of site control e.g. the signing of the purchase agreement; the signing of the option to purchase; and so forth.
    b. Occupancy information/rental rolls as of the date that the AHTF and/or ESG Program application was submitted to CPED.

c. Draft relocation plan for temporary relocation (on site and off site), permanent relocation, and a combination of temporary and permanent relocation.

d. Inclusion of the relocation budget estimate in the development proforma and information detailing the calculation of the relocation budget estimate.

15. A $1,000 non-refundable administrative fee payable to the City of Minneapolis.
16. A signed Consent for Release of Response Data Form included as Attachment 8
17. A completed and signed Acknowledgement of Project Progress form included as Attachment 9
18. A completed and signed Rental Housing Development Funding Request Supplemental Application

B. Submit two (2) separate USB flash drives (which may be returned upon request), CDs, or DVDs with the following components of the funding proposal at a minimum (additional materials may be included if desired):

1. MHFA Common Application Form (402)
2. 20 year cash flow (if separate from the MHFA 402)
3. Scope of work in .pdf or Word format
4. Development plans and/or sketches in .pdf format, including
   a. Site plan
   b. Site survey, if available
   c. Architectural plans such as elevations and floor plans
   d. Engineering plans
5. Appraisal, if available
6. Market study

C. Funding proposals are being accepted between January 18, 2013 and 4:00 p.m., CDT, on February 11, 2013. Funding proposals will be reviewed and scored in the order in which they are received on a “first come, first reviewed” basis until the aggregate funding request totals $3 million or more from qualified projects with sufficiently complete funding proposals. The City has the right to reject any and all applications at its sole discretion.

D. Deliver the proposals to:

Minneapolis CPED
Attn: Matt Goldstein, HDFP, AICP
105 – 5th Avenue South, Suite 200
Minneapolis, MN 55401

PART 2: AFFORDABLE HOUSING TRUST FUND SELECTION CRITERIA

I. INTRODUCTION: Depending upon whether a project is located in an impacted area or a non-impacted area, proposals will be evaluated according to one of the two selection criteria point structures listed below. One point structure pertains to projects in impacted areas and the other point structure pertains to projects in non-impacted areas.

II. Selection Criteria for Projects in Impacted Areas: The point structure for projects in impacted areas has 18 selection criteria. A proposal needs at least 20 points in two selection criteria ("Financial Soundness and Management" and "Economic Integration") to meet the minimum point threshold and 86 points in all categories to meet the total point threshold. A proposed project must meet both the minimum and total point thresholds to be considered for funding.

A. Financial Soundness and Management: Up to 25 Points

A project can receive up to 10 points for being underwritten according to the CPED's underwriting standards (Attachment #5); up to 5 points for the percentage amount of other funding sources which have been secured; up to 5 points for the quality of the management plan, and up to 5 points for the developer's experience in developing and operating projects of this type.

B. Economic Integration: Up to 20 Points

Project meets the mixed-income goals on basis of percentage of low-income units (affordable to 50% of AMI) to the total number of units.

Percentage of Low-Income Units	Points
20% of total units	15
20.1% to 40%	20
40.1% to 60%	10
60.1% to 80%	5
80.1% to 100%	0

C. Ratio of Soft Costs to Total Project Costs: Up to 15 Points

Points given to projects on a sliding scale of total intermediary (soft) costs based on the % of total project costs. For the purposes of this provision, "Costs of Intermediaries" shall be consistent with Minnesota Housing Finance Agency.

% of Total Project Cost	Points
>24%	0
15.1% - 24%	5
0% - 15%	15

D. Family Housing: Up to 15 Points

The project provides family housing whereby 25% or more of the rental units in the project have three or more bedrooms. Points are awarded as follows:

Percentage of Units 3+ BR	Points
At least 25%	5
At least 50%	10
At least 75% or more	15

E. Design Quality and Compatibility: Up to 5 Points

Projects are evaluated to insure quality construction and aesthetically pleasing design which is compatible with the neighborhood will be awarded up to 5 points. The City Planning Department will be part of this review.

F. Provision of Resident Support Services: Up to 10 Points

Preference is given to projects that provide resident support services or establish a strong, integrated referral system. Examples of support services include information and referral, advocacy, case management, self-reliance training, formation/existence of a resident association, and community building activities.

System in place to provide support services:
- Provide to >50% of households - 10 points
- Provide to >25% of households - 8 points
- Provide to >10% of households - 6 points

Strong, integrated support referral system:
- Provide to >50% of households - 5 points
- Provide to >25% of households - 3 points
- Provide to >10% of households - 1 point

G. Plan Conformance: Up to 10 Points

Preference is given to projects that conform to the City of Minneapolis Consolidated Plan, Comprehensive Plan, and/or to any city-adopted neighborhood plan document.

H. Proximity to Transit and Jobs; Density: Up to 20 Points

A. Transit-Oriented Development - The project is located within .50 miles of high service local fixed route transit such as light rail or within .50 miles of park and rides and transit stops served by express route (10 points)

The project is located within .25 miles of any other transit stop (5 points)

B. Proximity to Jobs – Maximum number of points is 5.
C. Density: Higher Density Development – Maximum number of points is 5.

I. Project-Based Section 8 Program Assistance: Up to 10 Points

Project owner agrees to apply for 1) Project-based Section 8 units and obtains a letter of support from Minneapolis Public Housing Authority, or 2)

For other ongoing project assistance such as the HUD Supportive Housing Program.

J. Housing for Homeless (at 30% or less of AMI): Up to 10 Points

Project provides housing units for homeless households; household income must be 30% or less of AMI.

40% or more of total units at <30% = 10 points
20% to 39.9% of total units at <30% = 5 points
Less than 20% of total units at <30% = 0 points

K. Long-Term Affordability: Up to 10 Points

Preference is given to those projects that demonstrate the ability to serve tenants for the longest period of time. The project must either cash flow for the period of proposed affordability or an operating deficit fund must be established at the beginning of the project.

30 years or more	10 points
25 years or more	8 points
20 years or more	5 points
15 years or more	3 points

L. Preservation, Rehabilitation, Stabilization: Up to 10 Points

Project provides preservation, rehabilitation, and stabilization in impacted areas.

M. Senior Housing: Up to 15 Points

Senior independent rental congregate and/or assisted living meeting development goals and objectives of the Minneapolis Senior Housing Policy and which is 100% senior (55 years and older).

N. Neighborhood Support: Up to 5 Points

Proposed project is supported by the recognized neighborhood organization based on review of design and land use issues.

O. Expiring Tax Credits: Up to 5 Points

Proposed project results in preserving long-term affordability of expiring tax credit units.

P. Leverage: Up to 10 Points

Project must leverage additional resources. Total AHTF amount awarded and current AHTF request divided by Total Development Cost equals leverage ratio percentage. At the time of application, written documentation from the other funds justifying the amount and the terms of the contribution must be provided. The documentation must state the amount, terms, and conditions and be executed or approved. Documentation containing words synonymous with “consider” or “may” (as in “may award”) regarding the commitment will not be considered acceptable.

Leverage Ratio	Points
0 to 5%	10
5.1% to 10%	5
>10%	0

Q. Community Housing Development Organization: Up to 5 Points

Project is owned, developed or sponsored by a Community Housing Development Corporation (CHDO) as defined by HUD.

R. Commercial or Community Corridor: Up to 15 Points

Preference to projects located on a Commercial Corridor or Community Corridor. The list of Commercial Corridors and the list of Community Corridors are found on Pages 1-27 AND 1-28 (Table 1a and Table 1b) of the Land Use Chapter of the Minneapolis Plan http://www.minneapolismn.gov/cped/planning/plans/cped_comp_plan_2030.

III. Selection Criteria for Projects in Non-Impacted Areas: The point structure for projects in non-impacted areas has 18 selection criteria. A proposal needs at least 20 points in two selection criteria ("Financial Soundness and Management" and "Economic Integration") to meet the minimum point threshold and 86 points in all categories to meet the total point threshold. A proposed project must meet both the minimum and total point thresholds to be considered for funding.

A. Financial Soundness and Management: Up to 25 Points

A project can receive up to 10 points for being underwritten according to the CPED's underwriting standards (Attachment #5); up to 5 points for the percentage amount of other funding sources which have been secured; up to 5 points for the quality of the management plan, and up to 5 points for the developer's experience in developing and operating projects of this type.

B. Economic Integration: Up to 20 Points

Project meets the mixed-income goals on basis of percentage of low-income units (affordable to 50% of AMI) to the total number of units.

Percentage of Low-Income Units	Points
20% of total project units	10
20.1% to 40%	15
40.1% to 60%	20
60.1% to 80%	10
80.1% to 100%	10

C. Ratio of Soft Costs to Total Project Costs: Up to 15 Points

Points given to projects on a sliding scale of intermediary (soft) costs based on the % of total project costs. For the purposes of this provision, "Costs of Intermediaries" shall be consistent with MHFA.

% of Total Project Cost	Points
>24%	0
15.1% to 24%	5
0 –to 15%	15

D. Family Housing: Up to 15 Points

The project provides family housing whereby 25% or more of the rental units in the project have three or more bedrooms. Points are awarded as follows:

% of Units 3+ Bedroom	Points
At least 25% or more	5
At least 50% or more	10
At least 75% or more	15

E. Design Quality and Compatibility: Up to 5 Points

Projects are evaluated to insure quality construction and aesthetically pleasing design which is compatible with the neighborhood will be awarded up to 5 points. The City Planning Department will be part of this review.

F. Provision of Resident Support Services: Up to 10 Points

Preference is given to projects that either provide resident support services or establish a strong, integrated referral system. Examples of support services include information and referral, advocacy, case management, self-reliance training, formation/existence of resident association, and community building activities.

System in place to provide support services:
Provide to >50% of households - 10 points
Provide to >25% of households - 8 points
Provide to >10% of households - 6 points

Strong, integrated support referral system:
Provide to >50% of households - 5 points
Provide to >25% of households - 3 points
Provide to >10% of households - 1 point

G. Plan Conformance: Up to 10 Points

Preference is given to projects which conform to the City of Minneapolis Consolidated Plan, Comprehensive Plan, and/or a city-adopted neighborhood plan document.

H. Proximity to Jobs and Transit; Density: Up to 20 Points

A. Transit-Oriented Development - The project is located within .50 miles of high service local fixed route transit such as light rail or within .50 miles of park and rides and transit stops served by express route (10 points)

The project is located within .25 miles of any other transit stop (5 points)

B. Proximity to Jobs – Maximum number of points is 5.
C. Density: Higher Density Development – Maximum number of points is 5.

I. Project-Based Section 8 Program Assistance: Up to 10 Points

Project owner agrees to apply for 1) Project-based Section 8 units and obtains a letter of support from Minneapolis Public Housing Authority, or 2) For other ongoing project assistance such as the HUD Supportive Housing Program.

J. Housing for Homeless (at 30% or less of AMI): Up to 10 Points

Project provides housing units for homeless households; household income must be 30% or less of AMI.

40% or more of total units at <30% = 10 points
20% to 39.9% of total units at <30% = 5 points
Less than 20% of total units at <30% = 0 points

K. Long-Term Affordability: Up to 10 Points

Preference is given to those projects that demonstrate the ability to serve tenants for the longest period of time. The project must either cash flow for the period of proposed affordability or an operating deficit fund must be established at the beginning of the project.

30 years or more	10 points
25 years or more	8 points
20 years or more	5 points
15 years or more	3 points

L. New Construction or Positive Conversion: Up to 10 Points

Project provides new construction and positive conversion in non-impacted areas. NOTE: Positive conversion means conversion in any manner of units that do not currently have affordable rents to units with affordable rents or conversion of non-residential property to affordable rental housing.

M. Senior Housing: Up to 15 Points

Senior independent rental congregate and/or assisted living meeting development goals and objectives of the Minneapolis Senior Housing Policy and which is 100% senior (55 years or older).

N. Neighborhood Support: Up to 5 Points

Proposed project is supported by the recognized neighborhood organization based on review of design and land use issues.

O. Expiring Tax Credits: Up to 5 Points

Proposed project results in preserving long-term affordability of expiring tax credit units.

P. Leverage: Up to 10 Points

Project must leverage additional resources. Total AHTF amount awarded and current AHTF request divided by Total Development Cost equals leverage ratio percentage. At the time of application, written documentation from the other funds justifying the amount and the terms of the contribution must be provided. The documentation must state the amount, terms, and conditions and be executed or approved. Documentation containing words synonymous with “consider” or “may” (as in “may award”) regarding the commitment will not be considered acceptable.

Leverage Ratio	Points
0 to 5%	10
5.1% to 10%	5
>10%	0

Q. <u>Community Housing Development Corporation (CHDO): Up to 5 Points</u>

Project is owned, developed or sponsored by a community housing development corporation.

R. <u>Commercial or Community Corridor: Up to 15 Points</u>

Preference to projects located on a Commercial Corridor or Community Corridor The list of Commercial Corridors and the list of Community Corridors are found on Pages 1-27 AND 1-28 (Table 1a and Table 1b) of the Land Use Chapter of the Minneapolis Plan http://www.minneapolismn.gov/cped/planning/plans/cped_comp_plan_2030.

MINNEAPOLIS PUBLIC HOUSING AUTHORITY
1001 Washington Avenue North
Minneapolis, MN 55401-1043
Effective 1/1/2013

A = Multiple Dwelling (any building with 3 or more units)
D/T = Townhouse, Duplex or Double Bungalow
SF = Single Family Dwelling

To calculate the utility allowance chart simply, start with the Payment Standard amount and then subtract the amounts listed below for all the utilities which the participant (tenant) pays. This equals the Net Rent. If the Owner's proposed rent is greater than the Net Rent (payment standard minus the utilities), this unit may be considered NOT affordable for the Housing Choice Voucher Program. Be sure to use the proper column for the bedroom size and the proper unit type. The Range and Refrigerator amounts are for participant owned appliances, so do not add them if they are provided by the owner.

	0 Bedroom			1 Bedroom			2 Bedrooms			3 Bedrooms			4 Bedrooms			5 Bedrooms			6 Bedrooms		
Utility/Appliance	**A**	**D/T**	**SF**	**A**	**D/T**	**SF**	**A**	**D/T**	**SF**	**A**	**D/T**	**SF**	**A**	**D/T**	**SF**	**A**	**D/T**	**SF**	**A**	**D/T**	**SF**
HEATING - Gas	41	69	77	52	92	104	52	116	134	55	119	153	64	147	175	74	147	175	85	167	189
- Electric	11	17	16	13	22	21	20	26	26	22	26	38	22	26	40	26	34	42	30	38	57
COOKING -Gas	3			4			4			6			7			7			7		
-Electric	2			2			2			2			2			3			4		
OTHER ELECTRIC	10	14	14	11	19	18	17	22	22	19	22	33	19	22	34	22	28	35	25	32	48
WATER HEATER - Gas	10			13			15			17			21			21			22		
- Electric	4			6			7			9			9			10			12		
TRASH COLLECTION	19			19			19			19			19			19			19		
WATER & SEWER	18			36			39			66			69			81			92		
RANGE	57			57			57			57			57			57			57		
REFRIGERATOR	67			67			67			67			67			67			67		

METROPOLITAN MEDIAN INCOME (MMI) INCOME LIMITS
Minneapolis-St. Paul-Bloomington, MN-WI MSA
(Effective Date: 12/11/12, source: http://www.huduser.org/portal/datasets/il/il2013/select_Geography.odn)

	Number of Persons							
% of Median	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
30%	**$17,300**	**$19,800**	**$22,250**	**$24,700**	**$26,700**	**$28,700**	**$30,650**	**$32,650**
50%	**$28,850**	**$32,950**	**$37,050**	**$41,150**	**$44,450**	**$47,750**	**$51,050**	**$54,350**
60%*	**$34,620**	**$39,540**	**$44,460**	**$49,380**	**$53,340**	**$57,300**	**$61,260**	**$65,220**

MMI Note: The 60% median income figures were calculated manually by multiplying the 50% rents by 1.2

CURRENT FAIR MARKET RENTS
Minneapolis-St. Paul-Bloomington, MN-WI MSA
(Effective 11/13/12, source: http://www.huduser.org/portal/datasets/fmr/fmrs/FY2013_code/select_Geography.odn)

Unit Size	**Efficiency**	**1BR**	**2BR**	**3BR**	**4BR**
Fair Market Rate	**$592**	**$736**	**$920**	**$1,296**	**$1,529**

HOME PROGRAM HIGH RENT LIMITS (Effective 11/16/2011)

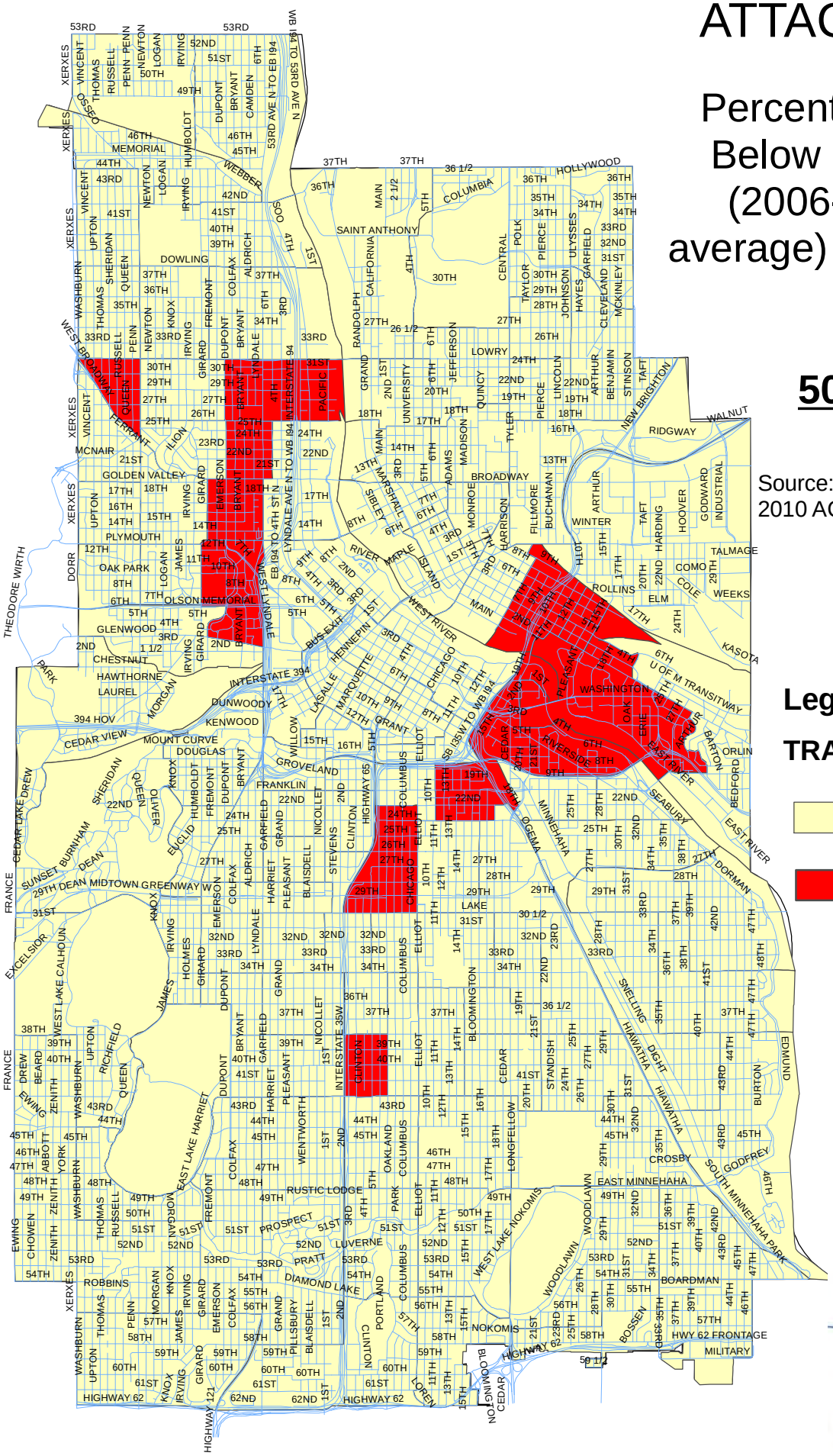
Unit Size	**Efficiency**	**1BR**	**2BR**	**3BR**	**4BR**	**5BR**	**6BR**
HOME High Rent Limit	**$646**	**$761**	**$924**	**$1,210**	**$1,359**	**$1,563**	**$1,767**

HOME PROGRAM LOW RENT LIMITS (Effective 11/16/2011)

Unit Size	**Efficiency**	**1BR**	**2BR**	**3BR**	**4BR**	**5BR**	**6BR**
HOME Low Rent Limit	**$646**	**$761**	**$924**	**$1,092**	**$1,218**	**$1,344**	**$1,470**

ATTACHMENT 2

Percent of Population Below Poverty Level (2006-2010 5-year average) by Census Tract



50% Threshold

Source: Census Bureau,
2010 ACS 5-year average (2006-2010)

Legend

TRACTS

- Less than 50% population below poverty
- 50% or more population below poverty

Minneapolis
City of Lakes
Community Planning & Economic Development

North

CPED Research, Feb. 2012

No. 2001-2548M

RESOLUTION

of the

MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY

Establishing a Senior Rental Housing Policy

Whereas, on September 7, 1999, the City Council adopted an Affordable Housing Policy; and

Whereas, as part of that action, the City Council directed the Minneapolis Community Development Agency ("MCDA") to develop options for financing senior rental housing consistent with the Affordable Housing Policy and related programs and policies; and

Whereas, on February 7, 2000, the MCDA reported to the City Council on senior housing issues, ownership options, financing alternatives, and next steps; and

Whereas, a market study completed in early 2001 indicated a demand for various types of senior rental housing in different sectors of the City; and

Whereas, the Minneapolis Public Housing Authority ("MPHA") included language in its 2000-2005 strategic plan regarding expanding housing opportunities for seniors; and

Whereas, on September 14, 2001, at the request of the MPHA, the City Council adopted an amendment to Chapter 420, Minneapolis Code of Ordinances, to authorize the MPHA to own mixed income senior rental housing;

Now, Therefore, Be It Resolved By The Board of Commissioners of the Minneapolis Community Development Agency:

That the following senior rental housing development goals and objectives are hereby adopted:

- Support development of affordable and mixed-income senior rental housing in all quadrants of Minneapolis. Senior rental housing may include independent rental, congregate, and/or assisted living projects.
- Seek opportunities for public and private partnerships.
- Seek new financing options outside of existing affordable housing resources.
- Identify appropriate sites for senior rental housing development based on market information, not solely on opportunity. Locate senior developments close to transit, retail and services.
- Ensure quality management and supportive services.
- Encourage high quality design and amenities.

ATTACHMENT 3

SENIOR HOUSING POLICY

That the local public agency roles related to senior rental housing development shall be as follows:

- MCDA: Continue to identify and make available appropriate sites for senior rental housing development. Provide tax increment, housing revenue bond and gap financing as described below.
- MPHA: Serve as the public owner of essential function bond-financed development, seeking opportunities for public-private partnerships. Issue essential function bonds. Provide Project-Based Section 8 and other financing resources.
- City Planning: Revise city policy documents to include senior housing strategies and assist with project regulatory review and approvals.
- Hennepin County: Provide service coordination and funding.

That the following financing tools will be developed to facilitate construction of senior rental housing:

- Housing Revenue Bonds from City's Entitlement Allocation: create a priority and/or set-aside for senior housing development and continue to provide 501(c)(3) bond financing to non-profit developers.
- MCDA Gap Funds: Beginning in 2002, create a priority for senior housing development within the multifamily program guidelines (CDBG/HOME/Development Account funding) and continue to utilize tax increment financing to the extent possible.
- Essential Function Bonds: With MPHA as the issuer, authorize a limited amount (up to $5,000,000) of essential function bond debt per year, structured as rated revenue (FHA or other) or investment grade rated bonds. Maximum of $30,000,000 for the total amount of outstanding bonds at any given time.
- MPHA Resources: Project-Based Section 8, Replacement Housing Factor funds, Ross Funds for assisted living projects, and other HUD funds.
- Utilize other sources such as Hennepin County, FHLB, DHS, NRP, etc. to the extent possible and continue to seek other financing tools in order to minimize competition with affordable family housing development.

RECORD OF COMMISSIONER VOTE

Commissioner	Aye	Nay	NV	Abs	Ovrd	Sust	Commissioner	Aye	Nay	NV	Abs	Ovrd	Sust
Biernat	X						Lilligren	X					
Campbell	X						McDonald	X					
Cherryhomes	X						Mead	X					
Colvin Roy	X						Ostrow	X					
Goodman	X						~~Thurber~~ Schiff	X					
Johnson	X						Niland, Chair	X					
Lane	X												

Vote: NV - Not Voting Abs - Absent Ovrd - Vote to Override Sust - Vote to Sustain

ADOPTED DEC 28 2001

APPROVED
NOT APPROVED DEC 28 2001
VETOED

Chairperson

Mayor

Bidding Procedures for Projects Funded by the Affordable Housing Trust Fund Program (Effective: January, 2013)

ALL PROCUREMENT TRANSACTIONS SHALL BE CONDUCTED IN A MANNER PROVIDING FULL AND OPEN COMPETITION; ENSURING THAT THE PROCESS DOES NOT PLACE UNREASONABLE REQUIREMENTS ON FIRMS IN ORDER FOR THEM TO QUALIFY TO DO BUSINESS. THE DEVELOPMENT TEAM SHALL BE ALERT TO ORGANIZATION CONFLICTS OF INTEREST AS WELL AS NONCOMPETITIVE PRACTICES AMONG CONTRACTORS THAT MAY RESTRICT OR ELIMINATE COMPETITION OR OTHERWISE RESTRAIN TRADE.

I. GENERAL CONTRACTOR SELECTION METHODS:

A. Sealed Bids: The preferred method for general contractor selection is to publicly advertise for sealed bids at a pre-determined date and time. The general contractor bid solicitation must be publicized as noted in Section IV and must include clear and complete written specifications, and standard bid form. The selection of the successful bidder shall be made principally on the basis of price. A Lump Sum, Fixed Price or Stipulated Sum, contract shall be awarded to the lowest responsive responsible bidder.

B. Alternative Method, General Contractor Request for Qualifications (RFQ) with Subsequent Subcontractor Sealed Bids for Subcontractors: An **alternative method** for general contractor selection is to publicly advertise a Request for Qualifications (RFQ) to establish a short list of pre-qualified general contractors that are then invited with a Request for Proposals (RFP) to submit formal bids that may or may not identify specific subcontractors. The General Contractor RFQ shall be publicized as noted in Section IV below and identify all evaluation factors, their relative importance, the method for conducting technical evaluations of the proposals received and the method for final selection of firm. Proposals will be solicited from an adequate number of qualified sources. The following criteria should be considered at a minimum:

0-20 Completeness of proposal and demonstrated grasp of service to be performed under the Scope of Services of RFQ.
0-15 Past record of professional experience and performances in undertaking assignments similar to those described in the Scope of Services.
0-20 Proposed Fee Schedule detailing pricing for services performed
0-25 Ability to provide high quality service, achieve the objectives within the established time frame.
0-05 Demonstrated history of commitment to women and minority-owned business (W/MBE) participation and Section 3.
0-05 Provide summary of key staff members, length of time with firm, past projects and current projects.
0-05 Past and current construction projects, contract start dates, contract completion dates, contract amount, contract completion amount, project managers and superintendent for each.

0-05 Awarded if Respondent is certified as a Section 3 Business prior to submission of Proposal, has included its Section 3 Business Certification in the Proposal, and is able to perform the work required under the scope of Services of this RFQ.

After the RFQ process is complete, the pre-qualified General Contractors will be allowed to provide a sealed bid at a Public Bid Opening at a pre-determined date and time, and their bids shall be based on clear and complete written specifications and submitted on a standard bid form. A Lump Sum, Fixed Price or Stipulated Sum contract shall be awarded to the lowest responsive responsible bidder.

C. Second Alternative Method, General Contractor Request for Proposals (RFP) with Subsequent Subcontractor Selection: A **second alternative method,** sometimes referred to as the "team approach," is to obtain at least three (3) written general contractor proposals from reputable general contractors without a public Request for Qualifications advertisement, then the selected general contractor issues a public Request for Proposals (RFP) soliciting formal bids from qualified subcontractors. The general contractor proposal solicitation must include clear and complete written evaluation/selection criteria and the contract should be awarded to the responder whose proposal or qualifications is responsive to the solicitation and is most advantageous to the recipient in terms of price, qualifications, and other factors identified in the evaluation/selection criteria. If this alternative method is used to select the general contractor, a sealed bid process would be the preferred method of subcontractor selection, though obtaining at least three (3) written proposals for each subcontract is permissible. The subcontractor bids or proposals must be based on clear and complete specifications. The contracts with subcontractors should be awarded to the lowest responsible bidder or the responder whose proposal is responsive to the solicitation and most advantageous in terms of price and any other factors identified in the solicitation. The selected general contractor may self-perform work on the project only if the general contractor first announces as a disclosure their intention in its initial proposal that it intends to pursue self-performing some of the construction, and submits a separate sealed bid (or bids) on the subcontract work and if the general contractor and project owner verify in writing to the City prior to the posting of the advertisement for the subcontractor sealed bids that the general contractor has not developed or drafted specifications, requirements, statements of work, invitations for bids and/or requests for proposals.

II. ARCHITECTURAL OR ENGINEERING SERVICES SELECTION METHOD

A Request for Qualifications (RFQ) for professional services shall be publicized and identify all evaluation factors, their relative importance, the method for conducting technical evaluations of the proposals received and the method for final selection of firm. Proposals will be solicited from an adequate number of qualified sources. Evaluation Criteria shall at a minimum include the following:

0-10 Completeness and organization of proposal.
0-20 Perception of the quality of services which will be provided.
0-16 Specific area of expertise and illustration of experience with affordable housing development, sustainable design, green design, universal design, visitablity and accessibility designs.
0-30 Proposed fee schedule detailing billing structure and hourly rates.
0-05 Commitment to affirmative action. Describe any strategy to be utilized in attempting to meet the W/MBE Goals.
0-05 Demonstrated history of commitment to women and minority-owned business (W/MBE) participation.
0-05 Ability to provide high quality services, achieve the objectives with the established time frame and provide accurate cost estimates of the proposed work.
0-05 Respondent has been certified as a Section 3 Business prior to submission of Proposal, has included the Section 3 Business Certificate with the proposal and is able to perform the work required under the Scope of Services of RFP.

Awards shall be made to the responsible firm whose proposal is most advantageous in terms of price and other factors. Prior to award of contract for professional services the developer shall provide copies of all proposals, interview notes and scoring sheets for each proposal submitted, include dollar amount of services, reimbursable items and fee schedules. CPED shall make use of Minnesota Housing Finance Agency Architecture Services Guide (the April 2012 version is posted here: http://www.mnhousing.gov/idc/groups/multifamily/documents/webcontent/mhfa_008062.pdf).

III. DESIGN BUILD: Design-build is not a permitted bidding method in the AHTF program.

IV. ADDITIONAL POLICIES AND PROCEDURES

- **A.** All solicitations must be reviewed by CPED staff prior to commencement of advertising.
- **B.** At a minimum, all advertisements must be published in Finance and Commerce twice for a minimum of one (1) week each
- **C.** Affidavits of publication must be provided to CPED which includes the specific advertisement that was published and the dates of publication
- **D.** Aat least three (3) competitive bids, proposals or responses must be received.
- **E.** A standard bid or proposal response form must be provided in the bid package to be completed by the respondents.
- **F.** Upon the completion of the opening of the bids or advertisement responses, the following must be submitted to CPED staff:
    1. Copy of the sign-in sheet of all persons in attendance;

2. Copies of all bids or responses; and
3. Tally sheet listing all bidders or respondents, proposers, addendums received, responsive or non-responsive bids or responses, reason, and summaries of all of the pertinent financial information in the bids or responses.

G. Faxed or e-mailed bids or responses are not permitted

H. The selected general contractor shall provide on CPED's Sworn Construction Statement form and Civil Rights Pre-Construction Booklet the names of all parties having contracts or subcontracts for specific portions of the work on said property and building or material entering into the construction and amounts of each.

I. Please see the AHTF Contracting Requirements (Attachment X) for a summary of the applicable SUBP, affirmative action, Davis Bacon and related rules.

J. All professional services shall be performed by professionals registered in Minnesota in their respective fields and independent of Developer and Contractor(s) engaged in the development unless rehabilitation and simply replacing worn components/equipment with similar new components/equipment.

K. Change orders: A change order is a written agreement between the owner and general contractor to change a building construction contract. Change orders add to, delete from or otherwise alter the work set forth in the contract documents at the time that the construction contract was bid, change orders are the legal means of changing the contract documents. Change orders shall be allowed for unforeseen conditions such as; Site conditions differ from the expected; Professional errors and or omissions, professional has incorrectly drawn the construction design plans and specifications; professional has inadvertently omitted an item or element from the plans. Only the above change orders shall be accepted and shall be charged against the contingency fund for the project. Funders shall decide how any remaining funds shall be used per the City Redevelopment Contract/City Loan Agreement.

L. Retainage: General Contractor's construction retainage withheld during the construction period shall correspond with the Development Contract at all times. It is the developer's responsibility to ensure that the retainage in the, Lump Sum, Fixed price or Stipulated Sum contract is the same as the development contract. Retainage shall only be released per the development contract.

M. All project manuals shall be organized into Divisions and Sections using the 16 –division format and Construction Specification Institute (CSI) Master Format numbering system.

N. Draw Applications: Request for payment shall be submitted on AIA Document G702 Application and Certificate for Payment, and AIA Document G703 Continuation Sheet. All requests for payment applications shall be made directly to the General Contractor listed on the Construction Contract who shall then pay all sub-contractors directly. No checks shall be made out directly to any sub-contractors.

AFFORDABLE HOUSING TRUST FUND
CPED UNDERWRITING STANDARDS

1. Underwriting projection period: 20 years from stabilized occupancy.

2. Capacity of owner: Sufficient relevant experience and demonstrated, reliable financial and organization capacity to adequately execute its asset management responsibilities.

3. Capacity of property manager: Sufficient relevant experience and demonstrated, reliable financial and organizational capacity to adequately execute property management responsibilities. Property managers should have a track record with the type of housing being proposed.

4. Debt service coverage: 1.05 to 1.25

5. Vacancy rate: Expected to range from 5% to 10%. Rate used should be based on current market conditions. .

6. Income trend factor: 2% to 4%

7. Expense trend factor: 1.5 - 2% higher than income trend factor.

8. Operating Expenses (including utilities and property insurance, but not real estate taxes): $450-$550 per unit per month. If an existing property, the determination of the actual amount will depend on an analysis of the actual operating expenses for the property for the previous three years of operation.

9. Asset Management Fee: Up to $25 per unit per month, minimum of $5,000 annually. This fee should be the last operating expense paid after debt service.

10. Property management fee: Up to $60 per unit per month based on size of development.

11. Replacement reserves: Initial deposit - A replacement reserves analysis will include an inventory of the existing components in the development, their costs, effective ages, and effective useful lives. Ongoing deposits - $200 - $250 per unit per year.

12. Security costs: Owners are required to implement measures necessary and appropriate to maintain a safe and crime-free living environment for the property residents. These measures should be described in a written security plan. At a minimum, this plan should include involvement in neighborhood crime prevention strategies, resident awareness and training. Capital items contained in the plan should be included in the deferred maintenance and replacement reserve analyses as appropriate.

13. Developer fee: For new rental production projects and for stabilization/preservation projects in which the ownership is changing, a maximum total fee is based on a percentage of total development cost minus developer fee as follows: first 30 units – 15%; units 31 and over – 8%.

    For stabilization/preservation projects in which the ownership is not changing, a maximum total fee is based on a percentage of total development cost minus developer fee as follows: first 30 units – 10%; units 31 and over – 5%.

    In all cases, architectural costs, legal fees and initial reserves should be deducted from the total development cost to make the calculation. The total fee includes: developer fee, development consultant fees, processing agent costs, non-profit admin costs, profit, overhead, and all deferred fees.

14. Depending on the population being served, the appropriate level of support services should be an ongoing operating expense. County/DHS/HUD/Other funding for support services should be identified by the developer.

15. Maximum rents: In order to create a sufficient window of tenant eligibility, the project rents should fall below the maximum rent allowed for the targeted income level.

SUPPORTIVE SERVICES INFORMATION

Project Name:

Participants:

- Developer
- Owner
- Service Provider
- Name and phone number for any Hennepin County staff involved in project planning or funding

Project Abstract:
Provide brief information to address the following:

- How does this project meet Hennepin County housing priorities?
  1. Who is your Target Population?
  2. What are your expected program outcomes?
  3. How will you measure them?
  4. Describe the choices of service vendors available to the residents?
  5. Describe residents in terms of gender, age, income, disability and ethnicity?
  6. Describe any funding which will be available to assists residents with rent payments?

- Describe the project's location and physical structure (include total number of units and whether the project is new construction/ rehab) and any licenses, or permits required.
- Describe any neighborhood support or opposition to the project.
- Target date for project opening?
- Describe your criteria for finding eligible renters (renter profiles, screening procedures) and any other entrance requirements such as age, gender, sobriety, employment income, etc.
- Type of units (market rate, low income). If mixed income project, are populations assigned to separate areas of the building?
- If targeted populations are disabled under the ADA, describe why this is the most integrated setting possible for these persons?
- Is the housing time limited by definition?
- Will tenants have a lease, or will they sublease?
- What are the circumstances under which the renters may be required to leave?

Service Summary:
Provide information about:

- What fiscal relationship does the service provider have to the housing owner/manager?
- List services that are part of this project, including the following information: services; provider; optional or mandated as a condition of housing; available on-site or off-site; do all tenants use same service provider or is there a choice of vendor?
- How many staff FTEs are part of this project? List staff functions and hours staff are present on-site
- Can services follow the renter if/when they move?

Operating Funding (include total budget):

- Source/Budget/Contact
- Status of funding (approved, under consideration, not yet applied for)

Service Funding (include total budget):

- Source/Budget/Contact
- Status of funding (approved, under consideration, not yet applied for)
- What other funds have been considered for service funding? If they have been ruled out, why?

SUMMARY OF LEAD-BASED PAINT REQUIREMENTS BY ACTIVITY

	Rehabilitation (Subpart J) Chapter 4			**TBRA** (Subpart M) Chapter 5	**A,L,SS,O** (Subpart K), Chapters 6 & 7
	≤ $5,000	**$5,000 - $25,000**	**>$25,000**		**Homebuyer and Special Needs***
Approach to Lead Hazard Evaluation and Reduction	1. Do no harm	3. Identify and control lead hazards	4. Identify and abate lead hazards	2. Identify and stabilize deteriorated paint	2. Identify and stabilize deteriorated paint
Notification	Yes	Yes	Yes	Yes	Yes
Lead Hazard Evaluation	Paint Testing	Paint Testing and Risk Assessment	Paint Testing and Risk Assessment	Visual Assessment	Visual Assessment
Lead Hazard Reduction	Repair surfaces disturbed during rehabilitation	Interim Controls	Abatement (Interim Controls on exterior surfaces not disturbed by rehabilitation)	Paint Stabilization	Paint Stabilization
	Safe work practices Clearance of work site	Safe work practices Clearance of unit	Safe work practices Clearance of unit	Safe work practices Clearance of unit	Safe work practices Clearance of unit
Ongoing Maintenance	For HOME rental only	For HOME rental only	For HOME rental only	Yes	Yes (if ongoing relationship)
EIBLL Requirements	No **	No	No	Yes	No
Options	Presume lead-based paint Use safe work practices on all surfaces	Presume lead-based paint and/or hazards Use standard treatments	Presume lead-based paint and/or hazards Abate all applicable surfaces	Test deteriorated paint Use safe work practices only on lead-based paint surfaces	Test deteriorated paint Use safe work practices only on lead-based paint surfaces

*Special Needs Housing may be subject to the requirements of Subpart J, M, or K depending on the nature of the activity undertaken. However, since most special-needs housing involves acquisition, leasing, support services, and operations, for the purposes of this table, it has been placed in this column. Chapter 7 explains how other requirements may also apply.

FOUR APPROACHES TO IMPLEMENTING LEAD HAZARD EVALUATION AND REDUCTION

APPROACH 1. DO NO HARM		
Lead Hazard Evaluation	Lead Hazard Reduction	Options
Paint testing performed on surfaces to be disturbed.	Repair surfaces disturbed during work. Safe work practices used when working on areas identified as lead-based paint. Clearance performed on work site.	Presume lead-based paint is present and use safe work practices on all surfaces being disturbed.
APPROACH 2. IDENTIFY AND STABILIZE DETERIORATED PAINT		
Lead Hazard Evaluation	Lead Hazard Reduction	Options
Visual assessment performed to identify deteriorated paint.	Paint stabilization of identified deteriorated paint. Safe work practices used. Clearance performed unit-wide	Perform paint testing on deteriorated paint. Safe work practice requirements only apply to lead-based paint.
APPROACH 3. IDENTIFY AND CONTROL LEAD HAZARDS		
Lead Hazard Evaluation	Lead Hazard Reduction	Options
Paint testing performed on surfaces to be disturbed Risk assessment performed on entire dwelling	Interim controls performed on identified hazards. Safe work practices used. Clearance performed unit-wide.	Presume lead based paint and/or lead based paint hazards are present and perform standard treatments.
APPROACH 4. IDENTIFY AND ABATE LEAD HAZARDS		
Lead Hazard Evaluation	Lead Hazard Reduction	Options
Paint testing performed on surfaces to be disturbed. Risk assessment performed on entire dwelling.	Abatement performed on identified hazards. Interim controls performed on identified hazards on the exterior that are not disturbed by rehabilitation. Safe work practices used. Clearance performed unit-wide.	Presume lead-based paint and/or lead-based paint hazards are present and perform abatement on all applicable surfaces - deteriorated, impact, friction, chewable surfaces, and surfaces to be disturbed.

ATTACHMENT 8
RELEASE OF RESPONSE DATA FORM

Date _____

City of Minneapolis
Department of Community Planning and Economic Development
Attn: Matt Goldstein
105 5th Ave. S., Suite 200
Minneapolis, MN 55401

Re: _____Request for Proposals Consent for Release Response Data

_____, on behalf of _____, hereby consents to the release of its development proposal in response to the 2012 Affordable Housing Trust Fund Request for Proposals and waives any claims it may have under Minnesota Statutes Section 13.08 against the City of Minneapolis for making such information public.

<INSERT APPLICANT NAME HERE>

By: _____

Its: _____

AHTF

ACKNOWLEDGEMENT OF PROGRESS FORM

<ADD PROJECT NAME HERE>

Date _____

The undersigned, pursuant to representations made in that certain AHTF funding application submitted to the City of Minneapolis (the "Lender") on _____, 2012, by _____ (the "Borrower") certifies and commits that if the City Council awards the above-referenced project monies from the Affordable Housing Trust Fund (AHTF) , monthly project progress reports will be submitted to the CPED Multifamily project coordinator containing the following information:

1. Status of pending or contemplated funding applications to other funders;
2. Meetings with each of the funders listed in the project funding sources and other possible funders;
3. Tax credit syndication and bond financing updates, if applicable;
4. Planning, development review, heritage preservation, and land use application progress updates;
5. Market research, environmental assessment, and related due diligence efforts; and
6. Architectural plan status updates.

The undersigned acknowledges that the City may revoke an AHTF award for failure to submit such monthly progress reports and such reports will be used to evaluate a request to extend the AHTF allocation timeframe.

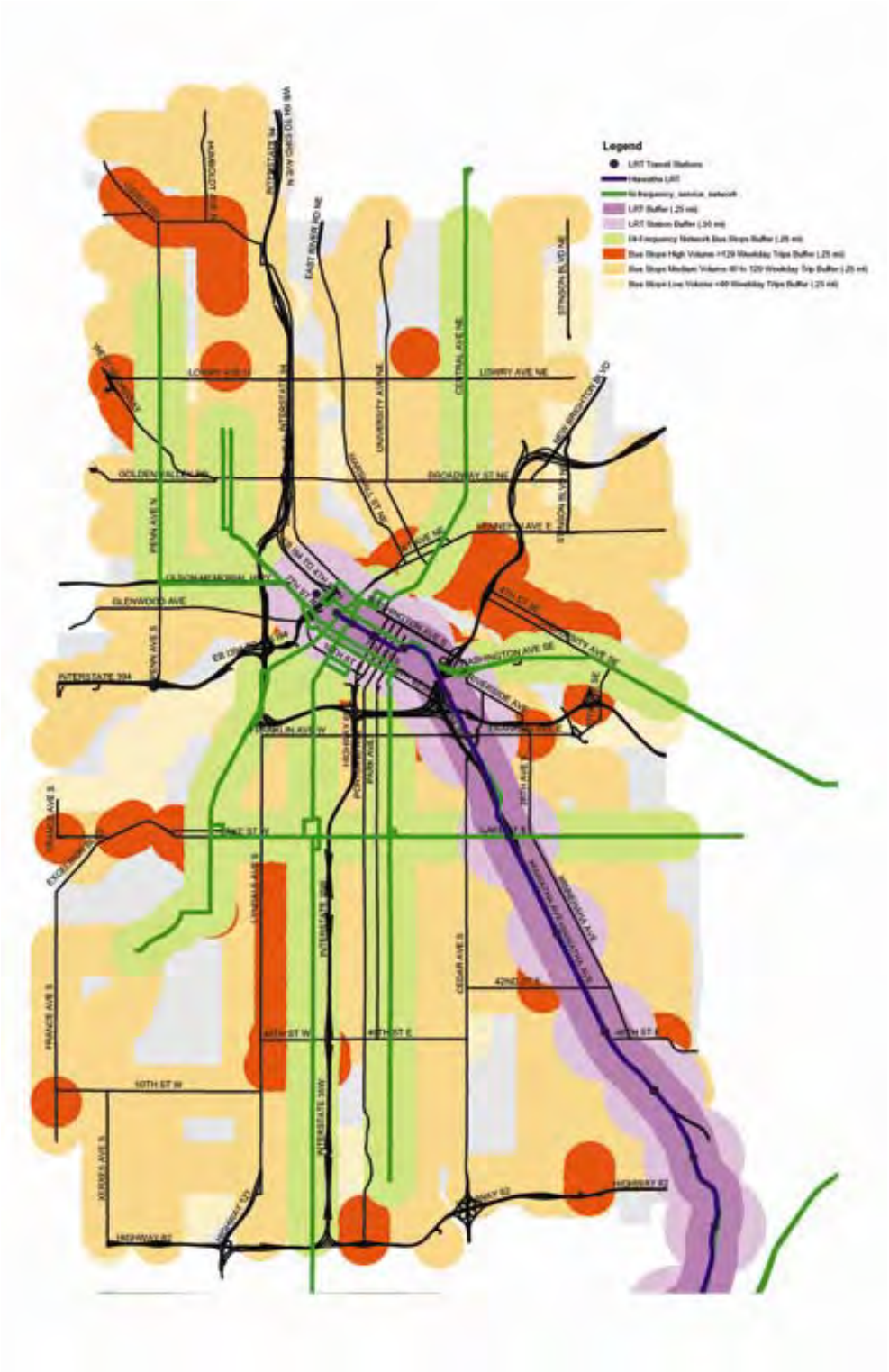
BORROWER:

<INSERT BORROWER NAME HERE>

By: _____

Its: _____

ATTACHMENT 10
ILLUSTRATIVE TRANSIT MAP



This map uses Metro Transit data to illustrate approximate transit routes and service within the City of Minneapolis for the purposes of preliminarily evaluating Affordable Housing Trust Fund applications against the Proximity to Transit underwriting criteria. The City of Minneapolis does not warrant the accuracy of this information. Please see www.metrotransit.org for more specific and current route and service information.