Minneapolis
City of Lakes

Community Planning & Economic Development

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May 15, 2013

Dear Applicant:

The City of Minneapolis is soliciting development funding proposals for the Affordable Housing Trust Fund (AHTF). The program's purpose is to help finance the production, preservation or stabilization of affordable rental housing in Minneapolis. The AHTF Request for Proposals (RFP), program information, funding proposal submittal requirements and application materials may be found here: http://www.minneapolismn.gov/ahtf.

There are no substantive changes to the AHTF Program. The RFP document has been updated as further summarized in Part I, Section IV. Two important changes are the addition of the Healthy Housing Policy and a new requirement in Section VIII to provide a historic resources review letter created by CPED for projects that include demolition. The City's AHTF funding proposal is still comprised of Minnesota Housing Finance Agency's Minnesota Multifamily Rental Housing Common Application Form plus some supplemental informational forms. Developers are therefore advised to thoroughly review Minnesota Housing Finance Agency's Common Application resource materials.

Funding proposals are being accepted between the date of this letter and 4:30 p.m., CDT, on June 28, 2013. Proposals delivered after this deadline will be returned without being reviewed. The order in which the proposals are received will be noted, and developers are encouraged to submit funding proposals before the deadline if possible. The City has the right to reject any and all applications at its sole discretion. Deliver or mail complete applications in accordance with Part I, Sections IX, X, and XI to the following person and address:

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

Questions about this RFP or the AHTF Program should be directed to Matt Goldstein at 612-673-5075 or matt.goldstein@minneapolismn.gov.

call 311 Minneapolis
City Information and Services

www.ci.minneapolis.mn.us

Affirmative Action Employer

2013 AFFORDABLE HOUSING TRUST FUND PROGRAM
PUBLIC RELEASE DATE: MAY 15, 2013

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 Affordable Housing Trust Fund (AHTF) Program. The primary purpose of the AHTF Program is to assist in financing 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 funding sources for the AHTF Program are primarily federal Community Development Block Grant (CDBG) funds, federal HOME Investment Partnership funds, and local funds. The purpose of this document is to summarize the AHTF Program and request development proposals for qualified projects for the 2013 funding round.

II. AHTF PROGRAM BASIS AND POLICY GUIDANCE: The AHTF Program administration is guided primarily by the following adopted policy documents:

A. Minneapolis Plan for Sustainable Growth available here: http://www.minneapolismn.gov/cped/planning/plans/cped_comp_plan_update_draft_plan

B. The City's annual Consolidated Plan for Housing and Community Development available here: http://www.minneapolismn.gov/grants/grants_consolidated-plan

C. 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.

D. The Senior Rental Housing Policy (Resolution No. 2001R-539) adopted on December 28, 2001 describing senior housing development goals and objectives, local public agency roles, and financing tools (which is posted here: http://www.ci.minneapolis.mn.us/www/groups/public/@council/documents/proceedings/wcms1q-069940.pdf

E. The City's Healthy Housing Policy, adopted by the City Council on May 10, 2013, and included as Attachment 1, which established additional housing design and development guidelines that apply to AHTF-funded projects. More information is in Section VIII below.

III. PROGRAM GOALS: The AHTF Program is designed to support the implementation of various housing goals listed in the policy documents noted in Part 1, Section II above. Affordable housing emphasis in minority or poverty impacted areas will be preservation, rehabilitation, and stabilization. Affordable housing emphasis in minority or poverty non-impacted areas will be construction and positive conversion.

IV. SUMMARY OF PROGRAM AND RFP DOCUMENT CHANGES: There are no substantive changes from the 2013 AHTF program from the previous year. There have been some minor changes to the content of this Request for Proposals document, including:

A. Bidding Procedures: The bidding procedures have been updated to clarify functional differences between the previously permitted bidding options and to add the option for the City to conduct a cost reasonableness study under limited circumstances at the cost of the developer.

B. Consent Form: The previously required acknowledgements and consents have been consolidated into a single form.

C. Funding Proposal Submittal Content: The funding proposal minimum content and submittal requirements have been changed to improve clarity and reduce redundancy with the Minnesota Housing Finance Agency's (MHFA) application materials.

D. Green Communities: The Green Communities criteria now apply to new construction and substantial rehab projects as defined by MHFA, and the Green Communities Certification Workbook is now required to be submitted for each project to demonstrate compliance with the Healthy Housing Policy.

E. Healthy Housing Policy: The newly adopted Healthy Housing Policy has been incorporated into the AHTF Program.

F. Historic Resource Letter: A pre-proposal historic resource review by CPED is required for projects that propose moving or demolition an existing building.

G. Impacted and Non-Impacted Areas: The definitions of these terms have been clarified and a map showing minority impacted areas has been added.

H. Proposal Contents: The funding proposal minimum content and organization has been clarified.

I. Self-Scoring Worksheet: A self-scoring worksheet has been added to the proposal submittal requirements.

J. Selection Criteria: The duplicative selection criteria for impacted and non-impacted areas that were previously separate have been consolidated into a single list. Scoring for proximity to a community or commercial corridor has been clarified.

K. Senior Housing Policy: The previous Senior Housing Policy attachment has been removed and preplaced with a reference to Resolution No. 2001-2548M in Section II above.

L. Supplemental Application: The previously used CPED Supplemental Application has been removed because this information is available in the MHFA application materials.

M. Supportive Services Attachment: The previously required supportive services narrative attachment has been replaced by the Supportive Services Narrative Questions in MHFA's Multifamily Rental Housing Narrative Questions document.

N. Underwriting Standards: The order of the underwriting standards in Attachment 11 has changed to match the organization of the new self-scoring worksheet. The previous section on security costs was integrated into Section 5 (Operating Expenses) and Section 12 (Capacity of Property Manager and Quality of Property Management Plan).

O. Zoning Letter: The requirement to submit a zoning letter with the proposal has been removed.

V. AMOUNT OF AVAILABLE FUNDING: The specific amount of 2013 AHTF monies available has not yet been determined due in part by the sequestration of the federal budget. The City's 2013 allocation of CDBG and HOME funding was not yet final at the time this RFP was released. CPED estimates that approximately $10.1 million will be available, subject to the availability of federal funds. The total available funding includes reallocated funds from prior projects that returned prior AHTF awards. CPED will allocate funding from the available sources to projects as guided by the City's annual budget and applicable policy. Not all of the available funds may be awarded during this funding round.

VI. FEDERAL SOURCES OF FUNDS: The federal HOME Investments Partnership program (HOME) and the federal Community Development Block Grant (CDBG) program are two funding sources of the AHTF Program. In addition, other affordable housing funding resources may be used based upon availability during any given year. Information about the HOME Program rules can be found in 24 CFR Part 92, which were last substantively revised by a final rule issued on September 16, 1996. On December 16, 2011, HUD issued a proposed rule that would make significant changes to the HOME rules. Among the most significant changes in the proposed HOME rules are the following:

A. Participating jurisdictions are required to assess a developer's capacity and financial condition, in addition to market need for the project and its long-term viability before committing HOME funds.

B. Participating jurisdictions are required to examine annually the financial condition of rental projects with at least ten HOME-assisted units.

C. New minimum property standard requirements and inspection requirements would be established. The City implements HUD's current property standards by utilizing State and local codes, ordinances, and requirements.

D. The Consolidated and Further Continuing Appropriations Act of 2012 (P.L. 112-55) imposed new requirements for FY2012 HOME projects. CPED assumes that any forthcoming 2013 appropriation or final rule will include the same requirements, which are:

1. Projects not completed within four years from the date of project commitment would be considered terminated and the participating jurisdiction must repay HOME funds invested in the project.
2. Repayment of HOME funds would be required for any HOME unit that is not rented to eligible tenants within 18 months of project completion.

VII. ELIGIBLE USES OF FEDERAL FUNDS

A. HOME

1. Eligible activities include: acquisition of property, relocation, construction of new housing for permanent or transitional rental (in non-minority concentrated tracts only), moderate or substantial rehabilitation of units and other reasonable and necessary expenses related to the development of affordable, non-luxury rental housing. HOME funds may not be used for a new construction project in an area of minority concentration. Attachment 3 describes minority concentrated areas.
2. Projects financed with AHTF HOME funds must have a certain number of units designated as HOME-assisted units and these units must be affordable to and occupied by families whose incomes are at or below 60% of the AMI, as adjusted for family size. In addition, if the AHTF HOME-financed project has five (5) or more units, 20% of the HOME-assisted units must be occupied by families whose incomes are at or below 50% AMI, as adjusted for family size. These requirements are minimum requirements, but the City will require rental and income restrictions to reflect what is in the proposal. Refer to Attachment 2 for the AMI information which is subject to change.
3. The minimum HOME subsidy is $1,000 per unit. The maximum amount of HOME funds that a participating jurisdiction may invest on a per-unit basis in affordable housing may not exceed the per-unit dollar limits established under section 221(d)(3)(ii) of the National Housing Act (12 U.S.C. 17151(d)(3)(ii)) for elevator-type projects that apply to the area in which the housing is located. These limits are available from the Multifamily Division in the Minneapolis HUD Field Office.

B. CDBG: 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, unless the new construction activity is undertaken by a Community Based Development Organization (CBDO) as defined by HUD. CDBG may also be used for certain expenses in support of eligible new construction projects in limited circumstances.

VIII. PROGRAM POLICIES AND PROCEDURES

A. ACCESSIBILITY REQUIREMENTS SECTION 504 (24 CFR PART 8): New construction projects with five or more units or rehabilitation projects with 15 or more units and rehab costs of more than 75% of the replacement cost of the completed facility must have a minimum of 5% of the units (but at least one unit) be accessible to mobility-impaired and an additional 2% (but at least one unit) be accessible to sensory-impaired. Units in compliance with the Uniform Federal Accessibility Standards (UFAS) are deemed in compliance with Section 504. CPED encourages developers to use good faith efforts to follow Section 504 rules for those projects that are not required to comply with Section 504. Please see the Visitability section below for related information.

B. ADMINISTRATION: The administration of the AHTF Program is the responsibility of the CPED Housing Policy and Development Division. 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. AHTF FUNDING IS A LOAN: Funding awards will be made available in the form of a loan with the City with a term length that typically matches the first mortgage. 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 that have units with unrestricted rents.

D. APPRAISALS: If the project is approved for funding, a complete appraisal will be required before closing. The appraisal must be performed by a licensed appraiser who is on CPED's approved appraiser list or completed by MHFA or MHFA's consulting appraiser. Proposals must include either a formal appraisal establishing the estimated "as is" market value of the property or an appraiser's preliminary opinion of value.

E. COMPETITIVE BIDDING: Projects must comply with the Affordable Housing Trust Fund Bidding Procedures included as Attachment 5 for the selection of a general contractor and/or the selection of sub-contractors. Developers are encouraged but not required to use open and competitive processes for the selection of consultants such as architects and engineers.

F. COMPLIANCE WITH CITY POLICY: Projects must comply with adopted City policy including the documents listed in Part 1, Section II above, a city-adopted neighborhood plan (if applicable), zoning regulations, and building codes.

G. CONTRACTING GENERAL REQUIREMENTS: Attachment 6 contains the City's contracting requirements including affirmative marketing, apprenticeship, equal opportunity, prevailing wage, relocation, Section 3, Section 504, and SUBP.

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

I. CPED RIGHT TO REJECT AND MODIFY PROPOSALS: CPED reserves the right to reject any or all proposals or parts of proposals and to negotiate modifications of proposals submitted.

J. DEGREE OF NEED: The Program will provide assistance only to the projects that require assistance to achieve the Program's goals and objectives. It must be demonstrated that other sources of funds are not available or adequate.

K. DEVELOPER CAPACITY: 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. Developers must demonstrate the following:

1. Professional development experience, reasonable financial strength, and the ability to undertake the proposed project;
2. The ability to obtain sufficient financing; and
3. Sufficient capability to manage the project successfully after completion or hire a professional management company with experience in managing affordable housing.

L. DEVELOPER ELIGIBILITY: Developers may be non-profit or for-profit.

M. DEVELOPER FEE POLICY

1. For new rental production projects and for stabilization/preservation projects in which the ownership is changing (which typically includes low income housing tax credit projects), a maximum total fee is based on a percentage of total development cost minus total 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 total 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 as the total developer fee 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.

N. ENERGY EFFICIENCY RESOURCES: The City, HUD, and MHFA all emphasize energy efficiency. Xcel Energy and CenterPoint Energy offers a variety of programs, services, rebates and energy efficiency resources to assist developers, owners and builders with the construction of energy efficient commercial and residential developments, including the following:

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:
    a. Energy Design Assistance for projects that are very early in design.
    b. Energy Efficient Buildings for proscriptive rebates for projects where design is nearly complete or for existing buildings.
    c. 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. Call the Xcel Energy Builders Call Line at 1-800-628-2121 for the following logistical services:
    a. Design and permitting
    b. Relocating existing gas or electric
    c. Disconnecting gas and electric services
    d. Providing temporary electric needs
3. 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.

O. FEES, PROPOSAL AND ORIGINATION:

1. A non-refundable $1,000 proposal fee will be charged for each AHTF proposal.
2. If a project is awarded funding, an origination fee of 1% the AHTF award will be collected at closing except for AHTF awards using federal HOME funds.

P. FUNDING COMMITMENTS FROM OTHER FUNDERS: The proposal must include written documentation stating the amount, terms, and conditions of existing funding commitments to the project. Documentation containing words synonymous with “consider” or “may” (as in “may award”) are not funding commitments.

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Q. GREEN COMMUNITIES: Developers are encouraged to incorporate green/sustainable elements consistent with the "Minnesota Overlay and Guide to the Green Communities Criteria" and the 2011 Enterprise Green Communities Criteria in rehabilitation projects. Enterprise has issued a report available here: http://www.enterprisecommunity.com/servlet/servlet.FileDownload?file=00P3000000DTXl6EAH that describes the financial impact of green affordable housing after studying 52 affordable housing developments from across the United States that were built using either the 2005 or the 2008 versions of the Enterprise Green Communities Criteria. The report provides a detailed look at estimated versus actual use of water and energy, and relates that to utility cost impacts for both the developers and the residents of the affordable housing communities included in the study. Developers are advised to ensure that the development costs in the proposal adequately reflect compliance with Green Communities standards and to thoroughly review MHFA's Minnesota Overlay and Guide to the 2011 Enterprise Green Communities Criteria available here: http://www.mnhousing.gov/idc/groups/public/documents/webcontent/mhfa_012435.pdf. Developers proposing new construction or substantial/gut rehab projects as defined by MHFA must comply with the "Minnesota Overlay and Guide to the Green Communities Criteria." All developers seeking AHTF funding must submit a completed Green Communities certification workbook available here: http://www.mngreencommunities.org/publications/download/CertWorkbook.xlsx. There is some overlap between the Green Communities criteria and the Healthy Housing Policy discussed below.

R. HEALTHY HOUSING POLICY: On May 10, 2013, the City Council adopted the Healthy Housing Policy which is included as Attachment 1 and available here: (http://www.ci.minneapolis.mn.us/meetings/cdc/WCMS1P-101749). The primary intent of the City of Minneapolis Healthy Housing Policy is to ensure that properties are sited, designed and built or rehabilitated to include amenities that support, protect and promote health. This policy applies to AHTF-funded projects. There is significant overlap between the Healthy Housing Policy and the Green Communities standards. To demonstrate compliance with the Healthy Housing Policy, all developers are required to submit a completed Green Communities certification workbook available here: http://www.mngreencommunities.org/publications/download/CertWorkbook.xlsx. Developers are encouraged to review the informational resources contained in the Healthy Housing Policy.

S. HISTORIC RESOURCE REVIEW LETTER: For projects with at least one existing building that is proposed to be moved or demolished, proposals must include a historic resource letter from CPED. The purpose of the letter is to demonstrate that CPED Development Services staff has preliminarily reviewed the existing site and building that is proposed to be removed or demolished for the potential existence of a historic resource that may require additional investigation. This might require submitting written permission to conduct the review from the existing property owner, photos of the building(s) and adjacent buildings, an application fee, and a site visit for projects proposing demolition. To request a historic resource review letter from Minneapolis Development Review, call Minneapolis 311 from within the City or (612) 673-3000. Additional information may be available from the CPED Sector Liaison listed here:
http://www.minneapolismn.gov/www/groups/public/@cped/documents/webcontent/convert_257946.pdf

T. IMPACTED AND NON-IMPACTED AREAS: As noted in Part 1, Section III, affordable housing emphasis in minority or poverty impacted areas will be preservation, rehabilitation, and stabilization. Affordable housing emphasis in minority or poverty non-impacted areas will be construction and positive conversion. A minority impacted area is an area with a minority population concentration of 50% or higher as described in the map in Attachment 3. A poverty impacted area is an area with a poverty concentration of 45.4% (double the City's poverty rate) or higher as further described in Attachment 4. Areas with poverty or minority concentrations below those percentage levels are non-impacted areas. HOME funds may not be spent on new construction projects located within minority impacted areas.

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

V. 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 be included in 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 American Society of Testing Materials (ASTM) documentation to show the coating applied meets the requirements of being a lead-based paint encapsulant. All property owners or developers receiving assistance shall incorporate ongoing lead-based paint maintenance activities in regular building operations, in accordance with Sec. 35.1355 (a), as applicable. Please see Attachment 7 for a summary of lead-based paint requirements by activity.

W. LEAD-BASED PAINT DESIGNER: If lead is present at levels that need to be remediated, the City requires that a qualified 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:

1. "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.
2. 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.

X. LEVERAGE: AHTF-funded projects must leverage additional resources. The leverage percentage is calculated by dividing the total AHTF amount previously awarded and requested by Total Development Cost.

Y. MARKET STUDY: Proposals must include 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; and
6. Summarizes construction pricing and trends.

Z. 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.

AA. MINIMUM 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.

BB. MINIMUM CONSTRUCTION, REHABILITATION AND/OR PROPERTY STANDARDS: Each project must meet at a minimum all applicable State and local codes, ordinances, and requirements, including FHA minimum property standards and applicable HUD property standards. Applicable HUD property standards may include the International Energy Conservation Code, Energy Star Qualified Homes, the Uniform Federal Accessibility Standards, site and neighborhood standards (24 CFR 983.57(b), or Housing Choice Voucher Program Housing Quality Standards (formerly Section 8 HQS). New minimum property standards are being proposed by HUD for HOME-assisted projects.

CC. NEIGHBORHOOD GROUP REVIEW: Developers are required to submit their development projects to the official neighborhood group for review prior to City Council approving an AHTF award. Include the neighborhood review letter in funding proposal.

DD. 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.

EE. PROJECT-BASED SECTION 8 VOUCHERS: The AHTF Program awards points for project-based assistance such as HUD's Supportive Housing Program and Section 8 vouchers that are administered by the Minneapolis Public Housing Authority (MPHA). MPHA goes through a public RFP process when vouchers are available. MPHA's last RFP was in 2011. As of the release date of this document, MPHA did not have any project-based vouchers available, and the timing of any future RFP for vouchers is unknown. More information may be found at http://www.mphaonline.org/.

FF. PROJECT FINANCING AND TIMELY COMPLETION CONDITIONS: Developers are required to submit a project schedule that outlines the milestone 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. Developers must submit monthly progress reports as described in Attachment 9 summarizing various project-related accomplishments. Projects unable to meet the timelines may lose their funding allocation. However, developers may reapply during the annual RFP cycle. 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.
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:
    a. Demonstrate that at least one-third of the total development funds have been raised; and
    b. Provide evidence that the balance of the development money is likely to be raised; and
    c. Provide evidence that a closing will occur within the next twelve months.

GG. PROJECT SCOPE OF WORK: Developers are required to submit a preliminary scope of work which outlines cost estimates and preliminary rehab specifications, drawings, and site plans for the project. CPED may require, however, more substantial rehabilitation than initially proposed to ensure compliance with applicable policy.

HH. PROPOSAL EVALUATION AND SELECTION PROCESS: Developers are strongly encouraged to apply only once to the AHTF either at the start, the middle or the end of the project financing process. CPED staff will evaluate and underwrite the AHTF proposals according to the selection criteria contained in this document. For rehabilitation projects, a physical inspection of the property by CPED will be necessary. Following this review and the scoring and ranking of the proposals, staff recommendations for project funding to the City Council will be made. CPED staff will determine the appropriate funding source for all projects.

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II. RELOCATION POLICY: Displacement is discouraged. However, if it is necessary and unavoidable, the developer must submit a relocation plan that complies with the applicable 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 proposals must include all of the following relocation materials:

1. Occupancy information/rent rolls of all persons occupying the real property on the date of the initial submission of the proposal for assistance by the developer to the grantee or HUD, if the developer has site control; or
2. Occupancy information/rental rolls of all persons occupying the real property as of the date that the developer obtains site control (e.g. purchase option) if site control is not obtained until after submission of the proposal.
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 proposal, date that the developer 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 proposal review period, staff may request additional information to ensure compliance with the federal relocation regulations and the local relocation rules.

JJ. RENT: Attachment 2 provides utility allowance, income and rent information. While the information in Attachment 2 was current as of the public release of this RFP, the data is expected to change over time.

KK. SCATTERED SITE PROJECTS: Proposals that contain a combination of at least ten single family, duplex, triplex and fourplex housing units are typically eligible for AHTF funding and considered to be a single project by the AHTF Program.

LL. SECURITY COSTS: Developers 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.

MM. SELF-SCORING WORKSHEET: Attachment 9 is a self-scoring worksheet that is required to be submitted to further describe the points that the developer believes may be earned based upon the documentation included throughout the funding proposal.

NN. SITE CONTROL: The AHTF Program requires evidence of site control as a condition of submitting a proposal**.** 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. A proposal 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.

Proposals without evidence of site control may be rejected without receiving an underwriting review. 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 proposal 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.

OO. 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.

PP. SUBP: Attachment 10 contains the Small and Underutilized Business Enterprise Program (SUBP) form that will be used by the Minneapolis Department of Civil Rights to establish contracting goals for the project if funded. More information on SUBP is included in the contracting standards in Attachment 6.

QQ. TAX INCREMENT FINANCING: Tax increment financing will not be considered for projects unless there are extraordinary development costs such as historic preservation, relocation, excessive demolition and clean-up costs. More information on the Tax Increment Financing Policy may be found here: http://www.minneapolismn.gov/cped/resources/reports/cped_tax_increment_policy.

RR. UNDERWRITING STANDARDS: The AHTF CPED Underwriting Standards are included as Attachment 11.

SS. 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.

IX. FUNDING PROPOSAL PREPARATION: Developers are advised to consider the following while assembling the funding proposal:

A. City Policy Consistency: Consider how the proposed housing is consistent with adopted City policy, especially those noted in Section II.

B. Gap: Determine the amount needed for gap assistance in compliance with the maximum award description in the above Part 1, Section VIII.

C. Historic Resource Letter: Promptly request a historic resource review letter for projects that included demolition or building relocation.

D. Neighborhood Review: Submit the development proposal to the recognized neighborhood group for review of the proposal based on design and land use issues prior to the proposal submittal. Provide a letter from the neighborhood organization evidencing their review.

E. Permanent Mortgage: 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.

F. Rebates and Tax Exemptions: Include anticipated utility rebates or sales tax exemptions as a funding source.

X. REQUIRED FUNDING PROPOSAL CONTENT: Include the following documents in the order in which they are listed:

A. All of the applicable forms, narratives, spreadsheets, checklists and related attachments in the Minnesota Housing Minnesota Multifamily Rental Housing Common Application Form available here: http://www.mnhousing.gov/wcs/Satellite?c=Page&cid=1358905251684&pagename=External%2FPage%2FEXTStandardLayout. The document titles below are from the Common Application Checklist:

1. Section A
   - A-1 Minnesota Multifamily Rental Housing Common Application Form
   - A-2 Multifamily Rental Housing Narrative Questions (including the Supportive Housing Narrative)
   - A-3 Project Schedule
   - A-4 Appraisal or appraiser's opinion of value, and MHFA's Appraisal Submission Items
   - A-5 Applicant Certification of Environmental Issues
   - A-6 Market Qualification Form
   - A-7 Affirmative Fair Housing Marketing Plan
   - A-8 Minimizing Transportation Costs and Promoting Access to Transit: Provide a map identifying the location of the project with exact walking distances to the public transit station/stop and include a copy of the route, span and frequency of service (see the Illustrative Transit Map in Attachment 12 to supplement other available transit information)
   - A-9 Site Location map
   - A-10 Photographs
   - A-11 Preliminary Architectural/Construction Requirements for New Construction (preliminary sketch plans are permitted, 11" by 17" format or half-size are permitted)
   - A-12 Scope of Work for Acquisition and/or Rehabilitation of Existing Buildings
   - A-13 Physical Needs Assessment or Capital Needs Assessment
   - A-14 Green Communities Certification Workbook
   - A-15 Evidence of Site Control

- A-16 Sources and Uses of Funds – Proposed, Secured, and Existing
- A-17 Tenant Relocation Plan for permanent and temporary relocation both on- and off-site including the occupancy information and relocation budget
- A-23 Commitment to Provide Project Based Rental Assistance
- A-24 Rent Roll for Existing Developments
- A-25 Management and Operating Expenses (data from comparable new construction projects or audited financial operating expense statements for at least 3 stabilized years)
- Financial Statements:
    a. Current organizational financial statements
    b. Current financial statements for each partner of partnership or corporation

2. Section B: There are no required forms to be submitted from this section.
3. Section C
    - C-1 Market Study (if available)
    - C – 11 Nonprofit Proof of Status, Non-Profit Intended Participation: Articles of Incorporation, IRS Election Status (Internal Revenue Service (IRS) documentation of status)
    - C-13 Written Policy for Smoke-Free Buildings if proposed
4. Section D: There are no required forms to be submitted from this section.
5. Section E
    - E-1 Letter of Confirmation from Hennepin County Human Services and Public Health (documentation for preliminary discussions on supportive housing funding)
6. Section F
    - F-1 Documentation Relevant to Preservation of Federally Assisted Housing
    - F-2 Recent Site Inspection Report
    - F-3 Preservation Data Tab (to be completed in the Common Application Excel workbook)

B. 20 Year Proforma
C. AHTF Self-Scoring Worksheet: A completed Self Scoring Worksheet included as Attachment 9.
D. Funding Commitment Letters
E. Historic Resource Review Letter
F. Neighborhood Support Letter(s)
G. Proposal Fee: A $1,000 non-refundable funding proposal fee payable to the City of Minneapolis.

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XI. FUNDING PROPOSAL SUBMITTAL LOCATION AND DEADLINE

A. Funding proposals are being accepted between the public release date of the front page of this document and 4:30 p.m., CDT, on June 28, 2013. The order in which the proposals are received will be noted. Developers are encouraged to submit funding proposals before the deadline. Proposals delivered after the deadline will be returned without being reviewed. The City has the right to reject any and all proposals at its sole discretion.

B. Submit two (2) paper-based copies of the materials described in Section X above preferably unbound, double sided and three-hole punched.

C. Submit two (2) separate USB flash drives (which may be returned upon request), CDs, or DVDs continuing the entire contents of the funding proposal.

D. Deliver the proposals to:

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

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PART 2: AFFORDABLE HOUSING TRUST FUND SELECTION CRITERIA

I. INTRODUCTION: Projects are evaluated against a total of 18 selection or scoring criteria, which his divided into three parts. The first part is comprised of 17 selection criteria that apply to all proposed projects. The remaining two parts are comprised of one selection criteria that is specific to projects located within poverty impacted areas or poverty non-impacted areas. 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.

II. MINIMUM POINT THRESHOLD: A funding proposal needs at least 20 points in two selection criteria ("Financial Soundness and Management" and "Economic Integration") to meet the initial minimum point threshold and 86 points in all categories to meet the total minimum point threshold. A proposed project must meet both the minimum 20 point threshold and the minimum 86 total point thresholds to be underwritten and considered for funding.

III. SELECTION CRITERIA FOR ALL PROJECTS:

A. Financial Soundness and Management: Up to 25 Points Total

Underwriting Criteria: Up to 10 points for being underwritten according to the CPED's underwriting standards with approximately one point for each of the standards listed in Attachment 11;

Secured Funding: Up to 5 points for the percentage amount of other funding sources which have been secured as follows:

Percentage of Project Financing Secured	Points
0% to 20%	0
20.1% to 40%	2
40.1% to 60%	3
60.1% to 80%	4
80.1% or more	5

Property Management Plan: Up to 5 points for the quality of the management plan.

Developer's Comparable Project Experience: 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 on the % of total project costs that are considered soft costs or costs of intermediaries. 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
25% or less	0
25.1% to 50%	5
50.1% to 75%	10
75.1% or more	15

E. Design Quality and Compatibility: Up to 5 Points

Projects are evaluated to insure compliance with the Green Communities standards and the Healthy Housing Policy (see Part I, Section VI for more information), 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 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:	Points
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:	Points
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 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 or within .50 miles of a transit stop served by an express route or a limited stop route (10 points). Please see the Illustrative Transit Map in Attachment 12 as a supplement to other available transit information.

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

The developer has applied for 1) Project-based Section 8 units and has obtained 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 Long Term Homeless (at 30% or less of AMI): Up to 10 Points

Project provides housing units for long term homeless households as defined by MHFA for HUD; household income must be 30% or less of AMI.

% of LTH Units	Points
40% of total units at or below 30% AMI	10 points
20% of total units at or below 30% AMI	5 points

K. Long-Term Affordability Period: 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.

Affordability Period	Points
30 years or more	10 points
25 years or more	8 points
20 years or more	5 points

L. 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).

M. Neighborhood Support: Up to 5 Points

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

N. Expiring Tax Credits: Up to 5 Points

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

O. Leverage: Up to 10 Points

Total AHTF amount awarded and current AHTF request divided by Total Development Cost equals leverage ratio percentage.

Leverage Ratio	Points
0 – 5%	10
5.1% - 10%	5

P. 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.

Q. 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.

Distance to Corridor	Points
Contiguous with or within one parcel of a listed corridor right of way	15 points
Not contiguous but within ¼ mile (495 feet) of a listed corridor	10 points
Further than ¼ mile (495 feet) from a listed corridor	0 points

R. SELECTION CRITERIA SPECIFIC TO PROJECTS IN A POVERTY IMPACTED AREA: Preservation, Rehabilitation, Stabilization: Up to 10 Points

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

S. SELECTION CRITERIA SPECIFIC TO PROJECTS IN A POVERTY NON-IMPACTED AREA: New Construction or Positive Conversion: Up to 10 Points

Project provides new construction and positive conversion in non-impacted areas.

PART 3: AFFORDABLE HOUSING TRUST FUND RFP ATTACHMENTS

Attachment 1: Healthy Housing Policy
Attachment 2: Utility Allowances, Income and Rents
Attachment 3: Map of Minority Impacted and Non-Impacted Areas
Attachment 4: Map of Poverty Impacted and Non-Impacted Areas
Attachment 5: Bidding Procedures
Attachment 6: Contracting Requirements
Attachment 7: Summary of Lead-Based Paint Mitigation Requirements
Attachment 8: Progress Report Form
Attachment 9: Self-Scoring Worksheet
Attachment 10: SUBP Form
Attachment 11: Underwriting Standards
Attachment 12: Illustrative Transit Map
Attachment 13: Recitals, Acknowledgement and Consent Form

City of Minneapolis Healthy Housing Policy

The City of Minneapolis Healthy Housing Policy is being developed by the Minneapolis Health Department and the Minneapolis Department of Community Planning and Economic Development (CPED) with the assistance of affordable housing developers. Its development was funded by the Minnesota Department of Health's Statewide Health Improvement Program (SHIP).

The primary intent of the City of Minneapolis Healthy Housing Policy is to ensure that properties are sited, designed and built or rehabilitated to include amenities that support, protect and promote health.

Priorities addressed by the policy:

- Accessible living, aging in place and safety
- Design for active living
- Improved access to healthy food
- Improved indoor air quality
- Non-smoking living environments
- Radon mitigation

Residents of affordable housing developments funded with City of Minneapolis resources will have accessible, age-appropriate and safe living environments, increased access to opportunities for physical activities and to healthy foods, improved indoor air quality, and reduced exposure to tobacco smoke and radon. Lead free housing is also a healthy housing priority. Lead is addressed by the federal Lead-Based Paint Poisoning Prevention Act, as amended, and the Residential Lead-Based Paint Hazard Reduction Act of 1992.

The City of Minneapolis Healthy Housing policy will apply to all sources of affordable housing financing programs provided through Minneapolis Community Planning and Economic Development (CPED). The policy builds on existing programs in order to enhance current practices without adding complexity to the current funding application process.

POLICY

The policy is structured in two parts. Part one is based on the Minnesota Overlay to the Enterprise Green Communities Criteria. Part two includes additional requirements to allow for the inclusion of active living health goals that are not fully identified by the Green Communities Criteria. Both parts must be addressed to fulfill the policy.

The City of Minneapolis Healthy Housing Policy priorities will be achieved through the implementation of the Minnesota Overlay to the Enterprise Green Communities Criteria and an increased focus on design for active living in all City-funded housing projects.

Part One: Green Communities Criteria

The Green Communities Criteria are a framework for comprehensive green building practices which are achievable for all affordable housing development types (new construction, substantial and moderate rehab; single family, and low to high-rise multifamily). The Green Communities Criteria are cost-effective and proven green development approaches that deliver significant health, economic and environmental benefits; technically sound and rigorous performance standards that are comparable to other national and regional green residential programs and are measurable and verifiable.

Building on the **Minnesota Overlay to the Enterprise Green Communities Criteria** standards required by Minnesota Housing ensures compatibility with existing funding requirements. The criteria emphasize specific health outcomes in line with City goals (Livable Communities, Healthy Lives and A Safe Place to Call Home. It is anticipated that the City of Minneapolis Healthy Housing Policy will strongly encourage following the Minnesota Overlay to the Enterprise Green Communities Criteria standards as developed by Minnesota Housing and that changes will be incorporated each year. Some housing programs will either require compliance or will award additional points for compliance.

The Green Communities Criteria currently requires meeting both mandatory and optional points to meet the requirements for funding as follows:

Minnesota Overlay to the Enterprise Green Communities Criteria
Mandatory and Optional Criteria Table

Construction Type	Required Mandatory Criteria	Required Optional Criteria (minimum points)	Certification
MF New Construction	Yes	Yes (35)	Encouraged, not required
MF Substantial Rehab	Yes	Yes (15)	Encouraged, not required
MF Moderate Rehab	Yes	No	Encouraged, not required
SF New Construction	Yes	No	Encouraged, not required
SF Acquisition/Rehab	Yes	No	Encouraged, not required

The City of Minneapolis will require or encourage certification through Enterprise for all projects. Certification is currently a strongly encouraged optional path for Minnesota Housing funding. Certification is already required for Minneapolis Green Homes North funding.

The City of Minneapolis Healthy Housing priorities will be advanced by both mandatory and optional Green Communities Criteria. Encouraging all City of Minneapolis funded affordable housing development to meet the mandatory criteria will significantly contribute to the City of Minneapolis Healthy Housing Policy priorities. Additionally, the selection of optional criteria to meet healthy housing priorities is strongly encouraged. While not officially required by this policy, most affordable housing developments can and will include five to ten points, and in many developments even fifteen or more points, from the healthy housing optional criteria.

Compliance will be demonstrated at the time of application for funding by submitting a copy of the Green Communities Criteria intent to comply form “Intended Methods Worksheet of the Certification Workbook” and showing inclusion of the healthy housing criteria in required optional criteria points for Multifamily Housing Development. For Single Family Housing Development, compliance will be demonstrated at the time of application for funding by submitting a copy of the Green Communities Criteria intent to comply form “Intended Methods Worksheet of the Certification Workbook” or a complete “Green Communities Criteria Checklist” and showing inclusion of the healthy housing optional criteria. At closing, a letter from Enterprise

stating that the development will meet the Green Communities Criteria if built as submitted may be required. All development projects are strongly encouraged to pursue Enterprise certification and to provide the City of Minneapolis confirmation of Enterprise certification when projects are ready for occupancy. The methods of compliance may change as green practices evolve. The Director of Housing Policy and Development may authorize changes to the methods of compliance to most effectively promote the Healthy Housing Policy and to reflect changes in Minnesota Housing Finance Agency standards identified by in the Minnesota Overlay to the Enterprise Green Communities Criteria.

The Minnesota Overlay to the Enterprise Green Communities Mandatory Criteria and Optional Criteria that are healthy housing priorities are listed below.

Green Communities Criteria - Healthy Housing Mandatory Criteria

	MANDATORY CRITERIA	HEALTHY HOUSING PRIORITY
1	**Integrated Design Process**	
1.1a	Green Development Plan Integrative Design Meetings	Accessible Living, Aging in Place, Safety
1.1b	Green Development Plan Documentation	Accessible Living, Aging in Place, Safety
2	**Location and Neighborhood Fabric**	
2.1	Sensitive Site Protection	Active Living
2.2	Connections to Existing Development Infrastructure	Active Living
2.3	Compact Development – 10 units per acre or 75%	Active Living
2.5	Proximity to Services - ¼ - ½ mile walk	Active Living
6	**Materials Beneficial to the Environment**	
6.1	Low/No VOC Paints and Primers	Indoor Air Quality
6.2	Low/No VOC Adhesives and Sealants	Indoor Air Quality
7	**Healthy Living Environment**	
7.1	Composite Wood Products Emit Low/No Formaldehyde	Indoor Air Quality
7.2	Environmentally Preferable Flooring	Indoor Air Quality
7.4a	Exhaust Fans: Bathroom – New Construction / Rehab	Indoor Air Quality
7.5a	Exhaust Fans: Kitchen – New Construction / Rehab	Indoor Air Quality
7.6a	Ventilation– New Construction / Rehab	Indoor Air Quality
7.7	Clothes Dryer Exhaust	Indoor Air Quality
7.8	Combustion Equipment	Indoor Air Quality
7.9a	Mold Prevention – Water Heaters	Indoor Air Quality
7.9b	Mold Prevention – Surfaces	Indoor Air Quality
7.9c	Mold Prevention – Tub and Shower Enclosures	Indoor Air Quality
7.10	Vapor Barrier Strategies– New Construction / Rehab	Radon Mitigation
7.11	Radon Mitigation	Radon Mitigation
7.13	Garage Isolation	Radon Mitigation
7.14	Integrated Pest Management	Indoor Air Quality
7.15	Lead Safe Work Practices - Rehab	Lead Free

Green Communities Criteria – Healthy Housing Optional Criteria

	OPTIONAL CRITERIA	POINTS	HEALTHY HOUSING PRIORITY
1	**Integrated Design Process**		
1.2a	Universal Design – Accessible New Construction	2	Accessible Living, Aging in Place, Safety
1.2b	Universal Design – Accessible Rehab (Level 1)	2	Accessible Living, Aging in Place, Safety
	Universal Design – Accessible Rehab (Level 2)	3	Accessible Living, Aging in Place, Safety
2	**Location and Neighborhood Fabric**		
2.4	Compact Development – 15 units per acre or 75%	5	Active Living
2.7	Preservation of Access to Open Space -20%	1	Active Living
	Preservation of Access to Open Space – 30% +	2	Active Living
2.8	Access to Public Transportation – ½ mile walk	5	Active Living
2.12	Access to Fresh Local Foods – Gardens	6	Access to Healthy Food
	Access to Fresh Local Foods - CSA	6	Access to Healthy Food
	Access to Fresh Local Foods – Farmers Market	6	Access to Healthy Food
7	**Healthy Living Environment**		
7.3	Environmentally Preferable Flooring	4	Active Living
7.4b	Exhaust Fans: Bathroom – Moderate Rehab	6	Indoor Air Quality
7.5b	Exhaust Fans– Moderate Rehab	6	Indoor Air Quality
7.6b	Ventilation – Moderate Rehab	5	Indoor Air Quality
7.16	Smoke Free Building	9	Smoke Free Living

For the full list of Minnesota Overlay to the Enterprise Green Communities Criteria see the link in the resources section of this policy.

Part Two: Active Living Design

To increase focus on active living in all City of Minneapolis funded housing projects, opportunities to build physical activity in to the design of projects will be encouraged.

The Hennepin County **Active Living Design Checklist (January 2012),** design and programming may be utilized to promote active lifestyles. Specifically, the guidelines on Internal Building Features and Building Operation may be implemented to promote active living. Developments that incorporate active living in the building design to encourage use of stairs, walking, exercise, getting fresh air outdoors, and access alternative forms of transportation are highly encouraged.

Compliance will be demonstrated at the time of the funding application by submitting a narrative outlining how the intent of the Active Living Design Checklist is met by the project design or by providing a completed Active Living Design Checklist.

Additionally, the requirements of the Minneapolis Bike Parking Regulations Guide and ordinance are encouraged to be extended, where feasible, to include all multifamily funded projects of two units or more including substantial and moderate renovation. Compliance will be demonstrated at the time of funding by meeting current requirements for new construction.

CITY OF MINNEAPOLIS AFFORDABLE HOUSING FINANCING PROGRAMS

Multifamily Housing Development

The Multifamily Housing section of CPED administers financing programs to develop and preserve affordable housing throughout Minneapolis. These programs support mixed-income multifamily rental housing and ownership housing projects with 10 or more units.

- Affordable Housing Trust Fund Program funds are used to provide gap financing (the difference between conventional financing and project costs) for affordable and mixed-income rental housing production and preservation projects.
- Emergency Solutions Grant Program funds may be used to renovate or rehabilitate emergency shelters for people experiencing homelessness and to convert buildings for use as emergency shelters.
- The Affordable Ownership Housing Development Program provides funds to developers to create long-term affordable ownership opportunities through new construction or renovation of single family, duplex or multifamily housing, including limited equity cooperatives.
- High Density Corridor Housing Program funds are used by CPED for public acquisition of sites for multifamily housing developments on or near community, commercial and transit corridors, as defined in the Minneapolis Plan.
- Capital Acquisition Revolving Fund can be used to acquire commercial property for owner occupancy.
- Low Income Housing Tax Credits provide a reduction in owners and investors tax liability for new construction, rehabilitation or acquisition of existing buildings that offer affordable housing.
- Multifamily Housing Revenue Bonds are used for affordable and mixed-income rental housing for families and seniors. The Entitlement Housing Revenue Bonds comes with an automatic 4% tax credit allocation.
- Tax Increment Financing (TIF) is used to assist the development of new rental and ownership housing projects.

Single Family Housing Development

The Single Family Housing section of CPED strengthens neighborhoods and facilitates the elimination of blighting influences in Minneapolis through the acquisition and redevelopment of substandard, vacant, boarded, obsolete or non-conforming structures of less than 10 units.

- The Homeownership Works program (HOW) is a federally funded program that allows the City of Minneapolis to contract with approved non-profit developers who buy and renovate/construct single family housing units and sell to households with incomes at, or below 80% of the area median income.
- The Green Homes North program is a loan and subsidy pool for approved private and non-profit developers to build 100 green homes over the next five years in North Minneapolis for home buyers.

The Director of Housing Policy and Development may authorize the exemption of a program or development from the Healthy Housing Policy when compliance would exceed cost reasonableness standards as identified within each program.

RESOURCES

Enterprise Green Communities Criteria
www.enterprisecommunity.com/solutions-and-innovation/enterprise-green-communities/criteria

Minnesota Overlay to the Green Communities Criteria
http://www.mnhousing.gov/idc/groups/public/documents/webcontent/mhfa_012435.pdf

Certification Documents
http://www.mngreencommunities.org/publications/download/CertWorkbook.xlsx
http://www.enterprisecommunity.com/solutions-and-innovation/enterprise-green-communities/certification/get-certified
Minnesota Green Communities
www.mngreencommunities.org

Green Operations & Maintenance
These materials provide information for teaching various audiences how to integrate green and healthy practices into current operations and maintenance practices.
Property owners
Property managers
Site supervisors
Resident service coordinators
Others involved in building operations
www.enterprisecommunity.com/solutions-and-innovation/enterprise-green-communities/resources/operations-and-maintenance-toolkit

Resident Engagement
Support healthy living
Lower utility and maintenance costs
Maximize the environmental benefits of green affordable housing
www.enterprisecommunity.com/solutions-and-innovation/enterprise-green-communities/resources/resident-engagement-results

National Center for Healthy Housing
www.nchh.org

Hennepin County Active Living Resources
www.hennepin.us/portal/site/HennepinUS/menuitem.b1ab75471750e40fa01dfb47ccf06498/?vgnextoid=f5deb4815a85e210VgnVCM2000000a124689RCRD

Hennepin County Active Living Design Checklist
www.hennepin.us/files/HennepinUS/Housing%20Community%20Works%20and%20Transit/Community%20Development/Active%20Living/Active%20Living%20Design%20Checklist.pdf

Active Design Guidelines: Promoting Physical Activity and Health in Design © 2010, City of New York
http://www.nyc.gov/html/ddc/html/design/active_design.shtml

Live Smoke Free – Minnesota
Provides information and resources to help property owners and managers develop and implement smoke-free policies.
www.mnsmokefreehousing.org

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		

2013 ADJUSTED HOME INCOME LIMITS*

Minneapolis-St. Paul-Bloomington, MN-WI MSA
(Effective Date: 3/15/13, source: http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/income/)

	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

2013 HOME PROGRAM RENT LIMITS

Minneapolis-St. Paul-Bloomington, MN-WI MSA
(Effective 4/1/13, source: http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/rent/2013/mn.pdf)

Rent Limit*	Efficiency	1BR	2BR	3BR	4BR	5BR	6BR
Low HOME Rent	$628	$751	$920	$1,091	$1,217	$1,343	$1,468
High HOME Rent	$628	$751	$920	$1,296	$1,525	$1,664	$1,803
Fair Market Rent	$592	$736	$920	$1,296	$1,529	$1,758	$1,988
50% Rent Limit	$735	$787	$945	$1,091	$1,217	$1,343	$1,468

* Additional income limit data may be found here: http://www.huduser.org/portal/datasets/il.html.

Additional information on FY13 Section 8 income limits may be found in Notice PDR-2013-02 (http://www.huduser.org/portal/datasets/il/il13/HUD_sec8_13.pdf)

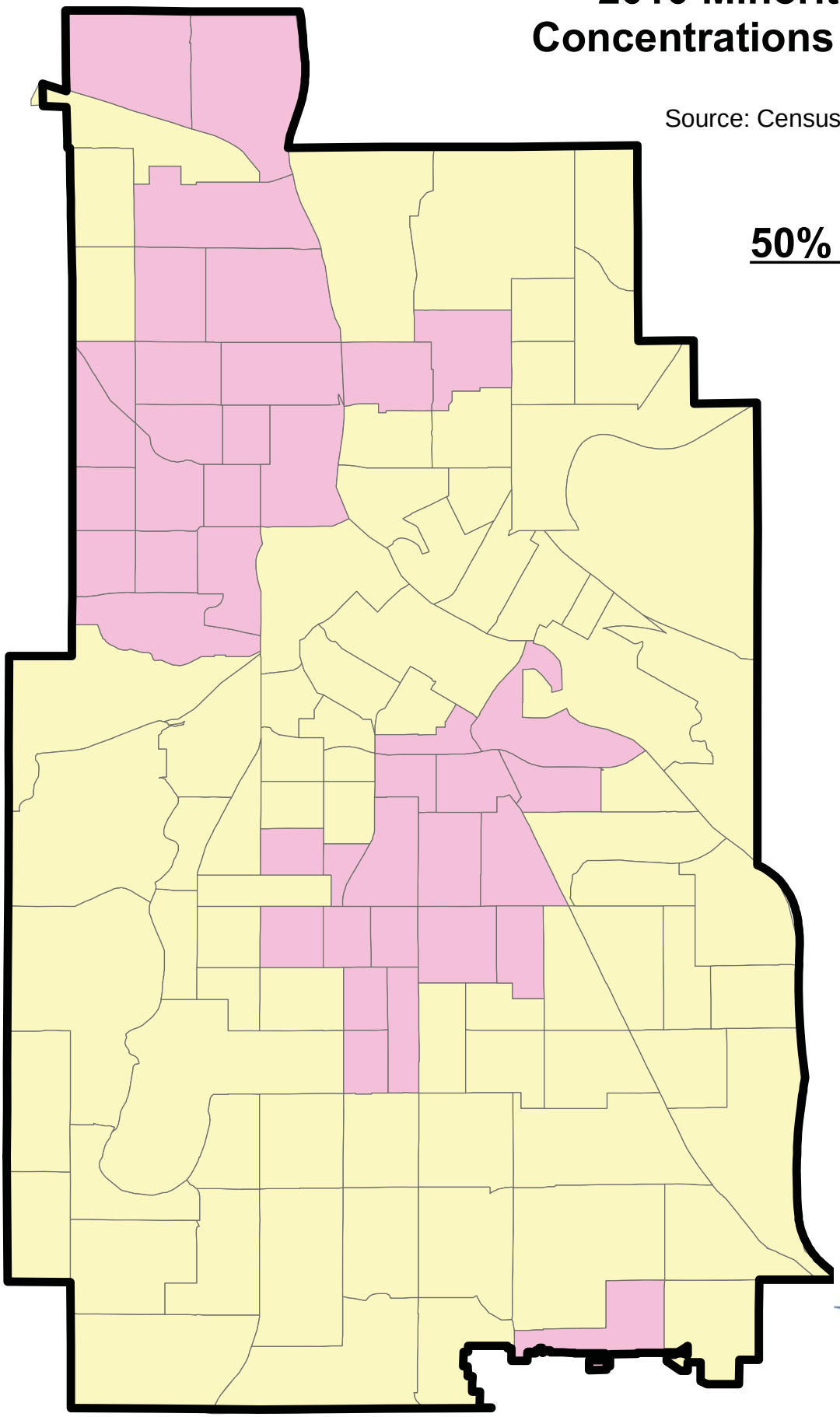
The income and rent data is subject to change without notice

** Fair Market Rent and 50% Rent Limit are included for informational purposes only. For all HOME projects, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or the Low HOME Rent Limit

ATTACHMENT 3

2010 Minority Population Concentrations by Census Tract

Source: Census Bureau, 2010 SF1



50% Threshold

Legend

TRACTS

- Less than 50% Concentration
- 50% or more Concentration

Minneapolis
City of Lakes
Community Planning & Economic Development

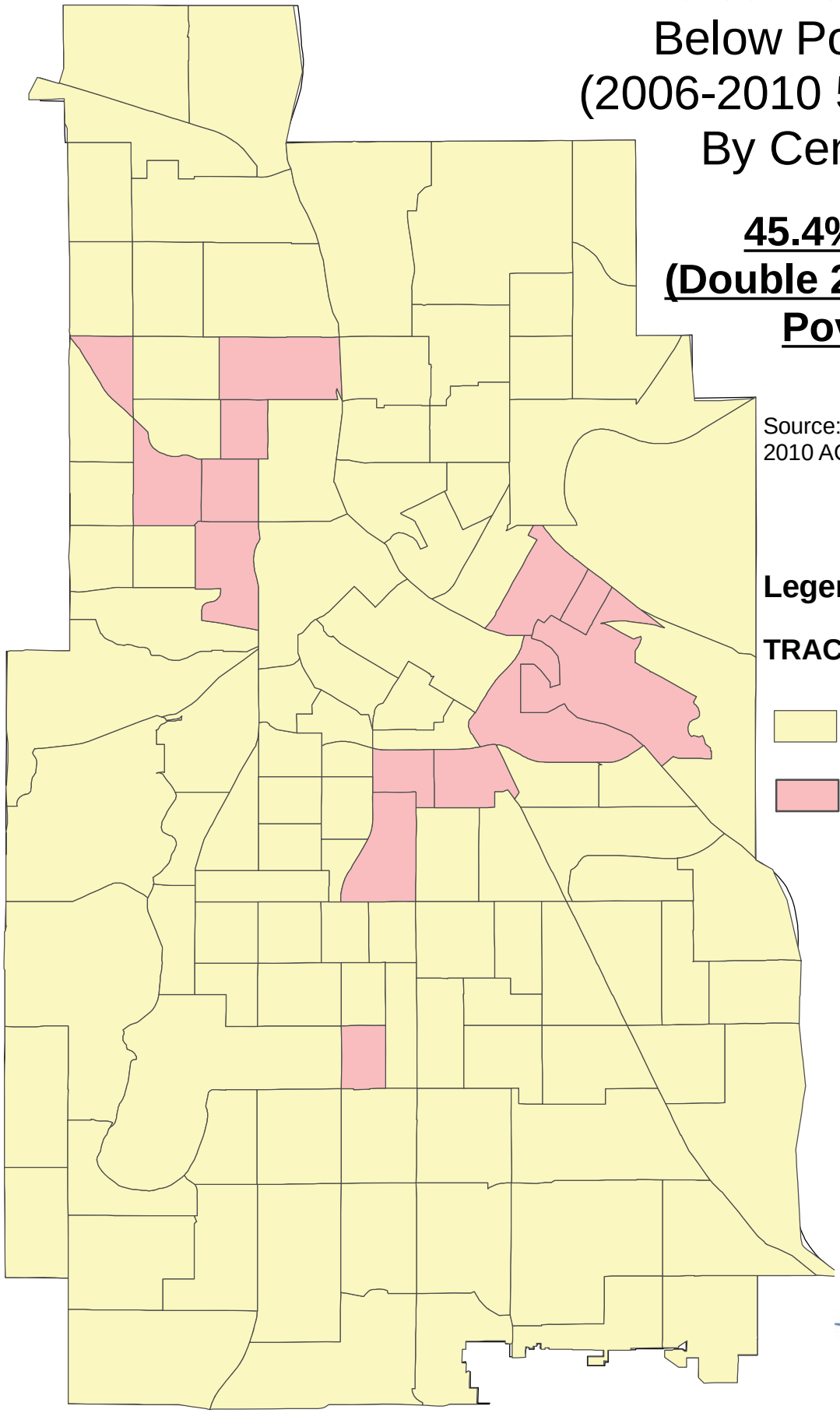
North

CPED Research, Feb. 2012

ATTACHMENT 4

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

45.4% Threshold (Double 22.7% City wide Poverty rate)



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

Legend

TRACTS

Less than 45.4% population below poverty

45.4% or more population below poverty

Minneapolis
City of Lakes
Community Planning & Economic Development

North

CPED Research, Feb. 2012

Bidding Procedures for Projects Funded by the Affordable Housing Trust Fund Program and Housing Revenue Bonds (Effective: May 1, 2013)

THE CITY ENCOURAGES PROCUREMENT TRANSACTIONS TO BE CONDUCTED IN A MANNER THAT DEMONSTRATES REASONABLE DEVELOPMENT COSTS AS WELL AS PROVIDING FULL AND OPEN COMPETITION.

I. GENERAL CONTRACTOR AND SUBCONTRACTOR 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 further described in Section II below and must include clear and complete written specifications, and a standard bid response 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. General Contractor Request for Qualifications (RFQ) with subsequent sealed bids for general contractor selection (previously the "Alternative Method"): This method uses a publicly advertised RFQ to establish a short list of at least three (3) pre-qualified general contractors who will then complete for the general contracting work by submitting a sealed bid on a standard form based upon clear plans and specifications at a pre-determined public bid opening. With this method, the general contractor is not directly involved in creating the development plans or the project specification manual, and the general contractor may or may not have identified all of the subcontractors who may work on that particular project at the time the sealed bids are due.

C. General Contractor Selection with subsequent bidding for subcontractor selection (previously, the "Second Alternative Method"): This method**,** sometimes referred to as the "team approach," is generally intended for larger projects with a total development cost over $10 million where the general contractor is involved in estimating project pricing, drafting the development plans and project specification manual, and managing the subcontractor bidding process. The selected general contractor issues a public Request for Proposals (RFP) soliciting formal bids from qualified subcontractors based upon written plans and specifications. This subcontractor selection must comply with the bidding procedures described in Section II below.

D. Cost Reasonableness Study: In circumstances where City staff agree that a public selection of a general contractor or subcontractors creates an excessive burden on the project or generates insufficient competitive proposals or bids, the City may elect to complete a cost reasonableness study at its sole discretion and at the cost of the developer in lieu of requiring Method A., B., or C. above. This method includes the following procedures and documentation:

1. Declaratory Letter to CPED: Developer provides CPED with a letter and supporting documentation demonstrating why a public selection of a general contractor or subcontractors created an excessive burden on the project, generated insufficient competitive proposals or bids, or another reasonable explanation describing why none of the Methods A., B., or C. was appropriate for the project.
2. Plans and Specifications Provided to CPED: The developer furnishes CPED with the complete construction plans and written project specifications manual.

3. Consultant Selection: Using authority granted to CPED in the signed Recitals, Acknowledgement, and Consent Form from Attachment 13 of the RFP, CPED selects at

its sole discretion at least one qualified consultant such as one or more architects or general contractors to review the construction plans and project specifications to estimate project costs and compare those costs to at least one other similar project.

II. ADDITIONAL POLICIES AND PROCEDURES

A. Advertisement Publication:

1. At a minimum, all advertisements must be published in Finance and Commerce twice for a minimum of one (1) week each. Direct mail invitations or solicitations are permitted as a supplement to the minimum required public advertisement
2. Bid packages with construction plans and specifications used for general contractor or subcontractor selection must be made available concurrently with the public advertisement to applicable labor union trade organizations or regional council offices.
3. All solicitations must be reviewed by CPED staff prior to commencement of advertising.
4. Affidavits of publication must be provided to CPED which describes the specific advertisement that was published and the dates of publication.

B. Architectural Services: CPED recommends using the Minnesota Housing Finance Agency Architecture Services Guide (the April 2013 version is posted here: http://www.mnhousing.gov/idc/groups/multifamily/documents/webcontent/mhfa_008062.pdf).

C. Competitive Bidding is Preferred: At least three (3) competitive bids, proposals or responses are preferred when a competitive process is used to select either the general contractor or subcontractors.

D. Bid or Proposal Opening Documentation to CPED: Upon the completion of the opening of the bids or advertisement responses, the following must be promptly submitted to CPED staff:

1. Copy of the sign-in sheet of all persons in attendance at the opening;
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.

E. Change Orders: CPED endeavors to minimize change orders where possible.

F. Contracting Requirements:

1. Please see the AHTF Contracting Standards (Attachment 6) for a summary of the applicable SUBP, affirmative action, Davis Bacon, CPED Apprenticeship, and related rules.
2. 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.

G. Design-Build Prohibited: The design-build approach where the design phase of the project overlaps with the construction phase is a prohibited procurement method even when Method D is used.

H. Faxed or E-Mailed Bids Prohibited: Faxed or e-mailed bids or responses are not permitted.

I. Procurement for Professional Services: Procurement for professional services including architectural, engineering, and legal: CPED encourages but does not require a competitive process to be used to select professional consultants for projects.

J. Project Manuals and Specifications Standard Format: All project manuals or specification books shall be organized into Divisions and Sections using the 16 –division format and Construction Specification Institute (CSI) Master Format numbering system.

K. Retainage: Unless otherwise agreed to by the City, the General Contractor must include a retainage clause requiring a 10% holdback of hard construction costs until construction is 50% complete with such holdback released upon completion of construction.

L. Standard Forms Required

1. A standard bid or proposal response form must be provided in the bid package to be completed by the respondents.
2. 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.

M. Registered and Independent Professional Consultants: 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 the scope of work is limited to minor rehabilitation and simply replacing worn components/equipment with similar new components/equipment.

N. General Contractor Self-Performing Construction Work: 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.

CITY OF MINNEAPOLIS – AHTF CONTRACTING REQUIREMENTS (4/20/12)

The borrower will be required to comply with all applicable Federal, State and local laws and regulations. These requirements vary depending upon the type of development and the source and amount of public investment, if any, and may include, without limitation, the payment of Prevailing Wages for construction, the preparation of Affirmative Action Plans, competitive bidding, compliance with the Small and Underutilized Business Enterprise program or equivalent federal program, and Business Subsidy Act/Living Wage Ordinance, and reporting requirements for those programs. Some of the standard requirements are further discussed below, but the following list is not exhaustive. The borrower is responsible for compliance with all City contracting requirements. Failure to incorporate the requirements as appropriate in any bidding documents or contracts may make a project ineligible for funding or public assistance.

Proposers unfamiliar with these standard requirements are urged to seek further information. Proposers should be aware that additional project costs may result from some of these requirements.

1. **Equal opportunity (nondiscrimination and affirmative action)** The borrower, its general contractor and other contractors or subcontractors with contracts exceeding $50,000 will be required to submit a written Affirmative Action Plan for the development project. The borrower also must comply and cause its contractors to comply with applicable provisions of Chapters 139 and 141 (Title 7, Civil Rights), Minneapolis Code of Ordinances, nondiscrimination provisions contained in Chapter 181, Minnesota Statues, the Americans with Disabilities Act of 1990 (as amended), Section 109 of the Housing and Community Development Act of 1974 (as amended), the Age Discrimination Act of 1975 (as amended) and Executive Order 11246, as amended by Executive Order 12086. The borrower will be required not to discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, sexual orientation, gender identity, disability, age (forty (40) to seventy (70)), marital status, or status with regard to public assistance. The borrower also will be required to take affirmative action to ensure that all employment practices are free of such discrimination. These employment practices include, but are not limited, to the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. The borrower will post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this non-discrimination clause. The borrower also will be required to, in all solicitations or advertisements for employees placed by or on behalf of the borrower, state that it is an equal opportunity or affirmative action employer. The City requires compliance in demolition, construction and marketing of development projects. (See attached MDCR Contract Compliance fact sheet for further Affirmative Action and other compliance requirements.)

2. In accordance with the City's **Prevailing Wage Policy**, the borrower (for 8+ unit projects) must covenant and agree that it will cause its general contractor and subcontractors to comply with the wage and hour standards issued by the United States Secretary of Labor pursuant to the Davis Bacon Act, 40 U.S.C. Sections 276a to 276a-5, as amended, and the Contract Work Hours and Safety Standards Act 40 U.S.C. Sections 327-333. The borrower shall maintain appropriate payroll documentation for a 3-year period after completion of the project.

   Additional requirements for **federal funds**: construction projects receiving **federal** funds may need to comply with the provisions of the Davis-Bacon Act (requirements vary depending on amount and type of funding – see attached compliance requirement summary). The Davis-Bacon Act requires that all contractors and subcontractors pay prevailing wages as determined by the federal Davis-Bacon wage decision. All contractors and subcontractors subject to the Davis-Bacon Act must provide weekly certified payroll records to the Minneapolis Department of Civil Rights. The signed contract that contains the building specifications for the project must contain a copy of the

appropriate United States Department of Labor Federal Wage Decision document and the HUD form 4010, Federal Labor Standards Provisions.

3. Borrower and its contractors and suppliers must comply with the Small & Underutilized Business Enterprise Program (SUBP) requirements as outlined in Minneapolis City Code Chapter 423 and the provisions attached hereto as Attachment A (the "SUBP Requirements"). The SUBP Requirements apply to any development project that receives assistance in excess of one hundred thousand dollars ($100,000). Any questions about the SUBP Requirements should be directed to the Small & Underutilized Business Enterprise Program, City of Minneapolis Civil Rights Department, 239 City Hall, 350 South 5th Street, Minneapolis, Minnesota 55415, Attention: Director Small & Underutilized Business Enterprise Program (612-673-3076).

4. The borrower's contractors will be subject to the City's **Apprenticeship Training Policy** (for 8+ unit projects).

5. The development must be in conformance with the Uniform Federal **Accessibility Standards** as published on April 1, 1988. The borrower must describe the accessibility design for people with disabilities of each of the code required handicapped units, any proposed housing development (e.g. roll-in showers), the mix of accessible units in the project and where they are located, and any appropriate safety features for vision- and hearing-impaired people.

6. The City's **Affordable Housing Policy** applies to any residential development (rental or ownership) with ten units or more, or a project with a residential component of 10 or more units, that receives any public financial assistance. Public financial assistance includes the receipt of Affordable Housing Trust Fund monies.

   Under the Affordable Housing Policy, three options are available:
   - 20% of the units in the development must be affordable, or
   - A comparable number of affordable units must be legally committed by the developer to be built elsewhere in the City, or
   - A payment equal to the number of required affordable housing units times $80,000 must be made into the City's Affordable Housing Fund.

   Units are considered affordable if the rent (and/or the combined PITI with utilities) is no more than 30% of 60% of the Twin Cities Standard Metropolitan Statistical Area monthly household income, by family size. If the project receives Affordable Housing Trust Funds, 20% of the units must be affordable to households at or below 50% of the area median income. Units must be affordable for a minimum of 15 years after completion.

7. **Rezoning Responsibility**: It is the borrower's responsibility to undertake and finance any rezoning, variance and use permits necessary for approval of proposed development.

8. **Utilities**: It is the borrower's responsibility to identify the locations of and provide for the installation of electricity, gas, water, sewer service and other utilities servicing the site from the public mains to the individual units.

9. **Construction Standards**: Development must meet FHA minimum property standards and all Minneapolis City codes, and projects will be reviewed for energy efficiency.

10. **Residential Sale and Commercial Sale/ Lease**: The completed units must be advertised and offered publicly and must be sold to the general public.

11. **Hold Harmless**: The borrower shall agree to defend, indemnify and hold the City harmless from any and all claims or lawsuits that may arise from the borrower's activities under the provisions of the loan agreement, that are attributable to the acts or omissions, including breach of specific contractual duties of the borrower or the borrower's independent contractors, agents, employees or officers.

12. **Insurance**: The insurance required for projects approved for funding will include general liability, auto, builder's risk, worker's compensation, and any other insurance appropriate to the project.

13. **Payment and Performance Bond:** The borrower must provide payment and performance bonds in the form prescribed by Minnesota Statutes, Section 574.26, covering the faithful performance of the general contractor's obligations under the construction contract, naming the City as a co-obligee, in the full amount of the construction contract and written by a surety mutually acceptable to the City and the borrower, or an irrevocable letter of credit from a lender approved by the City in the amount of 100% of the construction costs.

14. **Bidding Requirements**: The borrower is required to demonstrate compliance with CPED competitive bidding requirements for general and subcontractor selection.

15. **Interest of Members of City :** No member of the governing body, officer, employee or agent of the City who exercises any function or responsibilities in connection with the carrying out of the project to which this proposal pertains, shall have any personal interest, financial or otherwise, direct or indirect, in the loan agreement.

16. **Transfer of Interest**
    The borrower shall not assign any interest in the loan agreement, and shall not transfer any interest in the same either by assignment or novation without the prior written approval of the City, provided, however, that claims for money due or to income due to the borrower may be assigned to a bank, trust company or other financial institution, or to a trustee in bankruptcy without such approval. Notice of any such assignment or transfer shall be furnished to the City. The borrower shall not subcontract any services under the loan agreement without prior approval of the City's designated Contract Manager.

17. **Performance Monitoring**
    The City will monitor the performance of the borrower against goals and performance standards required in the loan agreement. Substandard performance as determined by the City may result in the initiation of contract termination procedures. The City's designated Contract Manager shall review each portion of the work when certified as complete and submitted by the borrower and shall inform the borrower of any apparent deficiencies, defects, or incomplete work, at any stage of the project.

18. **Independent Contractor**
    Nothing contained in the loan agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The borrower shall at all times remain an independent contractor with respect to the services to be performed under the loan agreement. Any and all employees of the borrower or other persons engaged in the performance of any work or services required by the borrower under the loan agreement shall be considered employees or sub-contractors of the borrower only and not of the City; and any and all claims that might arise, including worker's compensation claims under the Worker's Compensation Act of the State of Minnesota or any other state, on behalf of said employees or other persons while so engaged in any of the work or services provided to be rendered herein, shall be the sole obligation and responsibility of the borrower.

19. Retention of Records

The borrower shall retain financial records, supporting documents, statistical records and all other records pertinent to the expenditures under the loan agreement for a period of six years from the completion of the project, pursuant to the requirements of 24 CFR 84.53(b) as modified by 570.502(b)(3)(ix)(A) and (B). Records that are the subject of audit findings shall be retained for six years after such findings have been resolved. Records for non-expendable property acquired with funds under the loan agreement shall be retained for six years after final disposition of such property. Records for any displaced person must be kept for six years after he or she has received final payment.

20. Data Practices

The borrower agrees to comply with the Minnesota Government Data Practices Act and all other applicable state and federal laws relating to data privacy or confidentiality. The borrower must immediately report to the City any requests from third parties for information relating to the loan agreement. The City agrees to promptly respond to inquiries from the borrower concerning data requests. The borrower agrees to hold the City, its officers, and employees harmless from any claims resulting from the borrower's unlawful disclosure or use of data protected under state and federal laws.

21. Inspection of Records

All borrower records with respect to any matters covered by the loan agreement shall be made available to the City or its designees at any time during normal business hours, as often as the City deems necessary, to audit, examine, and make excerpts or transcripts of all relevant data.

22. Applicable Law

The laws of the State of Minnesota shall govern the loan agreement, and the appropriate venue and jurisdiction for any litigation which may arise thereunder will be in those courts located within the County of Hennepin, State of Minnesota, regardless of the place of business, residence or incorporation of the borrower.

23. Conflict and Priority

In the event that a conflict is found between provisions in the loan agreement, the borrower's Proposal or the City's Request for Proposals, the provisions in the following rank order shall take precedence: 1) loan agreement; 2) Proposal; and last 3) Request for Proposals.

24. Billboard Advertising

Through Section 109.470, Minneapolis Code of Ordinances, City and City-derived funds are prohibited from use to pay for billboard advertising as a part of a City project or undertaking.

25. Conflict Of Interest/Code Of Ethics

The borrower agrees to be bound by the City's Code of Ethics, Minneapolis Code of Ordinances, Chapter 15. The borrower will be required to certify that to the best of its knowledge all City employees and officers participating in the loan agreement have also complied with that Ordinance. It is agreed by the parties that any violation of the Code of Ethics constitutes grounds for the City to void the loan agreement. All questions relative to this section shall be referred to the City and shall be promptly answered.

27. Additional Federal Requirements

RELOCATION: The borrower shall comply with Titles I and II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601-55) and 49 C.F.R. Part 24, for displacement of persons, businesses, nonprofit organizations, and farms occurring as a direct result of any project receiving federal funds to the extent said statutes apply to the loan agreement.

AFFIRMATIVE MARKETING: Recipients of HOME program funds shall comply with the City's Affirmative Marketing requirements under 24 C.F.R. §92.351.

HUD "SECTION 3 REQUIREMENTS" (24 C.F.R. Part 135) IN THE PROVISION OF TRAINING EMPLOYMENT AND BUSINESS OPPORTUNITIES: Borrowers receiving more than $200,000 of federal funds for a project and any contractor or subcontractor with a contract on such a project in excess of $100,000 are subject to the Section 3 requirements outlined in 24 C.F.R. Part 135. All Section 3 covered contracts shall include the following clause (referred to as the "Section 3 Clause"):

A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701 u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
B. The parties to this contract agree to comply with HUD's regulations in 24 C.F.R. part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
C. The contractor agrees to send to each labor organization or representative or workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. part 135.
E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 C.F.R. part 135.
F. Noncompliance with HUD's regulations in 24 C.F.R. part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
G. With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act
(25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b) 24.

ENVIRONMENTAL COMPLIANCE: The borrower agrees to comply with the National Environmental Policy Act of 1969, and the HUD Environmental Review Procedures (24 C.F.R., Part 58) insofar as they might apply to the performance of the loan agreement.

HISTORIC PRESERVATION: The borrower agrees to comply with the historic preservation requirements set forth in the National Historic Preservation Act of 1966 (16 U.S.C. 470) and the Archaeological and Historic Preservation Act of 1974, Public Law 93-291, and the procedures set forth in 36 C.F.R., Part 800, insofar as they apply to the performance of the loan agreement.

ARCHITECTURAL COMPLIANCE: The borrower agrees to comply with any regulations issued by HUD pursuant to compliance with Section 504 of the Rehabilitation Act of 1973, 24 C.F.R. §8.22 (new construction) and §8.23 (existing building), which prohibits discrimination against the handicapped in any federally assisted program. The City shall provide to the borrower any necessary guidelines for compliance with that portion of the regulations in force during the loan agreement period. The borrower must also comply with the Fair Housing Act 24 C.F.R. §100.205. Section 504 uses Uniform Federal Accessibility Standards (UFAS) and Fair Housing Act uses American National Standards Institute (ANSI – 1986).

LEAD BASED PAINT REMEDIATION: Projects receiving funds from the Program must comply with Federal, State, and City lead-based paint regulations. All projects must have a lead-risk assessment done by an authorized company. The specific regulations are as follows:

Federal Regulations
EPA – 40 C.F.R. Part 745 and any other regulations issued pursuant to Section 403 of the Toxic Substances Control Act (TSCA) as amended by the Residential Lead-Based Paint Hazard Reduction Act of 1992.
OSHA – 29 C.F.R. Part 1910 and Part 1926.
HUD – 24 C.F.R. Part 35 especially Subparts B, G, H, J. K & R

State Statute
Department of Health – Minnesota Statutes, Section 144.9501 through Section 144.9509 (The Childhood Lead Poisoning Act).
Section 144.9504 deals with “lead orders” issued by the Commissioner of Health.
Section 144.9508 deals with “rules” prepared or adopted by the Commissioner of Health for addressing lead contamination and its abatement.

City of Minneapolis Ordinance
Chapter 240, Minneapolis Code of Ordinances – Enforcement authority granted to the City’s Department of Regulatory Services-Environmental Health Division, to enforce “lead orders” issued by the State. HUD regulations for lead paint have been in existence for many years, however, on September 15, 2000, new regulations became effective. The regs consolidate all of HUD’s existing regulations in one part of the Code of Federal Regulations (CFR), requires control of lead-contaminated dust associated with the presence of lead-based paint, requires clean up or clearance, and requires trained and certified lead paint professionals to assure that lead hazard control work is done safely.

For more detail information, refer to Attachment 7-A (Summary of Lead-Based Paint Requirements by Activity) and Attachment 7-B (Four Approaches to Implementing Lead Hazard Evaluation and Reduction).

CONTRACTING REQUIREMENTS
ATTACHMENT A

MINNEAPOLIS DEPARTMENT OF CIVIL RIGHTS

Small and Underutilized Business Enterprise Program (SUBP)

SPECIAL PROVISIONS FOR CONSTRUCTION CONTRACTS OR DEVELOPMENT PROJECTS WITH CITY ASSISTANCE IN EXCESS OF $100,000

I. PURPOSE

These provisions explain the City of Minneapolis Small and Underutilized Business Enterprise Program (SUBP) requirements applicable to covered contracts, the process the Minneapolis Department of Civil Rights (MDCR) will follow to evaluate the developer's contractor's efforts to obtain SUBP participation, the standards MDCR will use to measure compliance with these requirements, and the sanctions that may result from noncompliance with these requirements.

II. POLICY

It is the policy of the City of Minneapolis to provide equal opportunities to all contractors, and to redress the discrimination in the city's marketplace and in public contracting against minority-owned ("MBE") and women-owned ("WBE") business enterprises. The City of Minneapolis shall set contract goals for the participation of Minnesota Uniform Certification Program (Mn/UCP) certified MBEs and WBEs in the marketplace based upon their qualifications and availability. Firms certified by the Mn/UCP can be found at http://www.dot.state.mn.us/civilrights/. The city's marketplace includes the geographical area of the Minnesota counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright. Only firms in these counties will be counted towards meeting SUBP goals.

III. SUBP GOALS ON THIS PROJECT

The SUBP goals on this project are: ____% MBE ____% WBE

The developer's contractor must either meet the goals listed above or show that it made good faith efforts, as defined in Minneapolis Code of Ordinances, Section 423.90, to meet the MBE/WBE goals for this project. MDCR will determine whether the contractor has made adequate good faith efforts to meet the SUBP goals. If the contractor fails to meet the goals and does not demonstrate good faith efforts, the City may refuse to award or advance project assistance to the developer, among other things.

IV. REQUIRED DOCUMENTATION AND SUBMITTAL OF INFORMATION

The developer's contractor must list in the preconstruction booklet the MBEs and WBEs it intends to contract with and the respective subcontract amounts.

The developer's contractor must make every necessary and reasonable effort to subcontract with MBEs/WBEs.

The contractor must thoroughly document its efforts to solicit and incorporate MBE/WBE participation in order to meet the SUBP goals.

If the preconstruction booklet demonstrates and MDCR has verified, sufficient MBE/WBE participation to meet the SUBP goals, the contractor must include with the preconstruction booklet the following:

Bidders List. The Bidders List must include all MBE/WBE and non-MBE/WBE subcontractors, sub-consultants, service providers or suppliers that submitted a bid or quote for the project. It also indicates which firms the contractor proposes to use.

If the preconstruction booklet does not demonstrate, or MDCR could not verify, sufficient MBE/WBE participation to meet the SUBP goals, the contractor must submit, within three (3) business days after submitting the preconstruction booklet, documentation demonstrating that the contractor made sufficient good faith efforts to meet the goals. The documentation must include the following:

1. *Bidders List*. The Bidders List must include all MBE/WBE and non-MBE/WBE subcontractors, sub-consultants, service providers or suppliers that submitted a bid or quote for the project. It also indicates which MBE/WBE firms the contractor proposes to use.

2. *Certificate of Good Faith Efforts*. The Certificate of Good Faith Efforts must list all MBE/WBE and non-MBE/WBE firms (including all subcontractors, sub-consultants, service providers, and suppliers) from which the contractor solicited bids or quotes for the project.

3. *Good Faith Efforts Affidavit*. The Good Faith Efforts Affidavit is a notarized document certifying the truth and accuracy of the information contained in the Certificate of Good Faith Efforts.

4. *Supporting Documentation to Demonstrate Good Faith Efforts*. The contractor must submit information that demonstrates its efforts to achieve the SUBP goals. The documentation must identify the actions taken to achieve the SUBP goals, including those listed in the section below entitled, "Good Faith Efforts Evaluation Where Goal Not Met." The information may include, but is not limited to, copies of solicitation letters, actual bids received, faxes, phone conversations, and emails to MBE/WBE firms.

V. FAILURE TO SUBMIT INFORMATION.

If the contractor fails to submit the required information by the due date, the City of Minneapolis may refuse to award or advance project assistance to the developer.

VI. IDENTIFYING THE LEVEL OF MBE AND WBE PARTICIPATION

The information provided by the contractor will be used to determine the total base bid amount of the contract. Each total base amount will be multiplied by the MBE/WBE percentage established for the project to determine the exact dollar amount of MBE/WBE goal participation (without rounding up) for the project. This amount will then be compared against the exact dollar amounts that the contractor has listed as MBE/WBE participation. If the total dollar amount of participation listed meets or exceeds the established MBE/WBE goal participation for the project, MDCR will determine that the goal has been met and good faith efforts will be presumed.

In addition, MDCR will determine the exact commitment percentage for each listed MBE/WBE by dividing the dollar amount listed for each MBE/WBE by the total base bid dollar amount. These individual percentages, when totaled for all listed MBE/WBE, will establish the total committed percentage level of MBE/WBE participation for the project.

In providing the exact dollar amount of participation for each listed MBE/WBE, the contractor should take care never to round up in determining whether or not the total of these amounts meets or exceeds the established percentage goal. The goals must be met or exceeded by dollar amounts and percentages for MDCR to determine that the contractor has met or exceeded the applicable SUBP goals.

Compliance with the SUBP goal will be determined on the base bid amount. If a bid or proposal contains alternates, MBE/WBE participation contained in any alternate will not count towards the project goal. However, should any designated alternate be selected by the developer for inclusion in the contract ultimately awarded the MBE/WBE goal percentage levels submitted, on the base amount, will also apply to the selected alternates. Thus, even though such participation will not be considered in evaluating bids or proposals, bidders or proposers are urged to consider MBE/WBE participation in preparing bids or proposals for designated alternates.

MDCR will utilize the following guidelines in determining the percentage of eligible business participation that will be counted toward the project goals:

a) If a business is not an MBE or WBE at the time of the execution of the contract, the business' participation toward any MBE/WBE project goals will not be counted.

b) The dollar value of work performed under a contract with a subcontractor after the subcontractor has ceased to be an MBE or WBE, as defined by Minneapolis Code of Ordinances, Chapter 423, will not be counted toward the project goals.

c) The participation of an MBE or WBE subcontractor toward the prime contractor's project goals will not be counted until the amount being counted toward the goals has been paid to the MBE/WBE.

d) When an MBE or WBE participates in a contract, the value of the work actually performed will be counted as follows:

    1) The entire amount of that portion of a construction contract that is performed by the MBE's/WBE's own forces, including the cost of supplies and materials utilized by the MBE/WBE for the work of the contract, including supplies purchased or equipment leased by the MBE/WBE (except supplies and equipment the MBE/WBE subcontractor purchases or leases from the prime MBE/WBE contractor or its affiliate).
    2) The entire amount of fees or commissions charged by the MBE/WBE for providing a bona fide service, such as professional, technical, consultant, or managerial services, or for providing bonds or insurance specifically required for the performance of a contract toward MBE/WBE project goals, provided that MDCR determines the fee to be reasonable and not excessive as compared with fees customarily allowed for similar services.
    3) When an MBE/WBE subcontracts part of the work of its contract to another business, the value of the subcontract work may be counted toward MBE/WBE project goals only if the MBE's/WBE's subcontractor is itself an MBE/WBE. Work that an MBE/WBE subcontracts to a non-MBE/non-WBE will not count toward MBE/WBE project goals.

e) When an MBE/WBE performs as a participant in a joint venture, MDCR will count a portion of the total dollar value of the contract equal to the distinct, clearly defined portion of the work of the contract that the MBE/WBE performs with its own forces toward MBE/WBE project goals.

VII. COMMERCIALLY USEFUL FUNCTION

MDCR will count expenditures of an MBE/WBE toward MBE/WBE project goals only if the MBE/WBE is performing a commercially useful function on that contract:

1) An MBE/WBE performs a commercially useful function when it is responsible for execution of the work of the contract and is carrying out its responsibilities by actually performing, managing, and supervising the work involved. To perform a commercially useful function, the MBE/WBE must also be responsible, with respect to materials and supplies used on the contract, for negotiating price, determining quality and quantity, ordering the material, installing (where applicable) and paying for the material itself. To determine whether an MBE/WBE is performing a commercially useful function, MDCR may evaluate the amount of work subcontracted, industry practices, whether the amount the MBE/WBE is to be paid under the contract is commensurate with the work it is actually performing, and other relevant factors.
2) An MBE/WBE does not perform a commercially useful function if its role is limited to that of an extra participant in a transaction, contract, or project through which the funds are passed in order to obtain the appearance of MBE/WBE participation. In determining whether an MBE/WBE is such an extra participant, MDCR may examine similar transactions, particularly those in which MBEs and WBEs do not participate, and other relevant factors.
3) If an MBE/WBE does not perform or exercise responsibility for at least 30 percent of the total cost of its contract with its own work force, or the MBE/WBE subcontracts a greater portion of the work of a contract than would be expected on the basis of normal industry practice for the type of work involved, MDCR may presume that it is not performing a commercially useful function.
4) When an MBE/WBE is presumed not to be performing a commercially useful function, the MBE/WBE may present evidence to rebut this presumption. MDCR may determine that the business is performing a commercially useful function given the type of work involved and normal industry practices, and other relevant factors.

VIII. GOOD FAITH EFFORTS EVALUATION WHERE GOALS NOT MET

If the contractor has not fully met the project goals, then it shall demonstrate its good faith efforts to do so. MDCR may consider the following list of actions when reviewing if the contractor solicited in good faith:

1) Soliciting through all reasonable and available means (attendance at pre-bid meetings, advertising and/or written notices) the interest of all MBEs/WBEs certified in the scopes of work of the contract. The contractor must solicit MBEs/WBEs in sufficient time prior to bid opening or the proposal deadline to allow MBEs/WBEs to respond to solicitations. The contractor must determine with reasonable certainty if the MBEs/WBEs are interested by taking appropriate steps to follow up on initial solicitations.
2) Selecting portions of the work to be performed by MBEs/WBEs in order to increase the likelihood that the project goals will be achieved. This includes, where appropriate, breaking out contract work into smaller units to facilitate MBE/WBE participation, even when a contractor might otherwise prefer to perform these work items with its own forces.
3) Providing interested MBEs/WBEs with adequate information about the plans, specifications, and requirements of the contract in a timely manner to assist them in responding to a solicitation.
4) The contractor must negotiate in good faith with interested MBEs/WBEs and provide written documentation of such negotiation with each such business. In determining whether the bidder or proposer negotiated in good faith, MDCR may consider a number of factors including price, scheduling and capabilities as well as the contract goal.

5) The fact that there may be some additional costs involved in finding and using MBEs/WBEs is not itself sufficient reason for the contractor's failure to meet the project goals as long as such costs are reasonable.
6) If requested by a solicited MBE/WBE, the contractor must make reasonable efforts to assist such MBEs/WBEs in obtaining bonding, lines of credit or insurance as required by the developer or by the contractor, provided that the contractor need not provide financial assistance toward this effort.
7) Effectively using the services of minority/woman community organizations; minority/woman contractors' groups; local, state and federal business assistance offices; and other organizations as allowed on a case-by-case basis to provide assistance in the solicitation and placement of MBEs/WBEs.

IX. POST-AWARD SUBSTITUTIONS

The developer's contractor shall not substitute any subcontractor listed in the preconstruction booklet without the prior written approval of MDCR. A substitution includes having someone or some entity other than the subcontractor listed in the preconstruction booklet performs the work of that subcontractor. A substitution is not allowed until both of the following occur: MDCR receives a written request for approval of the substitution, including the reasons for the substitution; and MDCR issues a written approval of the substitution.

The contractor must make good faith efforts to replace an MBE/WBE subcontractor that is unable to perform successfully with another MBE/WBE to perform the same scope of work. The contractor may request assistance from MDCR staff in replacing an MBE/WBE. Such assistance may include, but is not limited to, providing the contractor with information regarding the identification and availability of other MBE/WBEs.

X. PENALTIES FOR NONCOMPLIANCE WITH THESE SUBP SPECIAL PROVISIONS

Contractor compliance with the requirements of these SUBP Special Provisions is a material condition of performance of the developer's contract with the City, and therefore contractor's failure to comply with these SUBP Special Provisions shall be deemed a breach of the contractor's contract with the developer. If a developer, contractor, subcontractor, supplier, vendor or subrecipient does not make a good faith effort to fulfill its obligations under Minneapolis Code of Ordinances, Chapter 423 and these SUBP Special Provisions, or fails to materially comply with the provisions of Minneapolis Code of Ordinances, Chapter 423 and these SUBP Special Provisions, the City of Minneapolis or the developer, as applicable, may take the following actions wholly, partly, or in any combination:

a) Temporarily withhold cash payments pending correction of the deficiency.
b) Disallow the use of funds for all or part of the cost of the activity or action not in compliance.
c) Suspend or debar the developer, contractor, subcontractor, supplier, vendor or subrecipient as ineligible for all current or potential contracts.
d) Designate the developer, contractor, subcontractor, supplier, vendor or subrecipient as high-risk for future contracts and require of the developer, contractor, subcontractor, supplier, vendor or subrecipient increased reporting requirements, mandatory audits and similar measures.

CITY OF MINNEAPOLIS
DEPARTMENT OF CIVIL RIGHTS

BIDDERS LIST

The information on this form may be provided in an approved alternate format.

Project Name: _____

Prime Contractor _____

MBE Commitment % _____ WBE Commitment % _____

List all comparative quotes of participants performing on the project and participants that bid, including MBEs, WBEs and Non-MBEs and Non-WBEs.

Include Subcontractors, Suppliers, Sub-Consultants & Service Providers (Including Trucking).

Name, Contact Name and Phone number of Contractor	Check (√) Firms That Will Be Used	Description of Work	Dollar Amount of Subcontract/Quote
1.			
2.			
3.			
4.			
5.			
6.			
7			
8.			
9.			
10.			

Please indicate with a check mark (√) which subcontractors, suppliers, sub-consultants & service providers you will be using on the project.
(Make additional copies of this form as necessary.)

CITY OF MINNEAPOLIS
DEPARTMENT OF CIVIL RIGHTS

CERTIFICATE OF GOOD FAITH EFFORTS

Project Name _____

Prime Contractor _____

LIST YOUR SOLICITATION OF ALL SUBCONTRACTORS, SUB-CONSULTANTS, SUPPLIERS, AND SERVICE PROVIDERS
(Include all MBEs, WBEs, and others solicited)

Subcontractor/Supplier/Service Provider and Address	MBE	WBE	Telephone #	Dates, Method of Contact					Description of Work or Service to be Provided	Dollar Amount of Contract
				Date	Letter	Fax	Phone	*Other		
1.										
2.										
3.										
4.										
5.										
6.										
7.										
8.										
9.										

* Please indicate how subcontractors, suppliers, sub-consultants & service providers were contacted for a quote on this project: _____.

(Make additional copies of this form as necessary)

CITY OF MINNEAPOLIS
DEPARTMENT OF CIVIL RIGHTS

GOOD FAITH EFFORTS AFFIDAVIT

STATE OF _____)
)SS
COUNTY OF _____)

I, _____, being first duly sworn, state as
(Full Name)

follows:

1. I am the _____ of _____
(Title) (Name of Individual, Company, Partnership, or Corporation)

that has been identified as the apparent low bidder preliminarily selected for the City of Minneapolis Project/Contract:

_____.
(Project or Contract Name)

2. I have the authority to make this affidavit for and on behalf of the apparent low bidder preliminarily selected by the City of Minneapolis.

3. The information provided in the attached Certificate of Good Faith Efforts is true and accurate to the best of my belief.

Signed _____
(Bidder or authorized representative)

Subscribed and sworn to before me
This _____ day of _____, 20_____

_____
(Notary Public)

My commission expires _____, 20_____

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
PROGRESS REPORT FORM

AHTF MONTHLY PROJECT PROGRESS REPORT

Project		**AHTF Award Date**	
Address		**AHTF Award Amount**	
Developer		**CPED Coordinator**	
Report Preparer		**Report Date**	
Expected Closing Date		**TDC**	$ -

1. Status of committed funding, including tax credit and bond allocations

Committed Funding	Type: Equity, Grant or Loan	Award Date	Amount	Activity Notes: Funding award letter dates, funding agreement execution, future applications if partial awards were given
Source A				
Source B				
Source C				
Source D				
Source E				
Committed Funding Total			***$ -***	

2. Status of pending or contemplated funding applications to other funders

Applications to be Submitted	App. Due Date	Expected Award Date	Amount	Activity Notes: Meetings with funders, application prep. activities
Source 1				
Source 2				
Source 3				
Source 4				
Source 5				
Future Applications Total			***$ -***	
Sources Total			***$ -***	
Gap (TDC-Sources Total)			***$ -***	

3. Describe any recent meetings with possible funders and meeting outcomes

4. Summarize due diligence efforts including market research, property appraisal, and environmental assessment

5. Describe updates pursuing tax credit syndication (if applicable)

6. Describe progress drafting architectural and engineering plans

7. Summarize any progress pursuing or receiving development review approvals and/or building permit approvals

8. Describe progress on completing and submitting CPED Closing Checklist items

9. Please provide any other progress

ATTACHMENT 9
SELF-SCORING WORKSHEET

AHTF SELF-SCORING WORKSHEET*
Program: 2013 AHTF

Project: Type Name Here
Applicant: Your Name Here
Poverty Impacted or Non-Impacted: Type Status Here

ATTACHMENT 9, TABLE A: AHTF APPLICATION SCORING SUMMARY

RFP Reference Part II	AHTF Underwriting Standards (See RFP Program Part II)	Total Possible	Applicant's Proposed Scoring	Basis: Scoring Explanation with Application Section References
A.	**Financial Soundness and Management (20 point minimum threshold)**	*25 total*		*See Table B Below -->*
	CPED Underwriting (RFP Attachment 11)	10	0	
	% of Secured Funding	5	0	
	Management Plan Quality	5	0	
	Developer Experience	5	0	
B.	**Economic Integration**	20	0	
C.	**Ratio of Soft to Total Project Costs**	15	0	
D.	**Family Housing**	15	0	
E.	**Design Quality and Compatibility**	5	0	
F.	**Provision of Resident Services**	10	0	
G.	**Plan Conformance**	10	0	
H.	**Proximity to Transit and Jobs; Density**	20	0	
I.	**Project Based Section 8**	10	0	
J.	**Housing for Homeless (30% MMI)**	10	0	
K.	**Long-Term Affordability**	10	0	
M.	**Senior Housing**	15	0	
N.	**Neighborhood Support**	5	0	
O.	**Expiring Tax Credits**	5	0	
P.	**Leverage**	10	0	
Q.	**CHDO**	5	0	
R.	**Commercial or Community Corridor**	15	0	
	SUBTOTAL	***205***	***0***	
L.	**Impacted Area: Preservation, Rehab, or Stabilization**	10	0	
L.	**Non-Impacted Area: New Construction or Positive Conversion**	10	0	
	TOTAL WITH IMPACTED POINTS:	215	0	
	TOTAL WITH NON-IMPACTED POINTS:	215	0	

ATTACHMENT 9, TABLE B: AHTF Underwriting Analysis For Scoring (RFP Attachment 11)

Criteria No.	Underwriting Category & 402 Section on "App" Tab	AHTF Standard	Proposed	In Compliance? (Yes = 1, No = 0)
1	Cash flow	20 years		0
2	Debt Coverage Ratio (DCR, Sec. V.B., p.7)	1.05 - 1.25		0
3	Vacancy (Sec. IV.A.2, p. 5):	5-10%		0
4.a. & 4.b.	Income trend factor, Expense trend factor (Proforma tab, col. F.)	Income = 2% to 4%, Expenses 1.5 - 2% greater than income		0
5	Operating expenses (Sec IV.B.2 thru 4, p. 6)	$450-$550 /unit/mo.		0
6	Asset management fee (Sec IV.B.1, p. 6)	Min. $5000 annually, up to $25 /unit/mo.		0
7	Property management fee (B.1.b, p.6)	Up to $60 /unit/mo.		0
8	Replacement reserves, ongoing deposits (IV.B.6.b., p. 6):	$200-$250 /unit/year		0
9	Development fee	See RFP		0
10	Compliance w/ HOME maximum rents	See Attachment 2		0
	CPED Underwriting Subtotal			***0***
11	Support services as an ongoing operating expense	Identify County/DHS/HUD & other support services funding sources		
12	Property manager capacity & sufficiency of property management plan	Demonstrated previous experience		
13	Owner financial & org. capacity for asset mgt.	Demonstrated previous experience		
14	Financial statement review by Matthew H.			

*Note: The AHTF Program RFP trumps and supercedes the data in this attachment in the event that any data is inconsistent between the two documents

SMALL AND UNDERUTILIZED BUSINESS PROGRAM (SUBP) GOALS SETTING WORKSHEET

Instructions:

Fill in this worksheet with project summary information. **All fields marked by * are required.**
Then complete the work category worksheet on the other tab or tabs. CPED will Email the completed file to **roxanne.crossland@minneapolismn.gov.** Any incomplete forms may be returned to the sender for further input and may delay the calculation of the goals for your project.
City of Minneapolis Staff are to use the categories tab for goal setting request per internal policy.

Project Name*	
Project Address*	
Total Project Cost Estimate*	$
Funding Source*	Affordable Housing Trust Fund (Likely Federal Funds)
Submission Date to Civil Rights*	June 30, 2013
Estimated Bid Advertisement Date*	
Estimated Bid Date*	
Goals Requestor*	Matt Goldstein
Department*	CPED
Department Section/Group*	CPED Residential Finance
Requestor Email*	matt.golstein@minneapolismn.gov
Requestor Phone*	612.673.5075

CPED
WORK CATEGORIES

Instructions:
Enter aggregate value of bid items by work category. Blank categories will be assumed to be $0. Include any additional notes relevant to the project on the right. If a needed work category is not listed, contact ***roxanne.crossland@ci.minneapolis.mn.us*** ***BEFORE*** *submitting the goal request for guidance.*

AGRICULTURE, MINING, UTILITIES, AND CONSTRUCTION CATEGORY		VALUE	NOTES
AGRICULTURE			
111421	Nursery and Tree Production	$0	
561730	Landscape Services	$0	
MINING			
212319	Crushed and Broken Stone Mining and Quarrying	$0	
212321	Construction Sand and Gravel Mining	$0	
333131	Mining Machinery and Equipment Manufacturing	$0	
423810	Construction & Mining Machinery & Equipment (Except Oil Well)	$0	
532412	Construction, Mining, and Forestry Machine & Equipment Rental	$0	
UTILITIES			
221119	Other Electric Power Generation	$0	
221310	Water Supply and Irrigation Systems	$0	
CONSTRUCTION			
236115	New Single-Family Housing Construction	$0	
236118	Residential Remodelers	$0	
236210	Industrial Building Construction	$0	
236220	Commercial and Institutional Building Construction	$0	
237110	Water and Sewer Line and Related Structures Construction	$0	
237210	Land Subdivision	$0	
237310	Highway, Street, and Bridge Construction	$0	
237990	Heavy and Civil Engineering Construction	$0	
238110	Poured Concrete Foundation and Structure Contractors	$0	
238120	Structural Steel and Precast Concrete Contractors	$0	
238130	Framing Contractors	$0	
238140	Masonry Contractors	$0	
238150	Glass and Glazing Contractors	$0	
238160	Roofing Contractors	$0	
238170	Siding Contractors	$0	
238190	Foundation, Structure, and Building Exterior Contractors	$0	
238210	Electrical Contractors and Other Wiring Installation Contractors	$0	
238220	Plumbing, Heating and Air-Conditioning Contractors	$0	
238290	Building Equipment Contractors	$0	
238310	Drywall and Insulation Contractors	$0	
238320	Painting and Wall Covering Contractors	$0	
238330	Flooring Contractors	$0	
238340	Tile and Terrazzo Contractors	$0	
238390	Building Finishing Contractors	$0	
238910	Site Preparation Constractors	$0	
238990	All Other Specialty Trade Contractors	$0	
321911	Wood Window and Door Manufacturing	$0	
332312	Fabricated Structural Metal Manufacturing	$0	
332321	Metal Window and Door Manufacturing	$0	
332322	Sheet Metal Work Manufacturing	$0	
332323	Ornamental & Architectural Metal Work Manufacturing	$0	
332420	Metal Tank Manufacturing (Heavy Gauge)	$0	
333921	Elevator and Moving Stairway Manufacturing	$0	
337125	Household Furniture Manufacturing (Except Wood and Metal)	$0	
442210	Floor Covering Stores	$0	
442291	Window Treatment Stores	$0	
442299	All Other Home Furnishing Stores	$0	
443111	Household Appliance Stores	$0	
484110	General Freight Trucking (Local)	$0	
484220	Specialized Freight Trucking (Except Used Goods)	$0	
	Other (Please Specify)	$0	

AFFORDABLE HOUSING TRUST FUND UNDERWRITING STANDARDS

These underwriting standards are from the Interagency Stabilization Group's (ISG) Uniform Underwriting Standards. ISG was created in 1993 to encourage further coordination among affordable housing funders in Minnesota. Member agencies include MHFA, the Family Housing Fund, the Greater Minnesota Housing Fund, Hennepin County, Ramsey County, the City of St. Paul and the City of Minneapolis.

1. **Underwriting Period:** Underwriting projection period (to be shown on the cash flow): 20 years from stabilized occupancy.

2. **DCR:** Debt service coverage: 1.05 to 1.25

3. **Vacancy Rate:** Expected to range from 5% to 10% based on current market conditions.

4. **Income and expense trend factor:**
   a) Income trend factor: 2% to 4%
   b) Expense trend factor: 1.5 - 2% higher than income trend factor.

5. **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.

6. **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.

7. **Property Management Fee:** Up to $60 per unit per month based on size of development.

8. **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.

9. **Developer Fee:** Defined in the Part I, Section VIII of the RFP.

10. **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.

11. **Support Services, if applicable:** 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.

12. **Capacity of Property Manager and Quality of Property Management Plan:** 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 and should be guided by a sufficiently detailed property management plan that contains property and tenant management policies and procedures including security measures to maintain a safe living environment.

13. **Capacity of Owner:** Sufficient relevant experience and demonstrated, reliable financial and organization capacity to adequately execute its asset management responsibilities. This includes City review of audited and unaudited financial statements.

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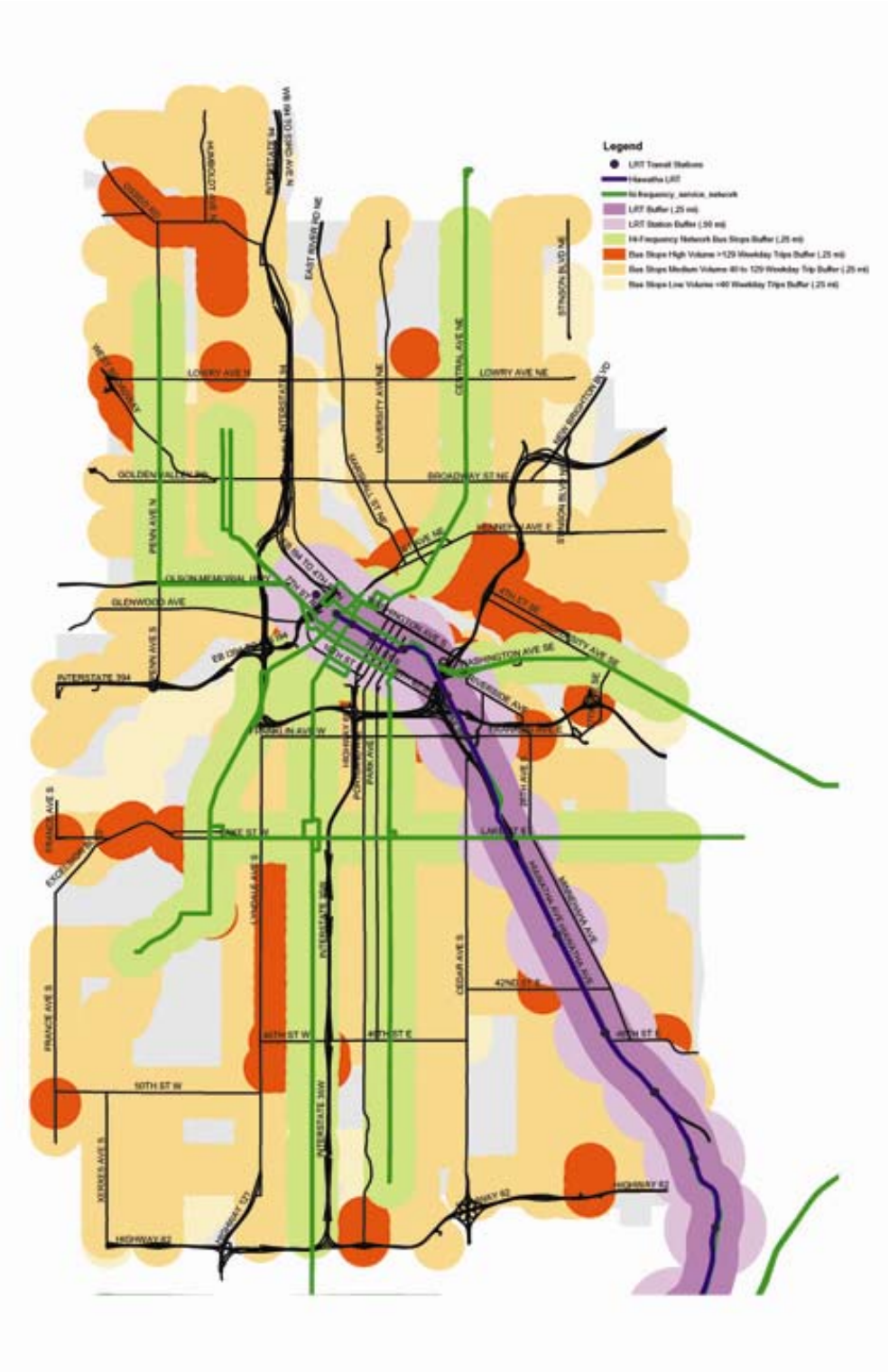
ILLUSTRATIVE TRANSIT MAP



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.

RECITALS, ACKNOWLEDEMENT, AND CONSENT FORM

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

Re:<ADD PROJECT NAME HERE> AHTF Application Recitals, Acknowledgement, and Consent

The undersigned, pursuant to representations made in that certain AHTF funding proposal submitted to the City of Minneapolis (the "Lender") on _____, 2013, by _____ (the "Borrower") for the project called _____ (the "Project") makes the following acknowledgements, certifications and/or commitments:

1. The undersigned is legally authorized to represent the Borrower or Borrowers with respect to all transactions pertaining to this proposal and all matters related to it;
2. Any and all action(s) by the undersigned is/are legally binding on the principal(s) and the Borrower or Borrowers being represented;
3. The Borrower or Borrowers identified below has/have complied, or will be able to comply, with all the requirements of the regulations which are a prerequisite with respect to participation in the program(s) selected, specifically, but not limited to the City's Contracting Requirements;
4. The Borrower or Borrowers has/have made a physical inspection of the property and, in his/her opinion, the site plan submitted conveys a concept which can be reasonably followed in practice;
5. The proposed construction will not violate recorded zoning ordinances or restrictions;
6. No information or data contained in the Project's AHTF funding proposal or in the exhibits or attachments submitted herewith, are in any way false or incorrect and that they are truly descriptive of the project or property which is intended as security for the proposed mortgage loan and/or is presented for consideration with respect to the request for approval of a CPED program;
7. The Borrower hereby consents to the release of its development proposal in response to the 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, and the foregoing consent and waiver does not extend to financial statements submitted under separate cover marked "confidential" which may be public data, but will be treated consistently with Minnesota Statutes Section 13.591;

8. If the City Council awards the above-referenced project monies from the Affordable Housing Trust Fund, monthly project progress reports in the form of Attachment 8 will be submitted to the CPED Multifamily project coordinator containing the following information:
    a. Status of pending or contemplated funding proposals to other funders;
    b. Meetings with each of the funders listed in the project funding sources and other possible funders
    c. Tax credit syndication and bond financing updates, if applicable
    d. Planning, development review, heritage preservation, and land use proposal progress updates
    e. Market research, environmental assessment, and related due diligence efforts
    f. Architectural plan status updates

9. In the event that the Borrower requests to complete a cost reasonableness study in lieu of completing a competitive bidding process as further described in the Bidding Procedures included in Attachment 5, the Borrower hereby consents to the City hiring a consultant chosen by the City at the City's sole discretion to complete the cost reasonableness study at the Borrower's sole cost; and

10. The Undersigned assures and agrees that:
    a. Pursuant to the regulations and the related requirements of CPED neither the Borrower or Borrowers identified below, nor anyone authorized to act on its/their behalf, will decline to sell, rent or otherwise make available any of the property or housing in the project, identified herein, to a prospective purchaser or tenant because of race, color, religion, sex or national origin;
    b. The Borrower or Borrowers identified below will comply with Federal, State and Local laws and ordinances prohibiting discrimination;
    c. Failure or refusal to comply with the requirements of either (a) or (b) shall constitute sufficient basis for the CPED Executive Director to reject requests for future business with the identified Borrower or Borrowers or to take any other action that may be appropriate; and
    d. Misrepresentation or failure to execute this certification may be cause for denial or revocation of a CPED program commitment.

BORROWER:

<INSERT BORROWER NAME HERE>

By: _____

Its: _____

Date: _____