Minneapolis
City of Lakes

NOAH Preservation Fund developer closing checklist

	Checklist Item	Process Phase Needed
1	Pre-application meeting with City staff (request meeting after connecting with a first mortgage lender about acquiring a building with at least 4 rental units)	Pre-Application
2	Application Form - complete application form including a firm commitment of the number of 50% AMI and 60% AM Iunits and of the affordability term. Changes are only allowed to increase # of affordable units or the affordability term.	Application
3	Sources & Uses Proforma using City template	Application
4	10-20 year Cash Flow analysis using City template	Application
5	Signed Purchase Agreement or Signed Purchase Option	Application
6	Current Rent Roll and Rent Roll from prior 6 months	Application
7	3 years management & operating expense records for property or a comp.	Application
8	Borrowers financial statements or GMHF Credit Committee Report	Underwriting
9	Commitment letter from a first mortgage/senior lender	Underwriting
10	Appraisal	Due Diligence
11	Affirmative Fair Housing Marketing Plan (AFHMP)	Due Diligence
12	Phase 1 environmental report	Due Diligence
13	Lead Paint testing report	Due Diligence
14	Asbestos testing report	Due Diligence
15	Lead and Asbestos O&M Manuals	Due Diligence
16	Property Management Agreement OR Resume of Prop Mgmt Experience if self-managing	Due Diligence
17	Zoning Letter	Due Diligence
18	Property insurance (policy endorsement and certificate) for 100% of replacement value of the property. From borrower showing the City as Mortgagee/Loss-Payee with a No-Coinsurance clause	Due Diligence
19	General liability (policy endorsement and certificate). $3M General Liability, $2M per occurrence. City named as additional insured. Umbrella policy allowed.	Due Diligence
20	Boiler insurance is a requirement of the City's mortgage if the property has a steam powered boiler	Due Diligence
21	Flood insurance is a requirement of the City's mortgage, but only when applicable to the property	Due Diligence
22	Workers compensation insurance (Policy endorsement and certificate) with statutory coverages unless exempt. There are limited exceptions to the workers' compensation requirement, which are listed in Minnesota Statutes 176.041 – www.revisor.mn.gov/statutes/cite/176.041. For example, some business owners are not required to carry workers' compensation insurance on themselves or certain relatives if specific requirements are met. Workers Compensation Certificate must be held by the entity that is operating the facility (i.e. the property management company or the owner if self managing).	Due Diligence
23	Organizational documents for the owner, either a Limited Partnership, LLC, or Corporation (includes filed articles of organization and any amendments, operating agreement or member control agreement)	Due Diligence
24	Authorizing resolution (Resolution executed by the requisite number of partners authorizing both the transaction and the execution of documents)	Due Diligence
25	Certificate of Good Standing from MN Secretary of State	Due Diligence
26	Developer Attorney Opinion Letter	Due Diligence
27	Affirmative Action Plan (AAP) w/Minneapolis Dept. of Civil Rights	Due Diligence
28	EIN (employer identification number). Go to SAM.gov Unique Entity Identifier Number - go to sam.gov and watch video https://www.youtube.com/watch?v=0uv1YNAsINk	Due Diligence
29	Title company verifies that they will accept ACH transfer (City requirement)	Due Diligence
30	Copy of a rental license for the property (will need to be re-registered by the new owner)	Due Diligence
31	Title commitment or property legal description	Closing Prep
32	Title Proformas (will come just before closing date)	Closing Prep
33	Vendor enrollment - Title Company set up as City of Minneapolis supplier in COMET	Closing Prep
34	Vendor enrollment - Borrowing entity set up as City of Minneapolis supplier in COMET	Closing Prep
35	Receive and pay invoice for the City origination fee - 1% of loan amount	Closing Prep
36	Title company information - contact info & mailing address	Closing Prep
37	Master Subordination Agreement (MSA) drafted by senior lender <u>or</u> borrower's attorney	Closing Prep
38	City's attorney drafts a Borrower Personal Guaranty if Borrower Equity is not ≥5%	Closing Prep

Minneapolis
City of Lakes

	Checklist Item	Process Phase Needed
39	Borrower's attorney reviews City loan documents (Loan Agreement and Exhibits, Note, Mortgage, Assigment of Leases and rents, Declaration of Covenants)	Closing Prep
40	All parties sign City loan documents (Loan Agreement and Exhibits, Note, Mortgage, Assigment of Leases and rents, Declaration of Covenants)	Closing Prep
41	Draw request exhibit from the loan documents completed and delivered to City staff	Closing Prep
42	Title Proformas provided (due to City in the days just before closing date)	Closing Prep
43	Closing settlement statement	Closing
44	Copies of all recorded documents provided to City (electronic)	Closing
45	Promissory Note (original hard copy) provided to City	Closing
46	Title Insurance Policy provided to City	Closing