**INCLUSIONARY ZONING
DECLARATION OF AFFORDABLE HOUSING COVENANTS
RENTAL UNITS**

By

_____

in favor of the

CITY OF MINNEAPOLIS

Dated as of: _____, 20_____

Relating to the:

_____**Project**

This instrument was drafted by:
Minneapolis City Attorney's Office (SAR)
505 Fourth Avenue South, Room 220
Minneapolis, Minnesota 55415
(612) 673-3000

Approved as to substance by:

_____
Manager, Residential Finance
Housing Policy and Development

THIS INCLUSIONARY ZONING DECLARATION OF AFFORDABLE HOUSING COVENANTS, is made on or as of the _____day of _____, 20____, by _____ _____, a _____("Developer"), having its offices at _____, in favor of the **City of Minneapolis**, a Minnesota municipal corporation ("City").

W I T N E S S E T H :

WHEREAS, in accordance with Chapter 550 of the Minneapolis Code of Ordinances and the affordability standards in the City's Unified Housing Policy, Developer is obligated to cause this Declaration to be recorded against the property described in Exhibit A attached hereto (the "Property"), imposing the affordability covenants set forth below; and

NOW, THEREFORE, in consideration of the premises and covenants hereinafter set forth, and of other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Developer agrees as follows:

SECTION 1. Definitions.

In this Declaration, unless a different meaning clearly appears from the context:

AFFORDABILITY PERIOD – A period commencing on the Completion Date and continuing for 20 years.

ANNUAL INCOME – "Annual Income," as defined at 24 CFR 5.609, which is the definition used for the "Section 8" program.

APARTMENT UNITS – _____ (_____) rental housing units and related improvements on the Property according to building permits issued by the City.

CERTIFYING ENTITY – means the City or its designated agent that is under contract with the City to provide income verification and compliance monitoring for rental IZ Units for a specified fee schedule to be charged directly to the owner of rental IZ Units.

CITY – The City of Minneapolis.

COMPLETION DATE – The date when construction of the Apartment Units upon the Property is completed and City has issued a certificate of occupancy for the Project.

COMPLIANCE MANUAL – The City of Minneapolis Inclusionary Zoning Compliance Manual for Owners and Managers of Affordable Rental Housing Units in effect as of the date of this Declaration as modified from time to time to the extent such modifications are noticed in writing to Developer and do not materially conflict with this Declaration or the Compliance Manual in effect as of the date of this Declaration.

ELIGIBLE STUDENTS – Students who are eligible for the federal Pell Grant.

ELIGIBILITY CERTIFICATION – A Certification of Tenant Eligibility substantially in the form attached as Exhibit C hereto or in such other form as may be approved by City, in which the prospective Qualifying Tenant certifies as to Annual Income. ***[or Pell grant eligibility, as applicable]***

HUD – The United States Department of Housing and Urban Development.

IZ PAGE – The City's web page for inclusionary zoning information at minneapolismn.gov/cped/inclusionaryzoning.

IZ UNITS – _____ (___) rental housing units in the Project, specifically _____ (___) SRO units, _____(___) efficiency units, _____ (___) one-bedroom units, _____ (___) two-bedroom units and _____ (___) three-bedroom units. ***[and/or _____ bedrooms in the Project.] (if Student Eligible Housing rented by the bedroom)***

MEDIAN FAMILY INCOME – The "Median Family Income" as most recently established by HUD for the Minneapolis/St. Paul standard metropolitan statistical area, adjusted for family size.

OTHER DOCUMENTS – Any agreement or deed containing covenants, conditions, or restrictions for the benefit of City, including any Development Contract or other agreement between City and Developer.

PROJECT – The Property and the Apartment Units.

PROPERTY – The real property located in Hennepin County, Minnesota, and legally described on Exhibit A attached hereto and made a part hereof.

QUALIFYING TENANTS – Those persons and households who shall be certified at initial occupancy by Developer to have combined adjusted Annual Income that does not exceed ***[60%/50%/30%]*** of the Median Family Income for the applicable calendar year [or, with respect to Student Eligible Housing, those persons and households who are Eligible Students]. For purposes of this definition, the occupants of an IZ Unit shall not be deemed to be Qualifying Tenants if all the occupants of such residential unit at any time are "students," as defined in Section 151(c)(4) of the Internal Revenue Code of 1986, as amended (the "Code"), not entitled to an exemption under the Code, unless all occupants of such IZ Unit are Eligible Students in Student Eligible Housing.

SHORT-TERM RENTALS – Apartment Units rented in periods of less than one month.

SRO - means single room occupancy sleeping room with shared bathroom or kitchen facilities.

STUDENT ELIGIBLE HOUSING – A Project that (i) provides on-site IZ Units, (ii) has not received financial assistance from the City and (iii) is located in the University Overlay District as designated by the City of Minneapolis' zoning code.

UTILITY PAYMENTS – Actual utility payments or a Utility Allowance paid by a tenant of an IZ Unit, excluding telephone.

UTILITY ALLOWANCE – The utility allowance approved by the Minneapolis Public Housing Authority for Section 8 housing as updated from time to time, provided that for Student Eligible Housing rented by the bedroom the appropriate utility allowance shall be 60% of the utility allowance for a zero-bedroom unit.

SECTION 2. Representations.

Developer represents to and for the benefit of City, that Developer has duly authorized, executed and delivered this Declaration pursuant to proper authorization therefor; that this Declaration constitutes a valid and binding obligation of Developer, enforceable in accordance with its terms, except only as such enforceability may be limited by bankruptcy, moratorium, reorganization or other laws, or principles of equity affecting creditors' rights and that the execution and delivery of this Declaration does not constitute a breach, violation or default under any law, regulation, order, judgment or ruling binding upon such party, or a default under any indenture, mortgage, agreement or other instrument to which Developer is subject or by which it or the Property is bound.

SECTION 3. Restrictions on Use.

A.   Developer agrees to develop, operate and manage the Project, including the IZ Units, according to the terms of this Declaration for the duration of the Affordability Period.

B.   During the Affordability Period, this Declaration shall constitute covenants running with the land and be binding on the successors and assigns of Developer and on all parties having or acquiring any rights, title, or interest in the Project.

C.   Rental of the Project shall be in accordance with the following:

   (a)   All occupants of the IZ Units shall be Qualifying Tenants and shall bear rents not greater than the current maximum Housing Tax Credit rents published by the Minnesota Housing Finance Agency (MHFA) for the **[*60%/50%/30%*]** income limits by number of bedrooms in the unit for Hennepin County adjusted by Section 3(C)(d) charges paid by the Qualifying Tenant or, if Student Eligible Housing rented by the bedroom, not greater than 60% of the current maximum rents published by MHFA for an efficiency unit at the **[*60%/50%/30%*]** income limit for Hennepin County.

   (b)   The IZ Units are identified by unit number on the initial rent schedule on the attached hereto as Exhibit B. In no event will City require the IZ Unit gross rents to be set lower than the rents listed on Exhibit B.

   (c)   Developer may not refuse to lease an Apartment Unit in the Project to a prospective tenant because the prospective tenant is a Section 8 certificate or voucher holder, or a participant in any other tenant-based assistance program. Notwithstanding Section C(a) above, Developer may charge more than such rent limits for a household using rental assistance as permitted by the assistance program as long as the household using the rental assistance is not paying more than 30 percent of the household's monthly adjusted income.

   (d)   City may review rents and other charges or allowances annually for consistency with this Declaration. The limitations on rents imposed by this Section 3 includes rent, services and Utility Payments or monthly allowances for services and other non-

optional charges. Developer must provide tenants with not less than 30 days prior written notice of increases in rents.

(e)   The determination of whether an individual or household is a Qualifying Tenant shall be made at the time the tenancy commences in accordance with the Compliance Manual.

(f)   (1)   All leases of IZ Units shall contain clauses, among others, wherein each individual tenant: (i) certifies the accuracy of the statements made in its application and Eligibility Certification (as defined in Section 4 hereof); and (ii) agrees that the household income at the time the lease is executed shall be deemed a substantial and material obligation of the tenant's tenancy, that the tenant will comply promptly with all requests for income and information relevant to determining low or moderate income status from Developer or City, and that the tenant's failure or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of the tenant's tenancy; and (iii) is put on notice that subletting of such IZ Unit is strictly prohibited, except as approved by the City consistent with the City's Compliance Manual.

        (2)   The form of lease to be utilized by Developer in renting any IZ Units in the Project to any person who is intended to be a Qualifying Tenant shall provide for termination of the lease and consent by such person to eviction upon 30 days' notice for failure to qualify as a Qualifying Tenant as a result of any material misrepresentation made by such person with respect to the Eligibility Certification defined below.

(g)   Developer shall retain all records related to compliance with this Declaration for a minimum of six (6) years after termination of the Affordability Period. Developer shall permit any duly authorized representative of City to inspect the books and records of Developer related to compliance with this Declaration. Developer also agrees to provide City, upon request, copies of any leases for the IZ Units and access to the Project and IZ Units for on-site inspections, subject to the legal rights of tenants in such IZ Units. Developer agrees to submit any other information, documents or certificates requested by City which City deems reasonably necessary to substantiate continuing compliance with the provisions specified in this Declaration.

(h)   Developer must contract directly with the Certifying Entity and, upon annual invoicing, pay the Certifying Entity for income eligibility verification services for new tenants as well as any additional monitoring deemed necessary by the City to determine Project compliance with this Declaration. Certifying Entity fees will be consistent with the fee schedule published by the City on the City's IZ Page and updated annually.

(i)   Tenants of the IZ Units must not be charged fees that are not customarily charged in rental housing, such as laundry room access fees.

(j)   Developer shall comply with the Compliance Manual and provide evidence of compliance to City upon request.

(k)   For the duration of the Affordability Period, Developer shall not rent IZ Units in such a way as to permit master leasing of Short-Term Rentals. Developer shall not be in default of this provision if a tenant of an individual IZ Unit leases such IZ Unit as a Short-Term rental so long as the lease for such IZ Unit prohibits such activity and Developer is using reasonable means to enforce such provision. Developer covenants not to locate the IZ Units on floors of the Development that have Apartment Units master leased as Short-Term Rentals.

SECTION 4. Certification of Tenant Eligibility.

As a condition to initial occupancy, each person who is intended to be a Qualifying Tenant shall be required to sign and deliver to Developer an Eligibility Certification, confirmed by the Developer consistent with the requirements of the City's Compliance Manual. In addition, such person shall be required to provide whatever other information, documents or certifications are deemed necessary by City or Certifying Entity to substantiate the Eligibility Certification along with requests for voluntary information. Eligibility Certifications will be maintained on file by Developer with respect to each Qualifying Tenant who resides in an IZ Unit or resided therein during the immediately preceding calendar year.

Developer agrees to comply with the Minnesota Government Data Practices Act and all other applicable state and federal laws relating to data privacy or confidentiality. A form for collecting tenant information that meets these requirements is available from City upon request. Developer shall immediately report to City any requests from third parties for information relating to identifying information of tenants in the IZ Units. City agrees to promptly respond to inquiries from Developer concerning data requests. Developer agrees to hold City, its officers, department heads and employees harmless from any claims resulting from Developer's unlawful disclosure or use of data protected under state and federal laws unless such disclosure was done at the direction of City.

SECTION 5. Fair Housing Policy

Developer shall use affirmative fair housing marketing practices in soliciting renters, determining eligibility, and concluding all transactions as addressed in Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988, as well as the fair housing protections provided by the Minnesota Human Rights Act, which adds creed, marital status, status with regard to public housing, and sexual orientation, and any applicable City Civil Rights ordinances. In part, regarding rental housing issues, Title VIII, the Human Rights Act, and applicable City Civil Rights ordinances make it unlawful to: (i) discriminate in the selection/acceptance of applicants in the rental of housing units; (ii) discriminate in terms, conditions or privileges of the rental of a dwelling unit; (iii) engage in any conduct relating to the provision of housing that otherwise makes unavailable or denies the rental of a dwelling unit; (iv) make or publish (or have anyone else make or publish) advertisements that indicate preferences or limitations based on race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, familial status, or sexual orientation; (v) tell a person that because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, familial status, or sexual orientation, a dwelling unit is not available when it is; and (vi) deny access to, or membership or participation in, associations or other services

organizations or facilities relating to the business of renting a dwelling or discriminate in the terms or conditions of membership or participation.

Developer will be required to affirmatively market the availability of all Apartment Units. IZ Unit availability opportunities are required to be advertised on HousingLink concurrent with other public or private advertising for a minimum of 10 consecutive days.

SECTION 6. Annual Report.

(1) Annual Report. Developer covenants and agrees that during the term of this Declaration, it will prepare and submit to City, on or before March 31 of each year, a certificate substantially in the form of Exhibit D hereto, executed by Developer and: (a) identifying the tenancies and dates of occupancy or vacancy for all Qualifying Tenants in the IZ Units, or held vacant and available for occupancy by Qualifying Tenants, at all times during the year preceding the date of such certificate; and (b) describing all transfers or other changes in ownership of the Project or any interest therein; and (c) representing that Developer was not otherwise in default under this Declaration during such year.

(2) Notice of Non-Compliance. Developer will immediately notify City if, at any time during the term of this Declaration, the IZ Units in the Project are not occupied or available for occupancy as required by the terms of this Declaration.

SECTION 7. Restrictions on Sale of the Project.

Developer covenants and agrees that Developer will cause or require as a condition precedent to any conveyance, transfer, assignment, or any other disposition of the Apartment Units prior to the termination of this Declaration (a "Transfer") that the transferee of the Apartment Units pursuant to the Transfer assume in writing, in a form reasonably acceptable to the City, all duties and obligations of Developer under this Declaration, including this Section, in the event of a subsequent Transfer by the transferee prior to termination of this Declaration provided herein (the "Assumption Agreement"). Developer will deliver the Assumption Agreement to the City prior to the Transfer. Further, Developer covenants and agrees that it will not Transfer the Apartment Units to any transferee that (i) owns any rental housing properties in the City of Minneapolis with a Tier 3 rental license; (ii) has a history of rental license revocations with the City or (iii) has any current outstanding housing orders with the City. Provided Developer can demonstrate to the City's satisfaction that there are no uncured defaults by the Developer at the time of the Transfer or the transferee assumes liability for any uncured defaults of Developer (whether known or unknown), the City will release the Developer from all further obligations hereunder.

SECTION 8. Covenants: Binding Upon Successors in Interest.

It is intended and agreed that the covenants provided in this Declaration shall be covenants running with the land and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, be binding on Developer, the successors and assigns of Developer, and all parties having or acquiring any right, title, or interest in all or any part of the Project. This Declaration shall be enforceable against all such parties to the fullest extent permitted by law and equity for the benefit and in favor of City, its successors and assigns. It is expressly agreed and acknowledged that: Developer may not amend this Declaration without the express written consent of the City; the covenants provided in this Declaration are in addition to the provisions of any Other Documents; this Declaration shall not be deemed to limit or merge into any Other Documents or

vice versa; this Declaration shall survive the expiration or termination of any of Other Documents; and the satisfaction or release of any Other Documents shall not be deemed to a satisfaction or release of this Declaration.

SECTION 9. <u>Remedies for Default.</u>

In the event of any default, failure, violation, or any other action or inaction by Developer specified in this Declaration, City, at its option, may, after written notice to Developer and 30 days opportunity to cure, institute such actions or proceedings at law or in equity as it may deem desirable for effectuating the provisions of this Declaration, including without limitation third-party enforcement of Certifying Entity fees, withholding, conditioning, suspending or revoking any permits, license, approval or other entitlement for the Property, including without limitations, certificates of occupancy as well as actions for specific performance, extension of the Affordability Period, damages, and injunctive relief, and including also any remedy allowed under the terms of any Other Documents. Developer hereby further acknowledges that City cannot be adequately compensated by monetary damages in the event of any default hereunder. In any action or proceeding to enforce its rights under this Declaration in which City ultimately prevails, City shall be entitled to the recovery from Developer of reasonable attorneys' fees.

SECTION 10. <u>Hold Harmless</u>

Developer will indemnify and hold harmless (without limit as to amount) the City and its elected officials, officers, employees and agents in their official capacity (hereinafter collectively referred to as "Indemnitees"), and any of them, from because of or by reason of any and all claims, demands, suits, actions, judgments and executions for damages of any and every kind and by whomever and whenever made or obtained, allegedly cause by, arising out of or relating in any manner to Developer's operation of the Project or the IZ Units, or Developer's performance or non-performance under this Declaration, and shall protect and defend Indemnitees, and any of them with respect thereto, except to the extent caused by the gross negligence or willful misconduct of the City. The provisions of this section shall survive expiration or other termination of the Declaration or any release of part or all of the Property from the burdens of this Declaration and the provisions of this section shall remain in full force and effect.

Notwithstanding the foregoing, if the United States Department of Housing and Urban Development ("HUD") is ever deemed the "Owner" of all or part of the Project, HUD shall not be subject to the indemnification provisions contained in this Section 10. HUD prohibits and does not authorize any expenditure which would violate 31 USC 1341 (the "Anti-Deficiency Act"). Any provision of this Declaration which violate(s)(d) the Anti-Deficiency Act, in the past, present or future, will not be enforced against HUD. Notwithstanding any other provision of this Agreement, HUD whether in the capacity of subsidy provider, loan insurer, lender, owner, lessee or mortgagee in possession, shall have no obligation of reimbursement, indemnity, or holding harmless, of any nature whatsoever, to any governmental entity, private entity, person or party, either now or in the future. Any and all indemnity provisions, however, shall apply to any subsequent purchaser from HUD.

SECTION 11. <u>Recordation</u>

This Declaration shall be properly recorded against the Property at the expense of Developer in the official real estate records of Hennepin County, Minnesota. In the event Developer fails to properly and timely record, the City may record this Declaration against the Property on Developer's behalf and Developer shall pay or reimburse the City all fees and expenses incurred by the City to facilitate such recording on Developer's behalf.

SECTION 12. <u>Notices and Demands</u>.

A notice, demand, or other communication under this Declaration by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

     A.   in the case of Developer, is addressed to or delivered personally to Developer at:

             _____

             _____

             _____

             Attention: _____

     B.   in the case of City, is addressed to or delivered personally to City at:

             City of Minneapolis
             Department of Community Planning and Economic Development
             Public Service Building, Room 320
             505 Fourth Avenue South
             Minneapolis, Minnesota 55415
             ATTENTION: Director

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section.

SECTION 13. <u>Indemnification</u>.

Developer hereby indemnifies and agrees to defend and hold harmless City from and against all liabilities, losses, damages, costs, expenses (including attorneys' fees and expenses), causes of action, suits, allegations, claims, demands and judgments of any nature arising from the consequences of a legal or administrative proceeding or action brought against them, or any of them, on account of any failure by Developer to comply with the terms of this Declaration, or on account of any representation or warranty of Developer contained herein being untrue.

SECTION 14. <u>Agent of the City</u>.

City shall have the right to appoint an agent to carry out any of its duties and obligations hereunder and shall inform Developer of any such agency appointment by written notice.

SECTION 15. <u>Severability</u>.

The invalidity of any clause, part or provision of this Declaration shall not affect the validity of the remaining portions thereof.

SECTION 16. <u>Governing Law</u>.

This Declaration shall be governed by the laws of the State of Minnesota and, where applicable, the laws of the United States of America.

(Signature pages follow.)

[Signature page to Inclusionary Zoning Declaration of Affordable Housing Covenants]

_____,

a _____

By _____

_____

Its: _____

STATE OF MINNESOTA   )
) ss.
COUNTY OF HENNEPIN   )

The foregoing instrument was acknowledged before me this _____ day of _____,
20____, by _____, the _____ of _____, a
_____, on behalf of the _____.

_____
Notary Public

This instrument was drafted by:
Minneapolis City Attorney's Office (SAR)
505 Fourth Avenue South, Room 220
Minneapolis, MN 55415

**EXHIBIT A
TO INCLUSIONARY ZONING
DECLARATION OF AFFORDABLE HOUSING COVENANTS**

LEGAL DESCRIPTION

EXHIBIT B
TO INCLUSIONARY ZONING
DECLARATION OF AFFORDABLE HOUSING COVENANTS

INITIAL RENT SCHEDULE

Unit #	Unit Size or/Individual Bedroom with number of Affordable Bedrooms specified	Maximum Rent

EXHIBIT C
TO INCLUSIONARY ZONING
DECLARATION OF AFFORDABLE HOUSING COVENANTS

CERTIFICATION OF TENANT ELIGIBILITY

TENANT INCOME CERTIFICATION

Effective Date: _____
Move-in Date: _____
(MM/DD/YYYY)

☐ Initial Certification   ☐ Recertification   ☐ Other_____

PART I. DEVELOPMENT DATA

Property Name: _____   County: _____   BIN #: _____

Address: _____   Unit Number: _____   #Bedrooms: _____

PART II. HOUSEHOLD COMPOSITION

HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	F/T Student (Y or N)	Last 4 Digits of Social Security No. if applicable
1						
2						
3						
4						
5						
6						
7						
8						

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

HH Mbr #	(A) Employment or Wages	(B) Social Security/Pensions	(C) Public Assistance	(D) Other Income
TOTALS	$	$	$	$

Add totals from (A) through (D), above   TOTAL INCOME (E): $

PART IV. INCOME FROM ASSETS

HH Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
	TOTALS:		$	$

Enter Column (H) Total
   If over $5,000 $_____   X Current Passbook Rate =   (J) Imputed Income $

Enter the greater of the total of Column (I) or (J): imputed income   **TOTAL INCOME FROM ASSETS (K)** $

(L) Total Annual Household Income from All Sources [Add (E) + (K)] $

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full-time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

_____   _____   _____   _____
Signature   *(Date)*   Signature   *(Date)*

_____   _____   _____   _____
Signature   *(Date)*   Signature   *(Date)*

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Revised 1/1/20

PART V. DETERMINATION OF INCOME ELIGIBILITY

TOTAL ANNUAL HOUSEHOLD
INCOME FROM ALL SOURCES:
From item (L) on page 1 $

Designated Income
Restriction:
❏ 80% ❏ 70% ❏ 60%
❏ 50% ❏ 40% ❏ 30%
❏ 20% ❏ ___%

RECERTIFICATION ONLY:
Designated Income Limit x 140%:
$ _____

Current Income Limit per Family Size: $ _____

Household Income at Move-in: $ _____

Household Size at Move-in: _____

Household is over income at recertification:
❏ Yes ❏ No

PART VI. RENT

Tenant Paid Rent:	$ _____	Unit Meets Rent Restriction at:

❏ 80%   ❏ 70%   ❏ 60% ❏ 50% ❏ 40%
❏ 30%   ❏ 20%   ❏ _____ %

Utility Allowance: $ _____

Rental Assistance: $ _____

Other non-optional charges and mandatory fees: $ _____

Gross Rent For Unit (See Instructions): $ _____

Is the source of the Rental Assistance Federal? ☐ Yes   ☐ No   *If No, what is the source of the assistance?* _____

If Yes, identify the type of Federal Rental Assistance:

☐ HUD Multi-Family Project-Based Rental Assistance (PBRA)
☐ HUD Section 8 Moderate Rehabilitation
☐ Public Housing Operating Subsidy
☐ HOME Tenant Based Rental Assistance (TBRA)

☐ HUD Housing Choice Voucher (HCV-tenant based)
☐ HUD Project-Based Voucher (PBV)
☐ USDA Section 521 Rental Assistance Program
☐ Other Federal Rental Assistance _____

PART VII. STUDENT STATUS

ARE ALL OCCUPANTS FULL-TIME STUDENTS? ❏ Yes ❏ No	If yes, enter Student Explanation* and attach documentation Enter 1-5	*Student Explanation 1. TANF assistance 2. Previously in state foster care system 3. Job Training Program 4. Single parent/dependent child 5. Married/joint return

PART VIII. PROGRAM TYPE

Mark the program(s) listed below (a. through e.) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification.

a. Housing Credit ❏	b. HOME ❏	c. Tax-exempt Housing Bond ❏	d. National HTF ❏	e._____ ❏ *(Name of Program)*
See Part V above.	*Income Status* ❏ ≤ 50% AMGI ❏ ≤ 60% AMGI ❏ ≤ 80% AMGI ❏ OI**	*Income Status* ❏ 50% AMGI ❏ 60% AMGI ❏ 80% AMGI ❏ OI**	*Income Status* ❏ 30%/Poverty line ❏ 50% AMGI ❏ OI**	*Income Status* ❏ _____ ❏ _____ ❏ OI**

** Upon recertification, household was determined over-income (OI) according to eligibility requirements of the program(s) marked above.

SIGNATURE OF OWNER/REPRESENTATIVE

Based on the representations herein and upon the proofs and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of Section 42 of the Internal Revenue Code, as amended, and the Land Use Restriction Agreement (if applicable), to live in a unit in this Project.

_____   _____
SIGNATURE OF OWNER/REPRESENTATIVE   DATE

Revised 1/1/20

INSTRUCTIONS FOR COMPLETING
TENANT INCOME CERTIFICATION

This form is to be completed by the owner or an authorized representative.

Part I. Development Data

Check the appropriate box for Initial Certification (move-in), Recertification (annual recertification), or Other. If Other, designate the purpose of the recertification (i.e., resyndication, a unit transfer, a change in household composition, or other state-required recertification).

Move-in Date	Enter the date the tenant has or will take occupancy of the unit.
Effective Date	Enter the effective date of the certification. For move-in, this should be the move-in date. For annual recertification, this effective date should be no later than one year from the effective date of the previous (re)certification. For acquisition/rehabilitation where existing tenants are being initially certified within 120 days of the date of acquisition, the effective date is the date of acquisition. Otherwise the effective date is the date the existing household signs the TIC.
Property Name	Enter the name of the development.
County	Enter the county (or equivalent) in which the building is located.
BIN #	Enter the building identification number (BIN) assigned to the building (from IRS Form 8609).
Address	Enter the address of the building.
Unit Number	Enter the unit number.
# Bedrooms	Enter the number of bedrooms in the unit.

Part II. Household Composition

List all occupants of the unit. State each household member's relationship to the head of household by using one of the following coded definitions:

H	-	Head of household	S	-	Spouse
A	-	Adult co-tenant	F	-	Foster child(ren)/adult(s)
C	-	Child	O	-	Other
L	-	Live-in caretaker			

Enter the date of birth, student status, and Social Security number or alien registration number for each occupant.

If there are more than eight (8) occupants, use an additional sheet of paper to list the remaining household members and attach it to the certification.

Part III. Annual Income

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income, including acceptable forms of verification.

From the verification forms obtained from each income source, enter the gross amount anticipated to be received for the 12 months from the effective date of the (re)certification. Complete a separate line for each income-earning member. List the respective household member number from Part II.

Column (A)	Enter the annual amount of wages, salaries, tips, commissions, bonuses, and other income from employment; distributed profits and/or net income from a business.

Column (B)	Enter the annual amount of Social Security, Supplemental Security Income, pensions, military retirement, etc.
Column (C)	Enter the annual amount of income received from public assistance (i.e., TANF, general assistance, disability, etc.).
Column (D)	Enter the annual amount of alimony, child support, unemployment benefits, or any other income regularly received by the household.
Row (E)	Add the totals from columns (A) through (D), above. Enter this amount.

Part IV. Income from Assets

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income from assets, including acceptable forms of verification.

From the third-party verification forms obtained from each asset source, list the gross amount anticipated to be received during the 12 months from the effective date of the certification. List the respective household member number from Part II and complete a separate line for each member.

Column (F)	List the type of asset (i.e., checking account, savings account, etc.).
Column (G)	Enter C (for current, if the family currently owns or holds the asset) or I (for imputed, if the family has disposed of the asset for less than fair market value within two years of the effective date of (re)certification).
Column (H)	Enter the cash value of the respective asset. Cash value is the market value less expenses involved in converting the asset to cash.
Column (I)	Enter the anticipated annual income from the asset (i.e., savings account balance multiplied by the annual interest rate). Anticipated income is the market value multiplied by the interest rate for the asset.
TOTALS	Add the total of Column (H) and Column (I), respectively.

If the total in Column (H) is greater than $5,000, you must do an imputed calculation of asset income. Enter the Total Cash Value, multiply by current passbook rate and enter the amount in (J), Imputed Income.

Row (K)	Enter the greater of the total in Column (I) or (J).
Row (L)	Total Annual Household Income from All Sources Add (E) and (K) and enter the total.

HOUSEHOLD CERTIFICATION AND SIGNATURES

After all verifications of income and/or assets have been received and calculated, each household member age 18 or older <u>must</u> sign and date the Tenant Income Certification. For move-in, it is recommended that the Tenant Income Certification be signed no earlier than five (5) days prior to the effective date of the certification.

Part V. Determination of Income Eligibility

Total Annual Household Income from All Sources	Enter the number from item (L).
Current Income Limit per Family Size	Enter the Current Move-in Income Limit for the household size at the designated income limit for that unit.

Household Income at Move-In	For recertifications only. Enter the household income from the move-in certification.
Household Size at Move-In	On the adjacent line, enter the number of household members from the move-in certification.
Household Meets Income Restriction	Check the appropriate box for the income restriction that the household meets according to what is required by the minimum set-aside(s) for the project, including the specific unit designation for Average Income Test developments.
Current Income Limit x 140% *(170% for Deep Rent Skewed)*	For recertifications only. Multiply the Current Maximum Move-in Income Limit by 140% (170% for Deep Rent Skewed) and enter the total. Below, indicate whether the household income exceeds that total. If the Gross Annual Income at recertification is greater than 140% (170% for Deep Rent Skewed) of the current income limit, then the available unit rule must be followed. For units designated at 50 percent or below in Average Income Test developments, use 60% limit for Current Income Limit.

Part VI. Rent

Tenant Paid Rent	Enter the amount the tenant pays toward rent (not including rent assistance payments such as Section 8).
Utility Allowance	Enter the utility allowance. If the owner pays all utilities, enter zero.
Rental Assistance	Enter the amount of rent assistance, if any.
Other Non-Optional Charges	Enter the amount of non-optional charges, such as mandatory garage rent, storage lockers, charges for services provided by the development, etc.
Gross Rent for Unit	Enter the total of tenant paid rent plus utility allowance and other non-optional charges.
Source of Rental Assistance	Check whether the rental assistance is provided under a federal rental assistance program. If so, check the type of federal rental assistance in one of the boxes below. If the rental assistance is not provided under a federal rental assistance program, indicate the source of the assistance.
Unit Meets Rent Restriction at	Check the appropriate rent restriction that the unit meets according to what is required by the minimum set-aside(s) for the project, including the specific unit designation for Average Income Test developments.

Part VII. Student Status

If all household members are full-time* students, check "yes." If at least one household member is not a full-time student, check "no."

If "yes" is checked, the appropriate exemption must be listed in the box to the right. If none of the exemptions apply, the household is ineligible to rent the unit.

Full time is determined by the school the student attends.

Part VIII. Program Type

Mark the program(s) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification. If the property does not participate in the HOME Investment Partnerships (HOME) program, Tax-Exempt Housing Bond, Housing Trust Fund (HTF), or other housing program, leave those sections blank.

Tax Credit	See Part V above.
HOME	If the property receives financing from the HOME program and the unit this household will occupy will count toward the HOME program set-asides, mark the appropriate box indicting the household's income designation for purposes of HOME.

Housing Bond   If the property receives financing from the tax-exempt Housing Bond program, mark the appropriate box indicating the household's income designation for purposes of the Housing Bond program.

HTF   If the property receives financing from HTF and this household's unit will count towards the HTF set-aside requirements, mark the appropriate box indicting the household's income designation for purposes of HTF.

Other   If the property participates in any other affordable housing program, complete the information as appropriate.

SIGNATURE OF OWNER/REPRESENTATIVE

It is the responsibility of the owner or the owner's representative to sign and date this document immediately following execution by the resident(s).

The responsibility of documenting and determining eligibility (including completing and signing the Tenant Income Certification form) and ensuring such documentation is kept in the tenant file is extremely important and should be conducted by someone well trained in tax credit compliance.

These instructions should not be considered a complete guide on tax credit compliance. The responsibility for compliance with federal program regulations lies with the owner of the building(s) for which the credit is allowable.

EXHIBIT D
TO INCLUSIONARY ZONING
DECLARATION OF AFFORDABLE HOUSING COVENANTS

ANNUAL COMPLIANCE FORM

City of Minneapolis - CPED
Inclusionary Zoning Compliance Form

Project Name

Project Address

# of Affordable Units

# of Total Units

Owner

Property Manager

Monitoring Year

UNIT INFORMATION		TENANT INFORMATION		MOVE IN ELIGIBILITY						RENT								
Unit #	# BRs	Tenant Name	Race (Select from list below)	AHC Approval Date	Move In Date	Move Out Date	Household Size at Move-in	Income at Move-in	Household Meets Lowest Income Restriction at % AMI	Tenant Paid Rent Amount	Rental Assistance Amount	Please Indicate Rental Assistance: PBA, TBA, Other	Utility Allowance Amount	Other Non-Optional Charges	Gross Rent	Max Rent	Unit Rent Restricted at % AMI	Comments
													$ -					
													$ -					
													$ -					
													$ -					
													$ -					
													$ -					
													$ -					
													$ -					
													$ -					

Select all that apply:

African American; African; Black; and/or of African descent or the African diaspora

American Indian; Native American; Alaska Native; Native Hawaiian; and/or indigenous to North America

Asian/Pacific American; Asian/Pacific Islander (API); and/or of API descent or the API diaspora

Latinx; Hispanic; and/or indigenous to Central or South America

Middle Eastern/North African (MENA); and/or or MENA descent or the MENA diaspora

Of European descent; and/or White

Other/not listed