## EXHIBIT D

**Declaration of Land Use Restrictive Covenants**

**Additional Selection Restrictions**

**Selection Restrictions through 8609**

Project must comply with the provisions checked below. Compliance will be assessed during issuance of IRS Form 8609(s) once the Project is placed in service.

**1. Financial Readiness to Proceed/Leveraged Funds:**

Project received points based on submitted permanent funding commitments\* at the below indicated levels, stating the amount, terms and conditions of the funding and executed or approved by the lender or contributor and the applicant.

(\*Funding secured, awarded or committed as presented in the Project’s application and Self-Scoring Worksheet.)

15.1% or more  10.1 - 15%  5.10%

**2. Intermediary Costs:**

Intermediary Costs (soft costs) must not exceed the percentage (rounded to the nearest tenth) of the Total Development Cost (TDC) as presented in the Project’s application and Self-Scoring Worksheet, as indicated below:

0.0 – 15%  15.1 – 20%  20.1 – 25%

25.1 – 30%  30.1% and over

**3. Cost Containment:**

HRA has awarded selection points to the Project based on submitted development costs as presented in the Project’s application and Self-Scoring Worksheet. **Failure to keep Project costs under the applicable cost threshold identified in the Minnesota Housing Cost Containment Methodology will be considered an unacceptable practice and result in negative points being awarded in the applicant’s next HTC application submission, in accordance with the HTC Procedural Manual.**

The Cost Containment threshold for this Project is $       per/unit.

**4. Transit/Density**

Project is located within a ½ mile of high-frequency transit or within ½ a mile of park and ride and transit stops served by express routes.

**5 Historic Building (9% projects only)**

Building(s) in the Project conform with the Secretary of Interior’s Standards for Rehabilitation and are either listed individually or as part of a historic district on the National or State Historic Register.

**6. Preservation of Critical Affordable Units at Risk of Loss (4% projects only)**

The Project preserves long term affordability in projects with existing federal or local funds at risk of loss within 5 years as identified in the Project’s selected application and Self-Scoring Worksheet.

**7. HRA Land/HRA/City Loan**

Project is located on land owned by Saint Paul HRA.

Project has an existing outstanding HRA/City debt obligation.

**8. New Construction of Affordable Family Housing**

Project is located in a Qualified Census Track

Project is not located in a Qualified Census Track

**Selection Restrictions throughout the term of the Declaration**

**MINIMUM THRESHOLD REQUIREMENTS**

The Project must comply with the provisions checked below for the full term of the Declaration.

**9.**  New construction or Substantial Rehabilitation in which, for the term of the Declaration, at least 75% of the total HTC Units are single room occupancy, efficiency, or one-bedroom units with rents affordable to households whose income does not exceed 30% of the Area Median Income (“AMI”);

New construction or Substantial Rehabilitation family housing projects that are not restricted to persons 55 years or older and in which, for the term of the Declaration at least 75% of the total HTC Units contain two or more bedrooms and at least one-third of the 75% contain three or more bedrooms;

Substantial Rehabilitation of existing housing in a neighborhood targeted by the Minneapolis or Saint Paul for revitalization

**10.** Projects that are not restricted to persons of a particular age group and in which, for the term of the Declaration a percentage of the HTC Units are set aside and rented to persons:

With a serious and persistent mental illness as defined in Minnesota Statutes § 245.462, Subdivision 20, paragraph (c);

With a developmental disability as defined in United States Code, Title 42, Section 6001, paragraph (5), as amended;

Who have been assessed as drug dependent persons as defined in Minnesota Statutes § 254A.02, Subdivision 5, and are receiving or will receive care and treatment services provided by an approved treatment program as defined in Minnesota Statutes § 254A.02, Subdivision 2;

With a brain injury as defined in Minnesota Statutes § 256B.093, Subdivision 4, paragraph (a); or

With permanent physical disabilities that substantially limit major life activities, if at least 50% of the units in the Project are accessible as provided under Minnesota Rules Chapter 1341.

**11. Preserve Existing Subsidized Housing:**

Project, whether or not restricted to persons of a particular age group, preserves existing subsidized housing, if the use of HTC is necessary to (a) prevent conversion to market rate use; or (b) to remedy physical deterioration of the Project which would result in loss of existing federal subsidies.

**SELECTION CRITERIA**

The Project must comply with the provisions checked below for the full term of the Declaration.

**12. Qualified Non-Profit General Partner:**

A Qualified Nonprofit Organization (as defined in Section 42(h)(5)(C) of the Code) owns an interest in the Owner and will materially participate in the development and operation of the Project throughout the term of the Declaration. The qualified nonprofit organization’s primary service area is the Cities of Minneapolis and/or St. Paul.

**13. Permanent Supportive Housing for Homeless:**

[ ] HTC Units in the Project will be set-aside and rented tohomeless household prioritized for permanent supportive housing by Hennepin County Homeless Coordinated Entry system and the Owner will provide supportive services to tenants occupying the units.

Homeless Unit Relief Provisions

If, for a particular Homeless Unit(s) the necessary rental assistance or operating support (collectively “Homeless Unit Subsidy”) is (i) withdrawn or terminated due to reasons not attributable to the actions or inactions of Owner; (ii) such withdrawal or termination materially adversely impacts the financial feasibility of the Project; (iii) alternative funding is unavailable; and (iv) the Project is otherwise in full compliance with all the terms of the funding for the Project, Owner may petition the Board to eliminate its requirements for the affected Homeless Unit(s). Such petition will contain all material facts and supporting documentation substantiating owner’s request including, but not limited to, items (i), (ii) and (iii) above. Upon confirmation of such facts, which such confirmation will not be unreasonably withheld or delayed, Owner will no longer be required to treat such Homeless Unit(s) as Homeless Unit(s) but must convert the rents of those units to the 50% HTC rent limit, provided that more restrictive threshold, selection priority or funding requirements, if any, do not apply. If such conversion occurs, in order to retain the HTC allocation, the above described 50% HTC rent limit and the Section 42 minimum set-aside elected for the Project by Owner must be maintained for the remainder of the term of the Declaration.

If the Board, at any time in its sole discretion, determines that a Homeless Unit Subsidy may be available for the remainder of the term of the Declaration would not adversely affect the full availability of the HTC allocation and would permit the Homeless Unit(s) to again serve Households Experiencing Homelessness, then at the Board’s request Owner will promptly apply for such Homeless Unit Subsidy for the Homeless Unit(s), upon terms reasonably acceptable to such Owner, and if such Homeless Unit Subsidy is obtained, will again set aside such Homeless Unit(s), when and to the extent then available, to Households Experiencing Homelessness.

If, for a particular Homeless Unit(s), the necessary tenant support services funding is (i) withdrawn or terminated due to reasons not attributable to the actions or inactions of the owner; (ii) alternative funding or an alternative service provider is unavailable; and (iii) the Project is otherwise in full compliance with all the terms of the funding for the Project, Owner may petition the Board to modify its requirements for the provision of such tenant services for the affected Homeless Unit(s). Such petition will contain all material facts and supporting documentation substantiating Owner’s request including, but not limited to, items (i) and (ii) above. Upon confirmation of such facts, which such confirmation will not be unreasonably withheld or delayed, owner will modify such tenant support services for the affected Homeless Unit(s).

Owner agrees to comply with the reporting requirements contained in the HPH Rider to Declaration of Land Use Restrictive Covenants For Low-Income Housing Tax Credits.

**14. People with Disabilities (9% projects only):**

The units are not restricted to a particular age group and the Owner agrees that [ ] of the HTC Units in the Project will be set aside and rented to households for the term of the Declaration.

The units are set aside and rented to persons with any of the following disabilities:

a. A serious and persistent mental illness as defined in MN Statutes Section 245.462, Subdivision 20, Paragraph (c); or

b. A developmental disability as defined in United States Code, Title 42, Section 6001, Paragraph (5), as amended; or

c. Assessed as drug dependent persons as defined in MN Statute Section 254A.02, Subdivision 5, and are receiving or will receive care and, treatment services provided by an approved treatment program as defined in MN Statute Section 254A.02, Subdivision 2; or

d. A brain injury as defined in MN Statute Section 256B.093, Subdivision 4, paragraph (a); or

e. Permanent physical disabilities that substantially limit major life activities, if at least 50 percent of the units in the Project are accessible as provided under Minnesota Rules, Chapter 1341; or

f. HIV/AIDS or related illness.

**People with Disabilities (PDSC) Relief Provisions:**

If, for a particular People with Disabilities unit (“PDSC Unit(s)”), the necessary rental assistance or operating support (collectively, “PDSC Unit subsidy”) is (i) withdrawn or terminated due to reasons not attributable to the actions or inactions of Owner; (ii) such withdrawal or termination materially adversely impacts the financial feasibility of the Project; (iii) alternative funding is unavailable; and (iv) the Project is otherwise in full compliance with all the terms of the funding for the Project, Owner may petition the Board to eliminate its requirements for the affected PDSC Unit(s). Such petition will contain all material facts and supporting documentation substantiating the Owner’s request including, but not limited to, items (i), (ii) and (iii) above. Upon confirmation of such facts, which such confirmation will not be unreasonably withheld or delayed, Owner will no longer be required to treat such PDSP Unit(s) as PDSC Unit(s) but must convert the rents and incomes of those units to the 50 percent HTC rent and income limit; **provided that more restrictive threshold, selection priority or funding requirements, if any, do not apply**. If such conversion occurs, in order to retain the HTC allocation, the above described 50 percent HTC rent and income limit and the Section 42 minimum set-aside elected for the Project by Owner must be maintained for the remainder of the term of the Declaration.

If, for a particular PDSC Unit(s), the necessary tenant support services funding is (i) withdrawn or terminated due to reasons not attributable to the actions or inactions of Owner; (ii) alternative funding or an alternative service provider is unavailable; and (iii) the Project is otherwise in full compliance with all the terms of the funding for the Project, Owner may petition the Board to modify its requirements for the provision of such tenant services for the affected PDSC Units(s). Such petition will contain all material facts and supporting documentation substantiating owner’s request including, but not limited to, items (i) and (ii) of this paragraph. Upon confirmation of such facts, which such confirmation will not be unreasonably withheld or delayed, Owner will modify its provision of such tenant support services for the affected PDSC Unit(s) in a manner consistent with the Board’s modified requirements for the provision of tenant services for the PDSC Unit(s), **provided that more restrictive threshold, selection priority or funding requirements, if any, do not apply.**

If the Board at any time, in its sole discretion, determines that a PDSC Unit Subsidy may be available for the remainder of the term of the LURA, that would not adversely affect the full availability of the HTC allocation and would permit the PDSC Unit(s) to again serve People with Disabilities households, then at the Board’s request Owner will promptly apply for such PDSC Unit subsidy for the PDSC Unit(s), upon terms reasonably acceptable to such Owner, and if such PDSC Units subsidy is obtained, will again set aside such PDSC Unit(s), when and to the extent then available, to People with Disabilities needs qualifying individuals.

In addition, if the Board at any time thereafter, in its sole discretion, determines that PDSC Unit tenant support services funding may be available for the remainder of the term of the Declaration, that would not adversely affect the full availability of the HTC allocation and would permit the affected PDSC Unit(s) to again provide tenant support services to households targeting People with Disabilities, then at the Board’s request, Owner will promptly apply for such PDSC Unit tenant support services funding for the affected PDSC Unit(s), upon terms reasonably acceptable to Owner, and if such PDSC Unit tenant support services funding is obtained, will resume providing PDSC Unit tenant support services, when and to the extent then available, to People with Disabilities needs qualifying individuals.

**16. Smoke Free Buildings (9% projects only):**

The Owner agrees to institute and maintain a written occupancy policy prohibiting smoking of commercial tobacco (including the use of electronic delivery devices) in all of the units and all common areas within the building(s) of the Project. A non-smoking clause must be included in the lease for every unit/household. The Project must maintain the smoke-free policy for the term of the Declaration

**17. Eventual Tenant Ownership (9% projects only):**

At the end of the 15-year Compliance Period, the Owner agrees to transfer ownership and sell 100% of the HTC Units to eligible tenant buyers. The transfers shall be in accordance with the HTC Program Procedural Manual and the terms of the ownership plan submitted and accepted by HRA.

Until the time the HTC Units are purchased by qualified tenants or in the event the not all of the HTC Units are acquired by qualified tenants, Owner will extend the duration of low-income use for the full term of the Declaration.

**18. Long-Term Affordability**

The Owner agrees to extend the term of the Declaration as set forth below, with the period indicated beginning with the first day of the Compliance Period. Unless already waived in the Declaration, the Owner also agrees to waive its right to a qualified contract as set forth in Code Sections 42(h)(6)(E)(i)(II) and 42(h)(6)(F) (“Qualified Contract Provisions”).

The Owner agrees to extend the term of the Declaration to 45 years and agrees that the Qualified Contract Provisions do not apply to the Project.If requested by the Board, the Owner further agrees to record within six months after the date that is the 29th anniversary of the date of this Declaration a document provided by the Board if deemed necessary by the Board to ensure the 45-year term **(9% projects only)**.

The Owner agrees to extend the term of the Agreement to [ ] years and agrees that the Qualified Contract Provisions do not apply to the Project. **(4% projects only)**

The Owner agrees that the term of the Agreement is 30 years and agrees that the Qualified Contract Provisions do not apply to the Project. **(9% projects only)**

The Owner agrees that the term of the Declaration is 30 years and agrees that Qualified Contract Provisions do not apply to the Project for 20 years. **(4% projects only)**

**19**. **Substantial Renovation:**

Substantial renovation of a Project, whether or not restricted to persons of a particular age group, preserves existing subsidized housing at or below 50% AMI , if the use of HTC is necessary to (a) prevent conversion to market rate use; or (b) to remedy physical deterioration of the Project which would result in loss of existing federal subsidies.

**20. Substantial Renovation with Project-based Section 8:**

0 – 25% of the HTC units receive Project-based Section 8

25.1 – 50% of the HTC units receive Project-based Section 8

50.1 – 100% of the HTC units receive Project-based Section 8

**21. Large Family Units (4% projects only):**

At least 30% of the total HTC Units contain three or more bedrooms.

At least 50% of the total HTC Units contain three or more bedrooms.

Number of HTC Units with:

3 bedrooms

4 bedrooms

**22. Services, Programming and Amenities:**

The Owner agrees to provide the following services, programming and amenities to the tenants of the Project for the term of the Declaration:

After-school programming and/or ECFE

Information and Referral Services

Playground Equipment or Water Feature

Case Management

Health Care Services

Resident Association and/or Community Building

Self-reliance, Life Skills and/or Job-Training

Community Center

Other:

**23. Serves Tenants at or below 50% AMI (9% projects only):**

[ ] HTC Units will be restricted to households whose income does not exceed 50% AMI.

**24. Senior Housing:**

New construction or Substantial Rehabilitation in which at least 75% of the total HTC Units are single room occupancy, efficiency, or one-bedroom units are restricted to persons 55 years or older with rents affordable to households whose income does not exceed 30% AMI.

**25. Tenant Selection Plan:**

Rental deposit for each HTC unit shall not exceed more than one month’s rent.

Project will not deny rental applications based solely on the households previous rental history and credit history.